



# HOUSE OF REPRESENTATIVES FEDERAL REPUBLIC OF NIGERIA

## VOTES AND PROCEEDINGS

Wednesday, 23 August, 2006

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1. The House met at 2.20 p.m. Mr. Deputy Speaker read Prayers.
2. Votes and Proceedings:  
Mr Deputy Speaker announced that he had examined and approved the Votes and Proceedings of Thursday, 17 August, 2006.

*By unanimous consent, the Votes and Proceedings was adopted.*

3. Messages:  
Mr. Deputy Speaker read the following Messages from the President, Federal Republic of Nigeria:

(i)  
FEDERAL REPUBLIC OF NIGERIA

PRES/134

*The Honourable Speaker, House of  
Representatives, National  
Assembly Complex, Three  
Arms Zone, Asokoro - Abuja.*

*Dear Hon. Speaker,*

*Following my letters of September 9, 2005 and June 12, 2006 on Power Sector Development and 2006 National Population Census respectively (copies attached), I hereby present, for formal consideration and passage into law by the Senate, the attached Bill for an Act to provide for the issue out of the Consolidated Revenue Fund of the Federation an additional total sum of US\$1 ,062,591 ,071.85 for the funding of the Power Sector Projects in Nigeria and additional two days of the National Population Census 2006.*

*I hope the Bill will receive prompt attention of Honourable Members of the House.*

*Yours Sincerely,*

(Signed) OLUSEGUN  
OBASANJO



August 16, 2006



PRESIDENT,  
FEDERAL REPUBLIC OF NIGERIA

PRES/134

August 16, 2006

Alhaji Bello Aminu Masari,  
Honourable Speaker,  
House of Representatives,  
National Assembly Complex,  
Three Arms Zone,  
Abuja.

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Dear Hon. Speaker,

PROPOSAL FOR A CONCESSIONAL FACILITY OF USD2.5BILLION  
FROM CHINA FOR THE FINANCING OF MAJOR  
INFRASTRUCTURAL PROJECTS

I wish, to seek the understanding of House of Representatives for Nigeria to access a concessional facility of USD2.5billion (Two Billion, Five Hundred Thousand Million United States Dollars) from the Peoples Republic of China for the purpose of financing critical infrastructural projects in three sectors of the economy. The proceeds of the proposed facility will be applied as follows:

- |      |                                                                                               |                   |
|------|-----------------------------------------------------------------------------------------------|-------------------|
| (i)  | Construction of the first phase of a 2600MW Hydro-electric Power plant on the Mambila Plateau | ~ USD1.0 billion  |
| (ii) | Commencement of construction of the first phase of Standard Gauge Railway<br>billion          | = USD 1.0         |
| (Hi) | Implementation of Phase Two of the Rural Telephony and<br>N1CTIB Projects                     | = USDO. 5 billion |

Total = USD2.5billion

**FIRST PHASE OF THE MAMBILA HYDRO-ELECTRIC POWER PROJECT**

Honourable Members are very much aware that the power sector remains one of the greatest challenges to the overall success of our industrialization and poverty elimination programmes. Much of our capital budgets in 2005 and 2006 have targeted improvements in the generation, transmission and distribution capacities in our electricity sector, paripasu with the implementation of reforms aimed basically at attracting private sector investment into the sector. While much of the efforts are yielding the desired results, the fact that the sector had not received any meaningful investment for over 15 years up to year 2000, means that the level of investment necessary to bring the performance of the sector to near optimum would remain a major challenge for some time. Since the Chinese loan offer is concessional and has a tenor of over ten years, I am convinced that it is appropriate for funding such a vital project. However, in view of the other projects that will need to be financed under the facility, only USD1 billion can be allocated to fund part of the first phase of the project with a generation capacity of 2,600MW. With augmentation from the Budget, the phase can be delivered within 5 years.

**CONSTRUCTION OF FIRST PHASE OF STANDARD GUAGE RAILWAY**

A major constraint to our transportation system is the comatose state of our railway system, which is the cheapest mode of land transportation. A 25-year Master Plan for the development and expansion of our railway system was completed in 2001, but due to lack of resources, its implementation could not be commenced. With the Chinese offer, it will be possible to jump start the implementation of the plan by commencing the development of the tracks into standard gauge, while the curves gradients will be re-alligned and the allied communication and other gadgets will be modernized to ensure a train speed of not less than 150kph. USD 1 billion of the Chinese concessional facility will, therefore, be used to implement the first phase of the project, running from Apapa/Tin Can Island Port to Ibadan.

