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**SENATE OF THE FEDERAL
REPUBLIC OF NIGERIA**

Wednesday, 25th November, 2009

The Senate met at 10. 35 a.m.

PRAYERS

(The President in the Chair)

VOTES AND PROCEEDINGS

The President: Distinguished Senators, we have the Votes and Proceedings of Tuesday, 24th November, 2009 here for approval: Pages 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311 and 312.

Senator Ibrahim Mohammed Ida (Katsina Central): Mr. President, I rise to move that the Votes and Proceedings of Tuesday, 24th November, 2009 be approved.

Senator Nimi Barigha-Amange (Bayelsa East): Mr. President, I rise to second the Motion that the Votes and Proceedings of Tuesday, 24th November, 2009 be approved.

Question put and agreed to.

Resolved: That the Votes and Proceedings of Tuesday, 24th November, 2009 be approved.

PRESENTATION OF PUBLIC PETITION

**Petition of Some Trained but not Commissioned
Air Force Officers from Bayelsa State**

Senator Barigha-Amange: Mr. President, Point of Order? I am coming under Order 41 on Petitions.

The President: Read it, please?

Senator Barigha-Amange: Order 41(1) reads: *A petition may only be presented to the Senate by a Senator who shall affix his name at the beginning thereof.*

(2) *A Senator presenting a petition shall confine himself to a brief statement of the*

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parties from whom it came, the number of signatures attached to it and the material allegations contained in it, and to reading the prayers of such petitions.

(3) *All petitions shall be ordered, without question being put to lie upon the Table. Such petitions shall stand referred to the Public Petitions Committee.*

Can I go direct to the synopsis of the petition or if you want me to go through Order 41?

The President: It is all right. Those are the relevant portions. I hope that your petition does not offend any of the other sub-sections.

Senator Barigha-Amange: The petition is a direct one. It is from Air Force Officers from my own Senatorial District who were trained in Germany. They were the first set of Officers sent by Nigeria to Germany for training, unfortunately, they were unable to come back and be commissioned before the Nigerian Civil War. When they came, as Easterners they remained in Biafra and assisted Nigeria to end the war. The prayers are that they be commissioned and put under military pension.

The President: In accordance with Order 41 of our Standing Orders lay it on the Table and it would be referred to Public Petitions Committee.

(Petition accordingly laid on the Table)

Senator Adeleke Olorunnimbe Mamora (Lagos East): Mr. President, you cautioned our Friend and Colleague, Senator Nimi Barigha-Amange and I guess you referred to sub-section 41 of our Standing Orders dealing with Petition. The Petition appears not to be in line with that sub-section. It says: *The Senate will not receive any petition, which asks for a grant of public funds unless the recommendation of the President of the Federal Republic has been signified thereto.* I am saying this because it is talking of public funds to be committed and I just wonder whether one of the prayers is in tandem with this sub-section. That is just my worry.

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The President: I think really the substance of it from the synopsis given by Senator Barigha-Amange, my own understanding of it is that these were cadets who were sent out. I think the Prayer is that they be commissioned. That is my understanding but in any case, since he has not read that as part of the Prayers, it will go to Public Petitions Committee and they will treat it. So, it is referred to the Public Petitions Committee.

(Petition referred to Public Petitions Committee)

Suspension of First and Second Items on the Order Paper

Senator Teslim Kolawole Folarin (Oyo Central): Mr. President, I move that we step down the first and the second Orders of the Day till another legislative day.

Senator Maina Ma'aji Lawan (Borno North): Mr. President, I second the Motion that the first and the second Orders of the Day be stepped down till another legislative day to enable the Senate take up the very important issue of discussing the general principles of the 2010 Budget.

Question put and agreed to.

Resolved: That the Senate do step down the first and the second items on the Order Paper till another legislative day.

