



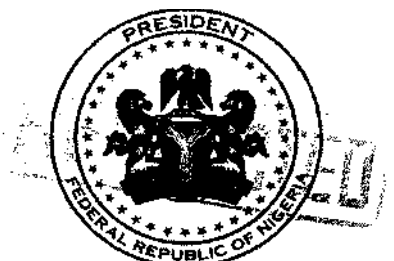
HOUSE OF REPRESENTATIVES FEDERAL REPUBLIC OF NIGERIA VOTES AND PROCEEDINGS

Wednesday, 3 December, 2008

1. The House met at 11.30 a.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 Tuesday, 2 December, 2008.

By unanimous consent, the Votes and Proceedings was adopted.

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



PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA

November 27, 2008

*Rt. Hon. Dimeji Bankole, CFR Speaker of
the House of Representatives, National
Assembly Complex, Three Arms Zone,
Abuja.*

Dear brother,

**APPROVAL OF THE NATIONAL ASSEMBLY TO ISSUE FGN
US\$500 MILLION NAIRA-DENOMINATED BOND IN THE
INTERNATIONAL CAPITAL MARKET (ICM)**

The Honourable House of Representatives may kindly wish to note that inline with my government's objectives, inter alia, of improving the well-being of our people, guaranteeing their security, providing infrastructure as engine of economic growth and creating an enabling environment for private sector participation in the economy, the Federal Government proposes to issue Nigeria's sovereign bond in the International Capital Market (ICM), to establish a sovereign benchmark. The benchmark issue of the Naira denominated Bond (in the equivalent of US\$500 million) will be for a tenor of 10 years.

In this respect, and in line with the recommendation of the Federal Executive Council, I wish to seek the approval of the House of Representatives for the issue.

The Honourable Members may wish to note that the advantages of accessing the ICM include:

- i. An ICM outing would be a means of raising substantial capital needed to finance infrastructure, and create, in line with the Seven-Point Agenda and NEEDS II, the right environment for private sector led growth;*
- ii. A sovereign bond issuance will serve as a benchmark for subsequent issues by the Federal Government, Sub-national Governments and, more importantly, the private sector;*
- iii. It will complement significantly, efforts being made to project Nigeria internationally as one of the strong emerging economies in the world;*
- iv. The bond will create more awareness about Nigeria in the international investor community particularly fund managers. This will provide a strong investor base for capital issues coming out of Nigeria whether it be from the public or private sector;*
- v. The experience gained from a global issue, will serve to improve skill sets in local parties that will be involved in the packaging of the issue, and, give closer insight to how the international capital markets operate. Such skills and knowledge would be brought to bear on future issues and possibly, serve to raise the standards in our local capital markets; and,*
- vi. The International Fund Managers and self-managed financiers (individuals and corporates) who wish to either take equity or provide credit facilities to parties interested in the PPPs, will need the benchmark to facilitate their decision and participation.*

Another pertinent consideration is the fact that it is the right time for Nigeria to approach the ICM through a bond issue for the following reasons:

- i. The many positive economic and political developments in Nigeria, as well as “the strong outlook for the economy, together, make a good case for high investor confidence.*
- ii. There is good investor appetite for emerging market debt instruments. The bond issues in 2007 by some countries in Africa (Ghana, Gabon, Republic of Congo) and Latin America (Peru, Columbia and Brazil) were well received. Similarly, the success of the US\$350 million and US\$175 million bond issuances by Guaranty Trust Bank and First Bank of Nigeria, respectively, in 2007, is also a good indicator for Nigeria.*

There are two available options in terms of the currency of issuance: a foreign currency issue or a Naira-denominated issue. The Honourable Members are invited to note that the latter is more likely to serve the nation's needs better because:

- i. It eliminates any foreign exchange risk, as the risk of exchange rate movements is transferred to the investor.*
- ii. It better meets the DMO's objective of deepening the local capital market through new products and a larger investor base.*
- iii. For a Naira-denominated issue, international financial institutions are willing to play a market maker role, which will be vital to attracting investors in the bond, since a market maker will provide liquidity and price stability for the bonds.*

Without prejudice to the policy stance of avoiding non-concessional borrowing by the Nigerian governments and their agencies, it is apparent that this is a special case, because of the benefits stated in Paragraphs. Moreover, the Fiscal Responsibility Act in Sectional (1) (a) makes exception for borrowing from the capital market in deserving cases, with the approval of the National Assembly.

The Honourable Members may wish to note that bond floatation in the ICM takes a minimum of four months after all necessary approvals have been obtained. There would be the need to appoint independent transaction and legal advisers, who will package the issuance and facilitate the appointment of the book-runners. In this respect, it becomes imperative to seek the approval of the National Assembly, separately from the approval of the Appropriation Bill, whilst recognising that the proposed issue is being explicitly captured in the Bill. Moreover, notwithstanding that the primary objective of this issue is to establish a benchmark, as the

As has been the practice of this administration to carry along the National Assembly in our policy decisions, I urge the Honourable House of Representatives to kindly consider and approve the issuance of the Naira denominated Bond in the equivalent of US\$500 million.