## SECOND PHASE OF THE RURAL TELEPHONY AND NICTIB PROJECTS

The first phase of the on-going rural telephony project is being implemented in 218 Local Government Areas (LGAs). The proposed Chinese loan will facilitate the completion of the project which has the potential of greatly enhancing the transformation of our rural communities as well as their productivity. Part of the facility will also help to bridge the financing gap in the provision of the National Information and Communication Technology infrastructure Backbone (NICTIB), which will, among others, facilitate the implementation of our e-government programme, USD0.5 billion of the facility is earmarked for the two projects.

### CONCLUSION

I want to let you know that we urgently need the Chinese facility. In the first place, much of the infrastructural projects to be financed have high import content and their funding with such a cheap facility would obviate the need to draw down on our external reserve, thereby enhancing the stability of the exchange rate of the Naira, among other benefits. The use of the Chinese facility will also assist us in keeping within the framework of our Policy Support Instrument with the Bretton Woods Institutions as it would relieve part of the burden which the implementation of the projects would have exerted on the Budget.

I will, therefore, be most delighted if the House will consider the strategic importance of the projects to be funded with the concessional facility and indicate its understanding accordingly.

Yours Sincerely,

Signed: OLUSEGUN  
OBASANJO

- (iii) Mr Deputy Speaker also read the following Communication from the Lagos State House of Assembly addressed to the Clerk, House of Representatives:



Office of the Clerk of the House, House of Assembly Complex, Alausa, Ikeja

Tel: 4961686

Ref/NO. LSHA/LM/C/84/VOL.V/U8

Date: 15<sup>th</sup> August, 2006

The Clerk to the House of Representatives,  
Office of the Clerk to the House of Representatives,  
National Assembly,  
National Assembly Complex,  
Three Arms Zone,  
Garki,  
Abuja.

### CALL ON THE FEDERAL GOVERNMENT TO EXECUTE THE FEDERAL SUPPORT AGREEMENT AND ISPO FOR LAGOS INFRASTRUCTURE PROJECT

I wish to convey to you the RESOLUTION of the Lagos State House of Assembly, passed at its Plenary Session held on Monday, 14th August, 2006 to the effect:

"That, whereas, the vehicular density in Lagos estimated at 220 vehicles/Km as against the national average of 11 vehicles/Km demands the existence of adequate and effective road infrastructure that will facilitate movement of goods and people, thus saving man hours lost in traffic and its attendant economic consequences;

Whereas, the Lagos State Government has taken a bold step at improving and increasing the stock and quality of roads through Public Private Partnership (PPP) by signing a concession agreement in order to upgrade and expand 48 Kilometers of Lekki/Epe Expressway and the first 20 Kilometers of the coastal road, through direct foreign investment;

Whereas, the foreign investment which is a private sector investment has been fully secured directly in consonance with the Federal Government policy of stimulating direct and strategic foreign investments, for national greatness;

Whereas, the House has enacted the 'Lagos State Roads Bridges and Highway Infrastructure Law, 2005 in furtherance of the conditions by the Consortium in partnership with her on the development of the road networks;

Whereas, the Consortium has since mobilized the contractors to site with the funds generated through their equity contribution;

Whereas, the Consortium has requested for execution of a Federal Support Agreement; and the issuance of an Irrevocable Standing Payment Order (ISPO) to be endorsed by the Federal Government, in order to access the total funds required for the project;

"This House do confirm its absolute support for the execution of the Road Project, as contained in the concession agreement; and also call on His Excellency, Chief Olusegun Obasanjo, (GCFR) President and Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria, to urgently direct the appropriate Federal agency to execute the required instruments, so that the Project does not suffer any delay".

(2) This resolution is hereby communicated to you for your information and further necessary action.

(3) A copy of the Votes and Proceedings containing the afore-stated resolution is attached herewith.

(4) Grateful, acknowledge the receipt, and accept my best regards for your esteemed person and Office.

(5) Thank you.

Signed: I. O. Ogayemi For:  
Perm Sec./Clerk of the House

#### 4. **Petitions:**

Four Petitions were received and referred to the Committee on Public Petitions.

ii) Hon. Leonard Ogor, from Rtd Major C. A. Odede praying the House to intervene in his alleged retirement under duress from the Nigerian Army and to grant the relief sought in his petition.

(ii) Hon. Njidda Gella, from Ahmed T. Mohammed praying the House to intervene in his alleged wrongful retirement from the service of the Nigerian National Petroleum Corporation (NNPC) with a view to re-instating him.