CONSIDERATION OF A BILL

Appropriation Bill, 2010

A Bill for an Act to authorise the issue from the Consolidated Revenue Fund of the Federation the total sum of N4,079,654,724,257 (Four Trillion, Seventy-Nine Billion, Six Hundred and Fifty-Four Million, Seven Hundred and Twenty-Four Thousand, Two Hundred and Fifty-Seven Naira) only, of which, N180,279,158,994 (One Hundred and Eighty Billion, Two Hundred and Seventy-Nine Million, One Hundred and Fifty-Eight Thousand, Nine Hundred and Ninety-Four Naira) only, is for Statutory Transfers, N517,071,827,452 (Five Hundred and Seventeen Billion, Seventy-One Million, Eight Hundred and Twenty-Seven Thousand, Four Hundred and Fifty-

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Two Naira) only, is for Debt Service, N2,011,484,370,825 (Two Trillion, Eleven Billion, Four Hundred and Eighty-Four Million, Three Hundred and Seventy Thousand, Eight Hundred and Twenty-Five Naira) only, is for Recurrent (Non Debt) Expenditure, while the balance of N1,370,819,366,986 (One Trillion, Three Hundred and Seventy Billion, Eight Hundred and Nineteen Million, Three Hundred and Sixty-Six Thousand, Nine Hundred and Eighty-Six Naira) only, is for contribution to the Development Fund for Capital Expenditure for the Year ending on the 31st day of December, 2010.

Order for Second Reading

Senator Teslim K. Folarin: Mr. President, the third Order of the Day is the Second Reading of the Appropriation Bill, 2010.

You will recall that the Special Adviser to the President, Commander-in-Chief presented the 2010 Budget to the Senate yesterday in accordance with Section 81(1) of the 1999 Constitution of the Federal Republic of Nigeria. The Appropriation Bill 2010 is deemed to have been read the First Time by virtue of the presentation of the Bill to the Senate. With your very kind permission I want to seek the leave of this Senate to start the lead debate.

The President: You may start with the lead debate, the Leader of the Senate.

Senator Teslim K. Folarin: Mr. President, my highly respected Colleagues, thank you for the privilege to lead the debate on the general principles of the Appropriation Bill 2010.

As you are all aware, yesterday, Tuesday the 24th day of November, 2009, the Estimates of the Revenues and Expenditures of the Federation for the Year 2010 was laid in accordance with Section 81(1) of the Constitution of the Federal Republic of Nigeria, 1999.

The Bill seeks to provide for an Act to authorize the issue from the Consolidated Revenue Fund of the Federation the total sum of N4,079,654,724,257 (Four Trillion, Seventy-Nine Billion, Six Hundred and Fifty-Four Million, Seven Hundred and Twenty-Four Thousand, Two Hundred and Fifty-Seven Naira) only.

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The 2010 Budget is anchored on the commitment of this Administration to transform the socio-economic fortunes of the Nigerian people by implementing a strategic plan for stimulating economic growth and launching the Nation onto a sustained development that will propel Nigeria to the top twenty economies in the world by the Year 2020.

The purpose of the 2010 Budget is to accelerate economic recovery through targeted fiscal interventions intended to further stimulate the economy and support private sector growth. Capital Expenditure has been rationalised and prioritised to avoid spreading resources thinly across too many initiatives.

The 2010 Budget is predicated on the following basic assumptions:

- (i) Oil production of 2.088 millions barrels *per* day;
- (ii) Benchmark oil price of US\$57 *per* barrel;
- (iii) Joint Venture Cash Calls of US\$5 billion;
- (iv) Average exchange rate of ₦150 to the US dollar;
- (v) Target Gross Domestic Product (GDP) growth rate of 6.1%, and
- (vi) Target inflation rate of 11.2%

The operation of the revenue sharing formula and total revenue for the Federal Government Budget is forecast at ₦2.517 trillion. There is a deliberate expansion in budgeting expenditure over that of previous fiscal years to counter the effect of the credit crunch on the economy as well as to reduce the infrastructure gap. Accordingly, the aggregate expenditure for 2010 is ₦4.079 trillion, comprising ₦180.28 billion for Statutory Transfers, ₦517.07 billion for Debt Service, ₦2.011 trillion for Recurrent (Non-Debt) Expenditure and ₦1.371 trillion for Capital Expenditure. This represents a 31.5% expansion over the ₦3.102 trillion appropriated in 2009.

The 2010 Budget provides about 90% of MDAs Capital Expenditure to six key priority sectors, namely:

- (i) Critical infrastructure;
- (ii) Human Capital Development;
- (iii) Land Reform and Food Security;
- (iv) Physical Security;
- (v) Law and Order, and
- (vi) Niger Delta.