It is my sincere hope that the cordial and cultivated working relationship between the Legislature and the Executive will continue to flourish as we proceed jointly with the task of nation building.

Kindly accept the assurances of my highest consideration.

Yours sincerely,

(Signed)

UMARU MUSA YAR'ADUA

Message referred to a Conference of Chairmen and Deputies of the Committees on Appropriations, Finance, Works, Loans and Debt Management, Capital Market, and Justice to examine and advise the House.

(ii)



**PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA**

December 1, 2008

*The Hon. Speaker, House of
Representatives, National
Assembly Complex, Three Arm
Zone, Abuja.*

Dear Sir,

**PETROLEUM INDUSTRY BILL, 2008 FOR
ENACTMENT INTO LAW**

I hereby introduce for formal consideration and passage into Law by the House of Representatives the Petroleum Industry Bill, 2008.

While I hope that the Bill will receive the usual prompt attention of the Honourable Members of the House of Representatives, please accept the assurances of my highest consideration.

Yours sincerely,

(Signed)

UMARU MUSA YAR'ADUA

- (ii) Mr Deputy Speaker read a communication from the Honourable Minister of Finance:



FEDERAL MINISTRY OF FINANCE
Office of the Honourable Minister

P.M.B. 14, Garki
Central Area,
Abuja, Nigeria.

**:09-2340932
-2346928
Fax:09-2340903

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

Your Excellency,

**SUBMISSION OF VIREMENT PROPOSAL FOR SOME PROVISIONS IN THE 2008
AMENDMENT ACT FOR MINISTRIES, DEPARTMENTS AND AGENCIES**

I am pleased to forward herewith for your consideration the virement proposal in respect of:

- (i) *Highway Projects, Federal Ministry of Transportation; and*
 - (ii) *Metallurgical Projects, National Metallurgical Development Centre, Federal Ministry of Solid Minerals Development.*
2. *The summary of the virement proposals is as follows:*
- (i) **Federal Ministry of Transportation**
*In examining the performance of the 2008 Budget, it was discovered that some highway projects in the 2008 Budget have provisions in excess of what is required to complete such projects. Such funds will be utilized for other on-going projects which have due process certificates and for which the Contractors have submitted job completion certificates and are therefore awaiting payment. To utilize those allocations, a total of **₦12,512,660,884** is proposed to be vired from some road projects, to enable the Ministry move such monies to other road projects that are in need of more funds within this fiscal year. The virement proposal has been compiled in such a way as to ensure that the total allocation for each of the geopolitical zones in the budget remains the same.*
 - (ii) **National Metallurgical Development Centre**
*The 2007 allocation to Phase I of the Centre's projects lapsed before the end of the fiscal year, and the Centre wants to utilize the 2008 Appropriation amounting to **₦113 million** for the completion of Phase II. Specifically, the projects are Ironmaking Pilot Plant, Lead-Zinc Pilot Plant and Scanning Electron Microscope.*
3. *It is my hope that the National Assembly will approve the virement proposal expeditiously.*
4. *Please accept, Honourable Speaker, the assurance of my highest esteem.*

(Signed)