(iii) Hon. Charley Ugwu, from Nnadi Ernest O. praying the House to investigate the alleged unlawful termination of his appointment by the Power Holding Company of Nigeria Plc Enugu Zone and to re-instate him

(iv) Hon. Wale Oke, from A. A. Opaleye, praying the House to intervene in his alleged wrongful dismissal from the service of the Petroleum Pricing and Marketing Company (PPMC) with a view to re-instating him.

#### 5. **Presentation of Report:**

Joint Committee on Finance, Appropriations and Electoral Matters:

*Motion made and Question proposed*, "That the House do receive the Report of the Joint Committee on Finance, Appropriations and Electoral Matters on the Details of Releases made to the Independent National Electoral Commission (INEC) (Hon. Hamisu Shira).

*Question put and agreed to.*

*Report Laid.*

*Committee on Rules and Business ordered to list the Report for consideration and copies circulated to Members.*

#### 6. **Presentation of Bill:**

Financial Reporting Council Bill, 2006 (HB. 266) — *Read the First Time.*

#### 7. A Bill for an Act to Repeal the Statistics Act, 1957, Establish the National Statistics System, National Bureau of Statistics and for Matters Connected Therewith, 2006 (HB. 224) — *Second Reading.*

*Order read; deferred to next legislative day.*

**8. Consideration of Reports:**

(i) Committee on Petroleum Resources:

*Motion made and Question proposed:* "That this House do consider the Report of the House Committee on Petroleum Resources on the Alleged Fraudulent Underpayment of Crude Lifting by Shell Petroleum Development Company amounting to US\$3.2 Billion/Value for Money Audit and approve the Recommendations therein" (*Hon. Cairo Ojougboh*).

*Question put and agreed to.*

*Question that the House do resolve into the Committee of Whole to consider the Report, put and agreed to.*

**HOUSE IN COMMITTEE**

(Mr. Deputy Speaker in the Chair)

THE ALLEGED FRAUDULENT UNDERPAYMENT OF CRUDE LIFTING BY SHELL PETROLEUM DEVELOPMENT COMPANY AMOUNTING TO US\$3.2 BILLION/VALUE FOR MONEY AUDIT

*Debate:*

*Recommendations:*

(0 That Shell petroleum Development Company should be made to pay to the coffers of the Federal Government as follows:

|     | Description                                                                                                                                                      | Total Amount Involved |               |         |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------|---------|
| (a) | 6 Nos. claims jointly upheld for recovery<br>From shell Development Company (claims<br>3, 17, 24, 25, 52a, & 52b)                                                | 455,418,326           | 1,013,921     |         |
| (b) | 14 Nos. Deferred for top Management of<br>National Nigerian Petroleum Company/<br>Shell Petroleum Development Company<br>(2,4,5,7,15,18,20,34,40,42,46,50, & 51) | 259,591,169           | 3,319,985,289 | 150,000 |

(ii) That the House should recommend appropriate sanctions for the Minister of State for Petroleum Resources for aiding Shell Petroleum Development Company and deliberate refusal to appear before the Committee

(Hi) That the Cash-Call should not be released to Shell Petroleum Development Company until the company has completely paid its debts to the Federal Government in respect of the Value for Money Audit.

*Secretariat ordered to issue warrant to compel the attendance of the Minister of State for Petroleum Resources pursuant to Section 89(1)(d) of the Constitution of the Federal Republic of Nigeria, 1999.*

*Chairman to report proceedings.*

**HOUSE IN PLENARY**

Mr Deputy Speaker in the Chair, reported that the House in the Committee of Whole, considered the Report of the House Committee on Petroleum Resources on the Alleged Fraudulent Underpayment of Crude Lifting by Shell Petroleum Development Company amounting to US\$3.2 Billion/Value for Money Audit and directed that a warrant be issued to compel the attendance of the Minister of State for Petroleum Resources pursuant to Section 89(1)(d) of the Constitution of the Federal Republic of Nigeria.

*Question that the House do adopt the Report of the Committee of the Whole, put and agreed to.*

(ii) **Joint Committee on Petroleum Resources and Gas:**

*Motion made and Question proposed:* "That this House do consider the Report of the Joint Committee on Petroleum Resource and Gas on A Bill for an Act to Provide for the Change of Name of the Petroleum Technology Development Fund and the Re-Designation and Re-Enactment of the Petroleum Technology Development Act as the Petroleum and Minerals Technology Development Fund Act and for Other Related Matters" (HB.105), 2004 and approve the Recommendations therein" (*Hon. Cairo Ojougboh*).