Priority has also been given to key initiatives that would further bridge critical infrastructural gaps to reduce the cost of doing business in Nigeria. Besides providing alternative routes for the transportation of goods and services across the Nation, investment in upgrading the railway networks and dredging the marine waterways (notably the dredging of the Lower River Niger) will create gainful employment and increase disposable income of the population.

Many of the road projects and maintenance works, which utilise direct labour, have been designed to create significant number of semi-skilled and skilled jobs.

External trade policy will ensure that there is a balance existing between commitments under the ECOWAS Common External Tariff (CET) and the need to support the real and productive sectors of the economy. A Presidential Task Force on Tariffs and Fiscal Incentives will shortly develop a framework to implement the new tariff and fiscal incentives regime that will reinforce this objective.

Finally, I believe all the proposals in this Budget are laudable and will enhance the critical needs of the citizens of this country.

I urge you and all my Colleagues to examine this Budget critically and accelerate its passage into law.

I thank you for listening.

The President: Let me read out the names according to how they were put down yesterday. After the Deputy Senate President will be Senator Ma'aji Lawan, then Senator Iyabo Obasonjo-Bello and Senator Mujitaba Mohammed Mallam. These are the first four Senators to speak.

Senator Ike Ekweremadu (Enugu West): Mr. President, let me congratulate the great Leader for the wonderful lead debate and in doing so express my satisfaction with the PDP led Government.

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For the first time in our history, we are doing a N4 trillion Budget and this is very remarkable because it is coming at a time of a great recession. In the recession of the 1930s, the then American Government approached the solution from the point of view of putting more money in the economy, creating jobs and massive infrastructural development. That helped that country to emerge out of the recession of the time. Since then that had remained a traditional approach to issues of recession and I am happy that our country has come to realise this traditional approach in dealing with recession especially when we have a global recession. With the ~~N4~~ trillion poured into the economy, we are hopeful that jobs will be created, infrastructures expanded, crime will drop, more money and more food on the tables of Nigerians.

I am also satisfied that most of these expenditures will be going into transport infrastructure which we need in order to create enabling environment for the private sector to thrive and also create jobs. Of course, education has the second largest allocation which is key to our development. I believe that emphasis will be paid into ICT and computer internet education for our children.

Having said this, I am worried that today we still have more of our revenue on the recurrent side than the capital side; the reason seems to me to be the type of template which we have been using in drawing up our Budgets. We still have in the template matters that ordinarily should have been left out of our budgetary provisions like rent subsidy, maintenance of vehicles, furniture, presidential accommodation rent, and water and telephone rates. I believe that with monetisation some of these items should be off our budget and be transferred to the capital side of our Budget.

So, the time has come for our Committees to look critically at these items that ordinarily should not be in the Budget which tend to bloat the recurrent side of our Budget. I believe that if we do this, we will be able to generate sufficient resources which will be put into the capital side of our Budget and that will help to push forward our economic development. I hope that we will have the necessary political will to ensure proper implementation of the 2010 Budget.

I want to congratulate the National Assembly for its wisdom in moving forward the period of

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implementation of the 2009 Capital Projects to March, 2010. With that initiative and full implementation of the 2010 Budget I believe that this country will make substantive and substantial progress that will see us out of the economic recession.

Senator Maina Ma'aji Lawan (Borno North): Mr. President, I rise to comment on the 2010 Appropriation Bill submitted before this Senate by Mr. President of the Federal Republic of Nigeria.

In doing so, I want to say that this Chamber in particular, across party lines has always come out in full support of any programme that is geared towards the upliftment of the standard of living of the Nigerian people. The ANPP as a partner in the Government of the National Unity sincerely and committedly participated in all the deliberations that have to do with governance, particularly, those that are geared towards positive outcome in the interest of the Nigerian people.

Today, as we are deliberating on the 2010 Appropriation Estimates, from the various interactions I have had with different interest groups and segments, I have been consistently asked and sometimes put on the thought and even harassed as to what we have achieved. Sometimes, I get quite embarrassed, particularly, looking at the larger picture in terms of what aspects of the Budget we have been able to implement. I am a practical person, I want to be able to point out that in this Sector we have done this and that.

For instance, looking around the area of critical infrastructure, the implementation level in the road transport sector is quite embarrassing. Roads have been advertised and put in the Budget year in and year out but when it comes to actual implementation we are confronted with situations that are always less than the best.