Dr Shamsuden Usman, OFR
Honourable Minister of Finance

Classification No.	Expenditure Items	2008 Budget Amendment (₦)	Amount Vired (₦)	Proposed 2008 Appropriation (Virement) (₦)
0490000	FEDERAL MINISTRY OF TRANSPORTATION			
	TOTAL ALLOCATION:	31,336,785,981		31,479,679,194
049000010001376	CONSTRUCTION OF CHIBOK/DAMBOA/MBALALA ROAD	500,000,000	-470,000,000	30,000,000
049000010001415	CONSTRUCTION OF KADUNA EASTERN BY-PASS, C/NO. 5346	3,190,224,329	-1,600,000,000	1,590,224,329
049000010001464	REHABILITATION OF MAINCHI ANKA ROAD IN ZAMFARA STATE	1,520,000,000	-1,488,805,432	31,194,568
049000010001406	ABAKALIKI- OFEREKPE ROAD	800,000,000	-657,558,608	142,441,392
049000010001357	REHABILITATION OF IHUBE - OKIGWE - UMUELEMAI - AMANZE ROAD	200,000,000	-126,670,226	73,329,774
049000010001398	ITU RIVER BRIDGE	673,223,548	-300,000,000	373,223,548
049000010001420	CONSTRUCTION OF BODO-BONNY ROAD WITH A BRIDGE ACROSS THE OPOBO CHANNEL, C/NO. 5662	2,500,000,000	-1,710,103,992	789,896,008
049000010001347	DUALIZATION OF MILLE 3 DIOBI- P/HARCOUT INT AIRPORT WTH SPUR TO EAGLE ISLAND C/NO. 5100	513,994,983	-363,994,983	150,000,000
049000010001422	CONSTRUCTION OF ELEME JUNCTION FLYOVER AND DUALISATION OF THE ACCESS ROADS TO ONNE PORT IN RIVERS STATE	1,500,000,000	-406,465,989	1,093,534,011
	DUALISATION OF ADO-EKITI-IFAKI-EKITI ROAD	1,000,000,000	-603,407,938	396,592,062
049000010001381	REHABILITATION OF AKUNGBA - IKARE - OMUO - KABBA WITH 2 NOS BRIDGES IN ONDO STATE	500,000,000	-460,514,727	39,485,273
	CONSTRUCTION OF OGBESE BRIDGE AT OKELUSEN IN ONDO STATE	500,000,000	-383,000,000	117,000,000
049000010001424	DUALIZATION OF IBADAN - ILORIN ROAD SECTION I (IBADAN - OYO)	3,100,000,000	-1,000,000,000	2,100,000,000
049000010001425	DUALIZATION OF IBADAN - ILORIN ROAD, SECTION II (OYO - OGBOMOSHO) CONTRACT NO. 1793A	2,799,245,777	-2,799,245,777	0
	NORTH-EAST		470,000,000	
	DUALIZATION OF KANO-MAIDUGURI, SECTION V) DANMATURU-MAIDUGURI AND SECTION I (KANO-SHUARIN)	0	470,000,000	470,000,000
	NORTH-WEST		3,088,805,432	
	CONSTRUCTION OF KANO WESTERN BYPASS	1,000,000,000	1,065,105,321	2,065,105,321
	FUNTA-GUSAU-SOKOTO SECTION II	850,000,000	905,339,523	1,755,339,523
	FUNTUA-YASHI-DA YI	1,050,000,000	1,118,360,587	2,168,360,587
	SOUTH-EAST		784,228,834	
	REHABILITATION OF OBIOZARA-UBRU- ISHLAGU ROAD	1,000,000,000	153,891,894	1,153,891,894
	REHABILITATION OF EKWULOBIA-OKO- IBINTA-NNOBI ROAD	400,000,000	61,556,757	461,556,757
	DUALIZATION OF ONITSHA OWERRI SECTION II	3,695,972,344	568,780,183	4,264,752,527
	SOUTH-SOUTH		2,923,458,177	
	REHABILITATION OF BENIN-SHAGAMU (BENIN-OFOSU SECTION)	2,088,000,000	2,923,458,177	5,011,458,177
	SOUTH-WEST		5,246,168,442	
	REHABILITATION/CONSTRUCTION OF IEBU IGBO-ARAROMI-IFE-SEKONA	956,125,000	1,000,000,000	1,956,125,000
	ADDENDUM TO DUALIZATION OF OTTA- ABEOKUTA ROAD	0	1,500,000,000	1,500,000,000

	DESIGN AND CONSTRUCTION OF OSSE BRIDGE 2 ON IFON-OSE RIVER BRIDGE	0	1,000,000,000	1,000,000,000
	COMPLETION OF THE REHABILITATION AND UPGRADING OF LAGOS SHAGAMU ROAD	1,000,000,000	1, 7 46, 1 68,442	2,746 168,442
0430607	NATIONAL METALLURGICAL DEVELOPMENT CENTRE, JOS			
	TOTAL ALLOCATION:	113,000,000	0	113,000,000
043060720030000	COMPLETION AND COMMISSIONING OF IRON MAKING PILOT PLANT	40,000,000	-40,000,000	0
		30,000,000	-30,000,000	0
043060720020000	COMPLETION OF LEAD-ZINC SMELTING PILOT PLANT AND INSTALLATION OF DUST & GAS CLEANING PLANT AND PILOT SULPHURIC ACID DISTILLATION PLANT	43,000,000	-43,000,000	0
043060720080000	SCANNING ELECTRON MICROSCOPE (THERMO-ELECTRON X-RAY ANALYSER) FOR METALLURGICAL FAILURE ANALYSIS			
		0	40,000,000	40,000,000
043060720030000	IRON MAKING PILOT PLANT			
043060720020000	LEAD-ZINC SMELTING PILOT PLANT	0	30,000,000	30,000,000
043060720080000	LEAD-ZINC SMELTING POT	0	43,000,000	43,000,000
	SCANNING ELECTRON MICROSCOPE WITH THERMO-ELECTRON X-RAY ANALYSER			

Referred to the Joint Committee on Appropriations and Works.