*Order read; deferred.*

**(iii) Special Ad-Hoc Committee on Due Process:**

*Motion made and Question proposed;* "That this House do consider the Report of the Special Ad -Hoc Committee on Due Process on A Bill for an Act to Provide for the Establishment of the National Council on Public Procurement; the Bureau of Public Procurement as the Regulatory Authority Responsible for the Monitoring and Oversight of Public Procurement; and to Harmonize Existing Government Policies and Practices by Regulating, Setting Standards and Developing and Developing the Legal Framework and Professional Capacity for Public Procurement in Nigeria and for other Related Purposes, 2004 and approve the Recommendations Therein" (*Hon. Independence Ogunewe*).

Question put and agreed to.

*Question that the House do resolve into the Committee of Whole to consider the Report, put and agreed to.*

**HOUSE IN COMMITTEE (Mr.**

*Deputy Speaker in the Chair)*

A BILL FOR AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE NATIONAL COUNCIL ON PUBLIC PROCUREMENT; THE BUREAU OF PUBLIC PROCUREMENT AS THE REGULATORY AUTHORITY RESPONSIBLE FOR THE MONITORING AND OVERSIGHT OF PUBLIC PROCUREMENT; AND TO HARMONIZE EXISTING GOVERNMENT POLICIES AND PRACTICES BY REGULATING, SETTING STANDARDS AND DEVELOPING AND DEVELOPING THE LEGAL FRAMEWORK AND PROFESSIONAL CAPACITY FOR PUBLIC PROCUREMENT IN NIGERIA AND FOR OTHER RELATED PURPOSES, 2004

*Committee Recommendation:*

**Clause 1: Citation and objective.**

- (1) This Act may be cited as the Public Procurement Bill, 2006.
- (2) The object of this Act is to harmonise the processes of public procurement in Nigeria to ensure the judicious economic and efficient use of state resources in public procurement and to further ensure that public procurement are carried out in a fair, transparent and non discriminatory manner (*Hon. Independence Ogunewe*) — *Agreed to.*

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

*Committee Recommendation:*

**Clause 2: Establishment of the National Council on Public Procurement.**

- (1) There is hereby Established the National Council on Public Procurement (in this Act referred to as "the Council").
- (2) The Council shall consist of-
  - (a) the President, Commander in Chief, as Chairman;
  - (b) the Vice President;
  - (c) the Attorney General of the Federation and Minister of Justice;
  - (d) the Secretary to the Government of the Federation;
  - (e) National Security Adviser;
  - (f) the Head of Service of the Federation;
  - (g) the Minister of Finance;
  - (h) the Economic Adviser to the President, C-in-C;
  - (i) six part-time members, representing professional bodies, drawn from six geopolitical zones of the country, at least one of whom shall be a woman, appointed by the President; and

- (/) Director-General Bureau of Public Procurement, who shall be Secretary of Council.
- (3) Notwithstanding, the provisions of Section (2) above, the Council may co opt any person to attend its meetings.
- (4) Subject to the provisions of Section (2) above, a member of Council-
  - (a) being the holder of an elective office under the Constitution of Nigeria, shall hold office for the period he remains so elected and no more;
  - (b) being an appointee to the office which he holds by the nomination of the President, shall hold office for the period of his appointment; and
  - . \_ (c) being the Director General of the Bureau of Public Procurement shall hold office on such terms and conditions as may be specified in his letter of appointment (*Hon. Independence Ogunewe*) — *Agreed to.*

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

*Chairman to report progress.*

#### HOUSE IN PLENARY

Mr Deputy Speaker in the Chair, reported that the House in the Committee of Whole, considered the Report of the Special *Ad - Hoc* Committee on Due Process on A Bill for an Act to Provide for the Establishment of the National Council on Public Procurement; the Bureau of Public Procurement as the Regulatory Authority Responsible for the Monitoring and Oversight of Public Procurement; and to Harmonize Existing Government Policies and Practices by Regulating, Setting Standards and Developing and Developing the Legal Framework and Professional Capacity for Public Procurement in Nigeria and for other Related Purposes, 2004; and approved Clauses 1, 2, and deferred consideration till the next legislative day to enable Members peruse the Report.

*Question that the House do adopt the Report of the Committee of the Whole, put and agreed to.*

#### 8. Adjournment:

That this House do now adjourn till Thursday 24 August, 2006 at 10.00 a.m. (*Hon. Gilbert Nnaji*).

*Adjourned accordingly at 4:12 p.m.*

**Austin Opara**  
*Deputy Speaker*