On the power sector that is supposed to provide the driving force towards turning around the economy when I checked the implementation level, Sir, I could not believe my eyes, when in the government own document, I saw 13 *per cent* performance in the power sector. How can we get to the target of 6000 megawatts or the 10,000 megawatts on the appropriate date given, if performance in the power sector is 13 *per cent*?

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We need to justify this economy. There is need for massive youth employment. There is, therefore, a need for a programme that justifies the economy through employment generation and effective and practical poverty alleviation measures. I have not seen us doing well in this respect. The National Assembly has always and willingly rush even at the expense of being called names to pass the budget in good time for full implementation. This Chamber in particular has been much willing to bend backwards in order to accommodate the requests of the Executive for proper implementation for the benefit of this country.

That is where my worry is. The intention is very clear. We have seen in Mr. President's Budget, and the great Leader's lead debate, critical infrastructure, human capital development, land reform and food security, nobody can fault all these. We are all for that. We support it; we appropriate money and pass the budget in good time but we demand to see result at the end of the exercise.

Senator Iyabo Olusola Obasanjo-Bello (Ogun Central): Mr. President, I want to thank this distinguished and hallowed Chamber for this opportunity to speak on this very important Budget.

This is the last budget that it is going to be fully implemented by this Senate because the budget for 2011 would not be fully administered by this Administration. The truth of the matter is that this is last budget for us to show this country that we are serious. I am not going to dwell on the issue of implementation again because everybody that has spoken before me has spoken about the implementation status. This is the last budget that we are going to have direct involvement in its implementation. We are going to have the whole of 2010 by God's grace for this Administration to implement this Budget and for us to fully supervise it. If it is not done it would reflect on the country.

If we have taken note, the implementation of the last two budgets has been so bad. If this Budget is not fully implemented, what would we do and say during the next electioneering campaign? We talk about being the greatest Party and all that, what do we have to show in 2011 that we have done so far.

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In terms of fairness, we have a problem. There are States that benefitted in terms of appointments and projects while there are others that did not benefit much. The general elections are at the corner and we are going to campaign in those States that have not benefitted much in terms of appointments and projects. So, this is an opportunity to change the situation. We need fairness in the budget and we need implementation to be done.

On the issue of deficit, the Budget has been lauded for being over ₦4 Trillion but if we are not making enough money, we can budget for ₦100 Billion if we want but it is the money to fix it. We are having a huge deficit from this huge Budget. If it should be actually implemented, we need to look at it thoroughly and ask the question, do we really need ₦4 Trillion to make this Budget effective? When we did ₦3 Trillion, it was not implemented, so I suggest that it is better to lower our size and fully implement the Budget than to put ₦4 Trillion and at the end of the day it would not be done yet we would be suffering deficit. I do not think a deficit funded budget is worth it especially given the global economic situation and the fact that we are going to get into the stage in which we would be borrowing every year to fund our budget that would not be fully implemented.

As far as I am concerned, I would ask that the Committee on Finance should look at the income and see if we can lower our expectations and do the things that would actually guarantee success and be implemented during the Year 2010.

Senator Mujitaba Mohammed (Jigawa South-West): Mr. President, I want to begin by expressing my support to the general framework and the principles of the 2010 Budget as submitted by Mr. President to the National Assembly. I want to observe that strategic budget privatisation initiative being reflected in this Budget is quite very commendable. This is because as earlier explained by the Leader, 90 per cent of the Capital Expenditures proposed in this very Budget has been centred around critical sectors that are of importance to Nigeria's economy. It is gratifying to note that government is now trying to avoid spreading resources across various initiatives, so this act is quite commendable.

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Also, the production target of 2.088 million barrels per day is quite very realistic more especially with the relative peace in the Niger Delta region.

However, I want to say that all stakeholders must put all hands on deck to see how we can device a mechanism that would enhance the due process requirement because the issue of due process has been hampering full budget implementation in this country. So, we must put heads together to see how we can put mechanism in place that would enhance the process of satisfying our capital projects when it comes to the issue of due process. This would go a long way in making sure that we achieve our target of full budget implementation in the nation.

We also have to re-double our efforts when it comes to the issue of budget oversight. We need to monitor quarterly releases to MDGs. We also need to be firm on the site visits so that we can ascertain the level of budget execution by the various ministries and parastatals.