4. **Petition:**

The following petitions were received and referred to the Committee on Public Petitions:

- (i) Hon. Ogbuefi Gra Ozomgbachi (*Udi/Ezeagu Federal Constituency*), from C. C. Ezeabogu, praying the House to prevail on the Executive Arm of the Government to pay the arrears of his gratuity and pension allowance;
- (ii) Hon. Ogbuefi Ora Ozomgbachi (*Udi/Ezeagu Federal Constituency*), from Messrs Oba Maduabuchi and Co. Solicitors to Chidi Tangbo, praying the House to investigate the alleged torture and shooting of his client by the Nigeria Police Force, Abuja Command, causing him grievous body injuries resulting in his being hospitalized in Gwagwalada Specialist Hospital, Gwagwalada, Abuja and to ensure that justice is done in the matter.

5. **Matter of Privilege:**

Rising on Order V, Rule 4, Hon. Ibn Bala Na'Allah drew the attention of the House to a publication in the *Punch Newspapers* of Thursday, November 27, 2008 (page 9, titled "*War Against Drugs: NDLEA Woos Monarch, Others*") which alleged that a Member of the House of Representatives, and Chairman of Committee was an ex-convict of the offence of obtaining by false pretence (419). He noted that the allegation in the publication breached the collective privilege of the House as well as its connotation and his individual privilege as a Member and Chairman of the House Committee on Judiciary. He therefore prayed the House to look into the matter with a view to ascertaining the veracity of the allegation in the publication.

Matter referred to the Committee on Ethics and Privileges.

6. **Presentation of Bill:**

National Boundary Commission (Amendment) Bill, 2008 — *Read the First Time.*

7. **Need for the Restoration of Ferry Services between Idah in Kogi State and Agenebode in Edo State:**

Order read; deferred till the next Legislative Day.

8. A Bill for an Act to authorize the Issue from the Consolidated Revenue Fund of the Federation the total sum of N2,870,510,042,679 (Two Trillion, Eight Hundred and Seventy Billion, Five Hundred and Ten Million, Forty-Two Thousand, Six Hundred and Seventy-nine Naira) only, of which N140,693,160,103 (One Hundred and Forty Billion, Six Hundred and Ninety-Three Million, One Hundred and Sixty Thousand, One Hundred and Three Naira) only, is for Statutory Transfers, N283,649,892,795 (Two Hundred and Eighty-Three Billion, Six Hundred and Forty-Nine Million, Eight Hundred and Ninety-Two Thousand, Seven Hundred and Ninety-Five Naira) only is for Debt Service, N1,649,429,453,681 (One Trillion, Six Hundred and Forty-Nine Billion, Four Hundred and Twenty-Nine Million, Four Hundred and Fifty-Three Thousand, Six Hundred and Eighty-One Naira) only is for Recurrent (Non-Debt) Expenditure while the balance of N796,737,536,101 (Seven Hundred and Ninety-Six Billion, Seven Hundred and Thirty-Seven Million, Five Hundred and Thirty-Six Thousand, One Hundred and One Naira) only is for contribution to the Development Fund for Capital Expenditure for the year ending on the 31st day of December, 2009 — *Second Reading (First Allotted Day)*:

Motion made and Question proposed, "That a Bill for an Act to authorize the Issue from the Consolidated Revenue Fund of the Federation the total sum of N2,870,510,042,679 (Two Trillion, Eight Hundred and Seventy Billion, Five Hundred and Ten Million, Forty-Two Thousand, Six Hundred and Seventy-nine Naira) only, of which N140,693,160,103 (One Hundred and Forty Billion, Six Hundred and Ninety-Three Million, One Hundred and Sixty Thousand, One Hundred and Three Naira) only, is for Statutory Transfers, N283,649,892,795 (Two Hundred and Eighty-Three Billion, Six Hundred and Forty-Nine Million, Eight Hundred and Ninety-Two Thousand, Seven Hundred and Ninety-Five Naira) only is for Debt Service, N1,649,429,453,681 (One Trillion, Six Hundred and Forty-Nine Billion, Four Hundred and Twenty-Nine Million, Four Hundred and Fifty-Three Thousand, Six Hundred and Eighty-One Naira) only is for Recurrent (Non-Debt) Expenditure while the balance of N796,737,536,101 (Seven Hundred and Ninety-Six Billion, Seven Hundred and Thirty-Seven Million, Five Hundred and Thirty-Six Thousand, One Hundred and One Naira) only is for contribution to the Development Fund for Capital Expenditure for the year ending on the 31st day of December, 2009 be now read a Second Time (*Hon. Tunde Akogun*).

Debate:

Debate adjourned.

9. **Adjournment:**

That this House do now adjourn till Thursday, 4th December, 2008 at 10.00 a.m. (*Hon. Tunde Akogun*).

Adjourned accordingly at 1.43 p.m.

Usman Bayero Nafada
Deputy Speaker