I want to end my contribution by expressing my support once again to the 2010 Appropriation Bill as presented by Mr. President.

The President: The next set of the distinguished Speakers would be distinguished Senator Smart Adeyemi, Senator Patrick Osakwe and Senator Uche Chukwumerije, in that order.

Senator Smart Adeyemi (Kogi West): Mr. President, I want to begin by saying that I would be looking at this budget from the perspective of the eyes of the man on the street. Taking a look at this presentation before us, the concept is good, the figures look very convincing, but I personally find it difficult to accept a situation where the Recurrent Expenditure is almost twice the figure for the Capital Vote.

A good Budget must take into consideration the needs and aspirations of the people. I am not in doubt that the President of our Nation has good intentions in some of his programmes and policies, but as he said, they have problem with the ministries implementing some of the Budget proposals for 2009.

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We have our conscience and we have the people watching us. The question the man on the street is asking is, what happened to the 2009 Budget? A situation where we have just about 30 *per cent* Budget Implementation this year does not augur well for our Nation. Today, we have a large army of youths that are unemployed; they are capable of effecting a very successful revolution. Kidnapping incidences across this country are a kind of subtle revolt by those who are not employed. I want to see a situation where our Budget will address some of these cogent issues affecting our peace and stability as a Nation. (*Interruptions*)

The President: Please, there is too much side talk. The man representing the masses and the capitalists is talking. Let us hear him out.

Senator Smart Adeyemi: The capitalists are not happy with our presentation. Today, none of us can travel one hour on any of the Federal roads without going with our Bible or Koran in our pockets. The roads are now death-traps. What happened to the billions of Naira that were voted for them? Abuja-Lokoja road is as if the job has been abandoned. Across this country we do not have any road that is motorable now we are talking of 2010 Budget. The Minister of Works should explain these things to us. We cannot sit here and be passing Budgets without results. People are no longer safe traveling by road they are now travelling by air. Even the air transportation is also not safe. We must address those issues that affect the well being of our nation and people.

We have about 100 universities approved by the National Universities Commission. You can have a rough estimate of the number of graduates trooping out of schools every year. The time has come for us to have a master plan that will address some of these issues that are threatening the peace and future of our Nation and the generations to come. We cannot pretend that because we are Peoples Democratic Party Members then we keep quiet. Things are not going on well. I am happy that the President himself is aware of this. In the presentation he alleged that the ministries are not helping matters. If that is the case we should tell Mr. President to flush out those Ministers. There are enough talented people ready to move this Nation forward. We can not pretend that all is well with our Nation.

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If we take a curious look at this year's Budget, the question would be, what are the differences between the 2009 Budget and the 2010 Budget? It is just a matter of figures. If that of 2009 is not yet implemented and we are still hoping that we are extending the fiscal year to March, then what is the justification of sitting here and discussing the 2010 Budget when 2009 Budget is still under the carpet? We should be courageous enough to tell Mr. President that we are not happy with the way and manner the 2009 Budget has been managed.

If we are going to pass this 2010 Budget, we must equally be courageous enough to take critical look at those aspects. The benchmark for the crude oil is all right. We are all aware that there was problem in the production of the main source of our revenue last year. Thank God there is now peace and stability in the Niger Delta and we thank the people of the Niger Delta for that. We also thank Mr. President for his initiative. But, we must go beyond the document that we have before us to look into issues that affect our Nation. Take for instance power; I want to see a situation where we have increased allocation for power because it is key to the socio-economic development of our nation. In this proposal, power has not got much.

Last year, we made some impacts in some aspects such as the road sector. There was improvement in terms of dredging the River Niger which was awarded. There are also some dams now under construction. These are commendable but that is just for two sectors out of about eighteen sectors that were unattended to. Peoples Democratic Party is the only political party in the country because we do not have opposition, therefore, we must address ourselves so that we can move forward. Many of the Opposition Members have decamped to PDP. However, because we do not have Opposition Party our conscience should be the Opposition Party. Our conscience should guide us that our Party must improve upon - *(Interruptions)*

Senator Olorunnimbe Mamora (Lagos East): Point of Order, Mr. President.

The President: What is your Point of Order? I will take your Point of Order after him, please.

Senator Adeyemi Smart: Let us look at issues that affect the man on the street enough of these theories and long grammar, presentations and

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manipulations. Let us address issues that affect the common man such as power, job opportunity and so on. There are no jobs in Nigeria. Graduates are roaming the streets and they are capable of disturbing our peace and our old age. We must address those issues. Now that there is peace in the Niger Delta region how many industries are springing up there? The power sector is still down. Let us look at the figures. I want to see a situation where we address the issue of power sector. Let the Minister of Works understand that there cannot be any economic development when the roads are bad.

I want to commend Mr. President again that this year there were efforts towards the rail sector but what happened to the billions of Naira allocated for road construction in Nigeria? There are roads in my area that since the days of Saduana they have not been rehabilitated and they are vital to my people. Those roads are still there. What has happened to all the allocations for road construction in Nigeria? We cannot travel 30 minutes in any of the Nigerian roads in peace? Armed robbers are there because the roads are bad. FERMA is not effective any longer, so we must address this matter because these are issues that will move our Nation forward. We cannot pretend that all is well because we belong to the same Party when the country is getting stagnant. Let this Nation move forward. Let the President flush out Ministers that are not ready to move along with his Vision.

Finally, I must confess that I took a look at the Budget and that there are certain areas which I want to emphasise. There is need for us as Lawmakers to exploit the issues of Income Tax, Personal Tax and Property Tax. Many of the people who own properties in Nigeria and some of them are seated here, are not paying tax on their properties. There are other areas that can be exploited, and until we improve our internally generated revenue, *(Interruptions)*.

The agents of capitalists are against what I am saying. I have taken a look at the Budget and the areas we have to exploit are the areas that would improve our internally generated revenue. One area to improve internally generated revenue is through Property Tax. People are amassing wealth. The rich are getting richer and the poor are getting poorer. *(Interruptions)*

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The President: Your microphone is off again. Have you finished?

Senator Adeyemi Smart: I will rest my case there. Thank you, Mr. President.

The President: All right, the next speaker is distinguished Senator Patrick Enebeli Osakwe, a distinguished Senator representing Delta North and of the Accord/PDP Party.

Senator Patrick Osakwe (Delta North): Mr. President, we have been called upon again to perform this annual ritual. Annual ritual in the sense that year in, year out we stand here to deliberate on the Budget Estimates, and as I have said times without number there is really nothing with the Budget that we receive every year but the implementation. The problem has been with the implementation. There is no Budget that is bad. A Budget is bad depending on its implementation. We start budget implementation in installments and that is where the problem lies. What is the essence of making budget that we cannot implement? What is the essence of making budget that we have to implement at our wish? That is unfair and that is why we are having problem in this country.

I am going to talk about only three items. I will gloss over education and works and concentrate on security because security is the greatest problem that is facing this nation today.

On education, I will say that the money provided for it which is about ₦249 billion is good enough but will they spend this money? Would it be released or it is going to be implemented in installments? This is where the problem lies. I will advise that even the little that he wants to spent let him remember that the problem in our education system today is that our teachers are still operating and living in the past. They require training and retraining because if the teachers are not trained what are they going to teach? You cannot put something on nothing and expect that thing to stay. You can only give what you have. You cannot impact what you do not have. So our teachers ought to be retrained

Concerning our roads, I want to draw from the speech of my distinguished Colleague, Senator Smart Adeyemi that the money that is approved yearly for the maintenance of our roads, where is

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the money because I cannot see the improvement on our roads? Look at the Benin – Ore – Ijebu Ode road, for the past five years we have been discussing about that road. It is a death trap. People spend three days on a journey that should not take more than two hours along that road. It has become a death trap and a disgrace. I appeal that they should declare a national emergency on that road.

That road has put pressure on air transportation because if you go to the airports you see many people waiting to get flight because the roads are not passable. This is a disgrace. I appeal that the Federal Ministry of Works should do that road because that is the only road that people use to travel from Lagos to all the Eastern and South-South States. Even people traveling to the Northern States still pass that road. It is very important.

I will now come to the main issue of security. If you are not secured you can neither plan nor do anything. No Nigerian is secured today Mr. President. Kidnapping is on the increase. Armed robbery is also on the increase. What do we do? The policemen are not trained. They do not have the training. Look at the meager amount of ₦1.25 billion provided for both local and overseas training. How many policemen will that train? It is grossly inadequate. Our policemen ought to be trained for them to be able to manage the increasing menace of kidnapping and armed robbery. This money is grossly inadequate more funding should be put in that sub-sector.

Have you seen the houses where our policemen live? Sometimes when you are passing through Okene you see those small houses like huts in the farm, those are the houses provided for our policemen. How do we expect the best from them when they are not feeding well and are not staying in good houses? Housing is very important and it is the pivot around which the motivation of our policemen revolves. Therefore, more emphasis should be placed on housing for our policemen in order to motivate them.

Concerning the Digital Security Surveillance (DSS) for which about ₦1 billion was provided. This has been planned to be installed in Kano, Ibadan, Awka, Sokoto and Benin, why not Asaba and Warri, Abuja, Port Harcourt and Lagos? Apart from Benin, all other States where they want to

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install this important equipment are very low crime States. You leave a very high crime States and you want to provide this equipment in very low crime states? You should put them in Port Harcourt, in Warri or Asaba and not Sokoto State. What is the crime rate in Sokoto or in Kano States? This is a misplacement of priorities and I do not think we will sit down here and pass this type of budget. We should be able to put a square peg in a square hole. We should go to where the crime rates are high and install this important equipment. The idea to install them is nice but the choice of places such as Sokoto and Ibadan, what is the crime rate in Ibadan? It is very low. So, we have to really re-prioritise this.

I saw the amount of money voted for purchase of vehicles. I think Nigeria is still living in the past. You do not need vehicles to chase armed robbers. These people are more sophisticated than vehicles. Why do we need a pickup to pursue an armed robber that is operating with a jeep? I think buying pickups to chase armed robbers is another misplaced priorities.

We should concentrate on security. Policemen need powerful walkie-talkies. In England you cannot see a policeman with a gun yet the crime rate is very low. They do not hold guns at all. You will see them properly dressed moving as if they are not looking at you. It is surveillance. It is the small walkie-talkies they are holding that is working. When there is a crime they block the armed robbers. They do not pursue them rather they block them. So the idea of buying vehicles to pursue armed robbers, to my mind, is a misplaced priority.

The President: Please there is no need to raise hands because names were written down yesterday and I am going by those names. After Senator Uche Chukwumerije, others will be distinguished Senator Anyim Ude, distinguished Senator Olorunnimbe Mamora and distinguished Senator Anthony Agbo in that order. May we have the senior Comrade, please?

Senator Uche Chukwumerije (Abia North): Mr. President, in spite of your mufti, as it is said in the military, you have not yet come out of military reflexes of classification of senior and junior. (Laughter)

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I thank you for the opportunity to make my few remarks on the Budget. We all know that budget is a statement on a government's path to economic and social development. It is a clear clew to a regime's priorities on the management of a nation's resources and on its method of solution to social problems. Seeing in this light, the 2010 Budget is generally faithful to President Yar'Adua's regime's Seven Point Agenda. The allocations table reflects priorities of the Seven Point Agenda. Below or outside the traditional big untouchable item, that is, the military budget five of the other items that attracted the largest vote, that is, Ministry of Works, which is ₦249.5 billion, Power ₦146.8 billion, Agriculture ₦145.2 billion, Education ₦249 billion and Niger Delta ₦45 billion. All put together take about N835.5 billion. All of them come under the parameters of the Seven Point prioritisation scheme. What this purports is that the regime plans to improve the efficiency of the existing economic arrangement but at the same time maintain collateral inequalities in the distribution of goods and services in the society.

For a quick review, I will approach my appraisal under four questions. Question one: To what extent does this past development sustain our presence or secure our future? Generally, the expenditure pattern is high on overheads and low on investments and sustainable economic projects. For instance, in youth development, personnel and overhead which is nearly N43 billion takes 91.3 *per cent* of the whole allocation for that sector while Capital on this sector takes only 8 *per cent*.

In health for instance, personnel and overheads have taken N111 billion which is 68.8 *per cent* of total allocation to that sector while capital takes only N50 billion, which is only 30.9 *per cent*. In education sector the same thing repeats itself.

The impression from this is that even in its part of the general overview of the Budget, which in its percentage distribution of major roads over aggregate expenditure arrives at 34 *per cent* for total capitals, we need in this nation to further tighten our belts to secure faster pace of economic development than we have done so far.

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Question Two: What scale of priorities does the Budget projects? The low allocation to health sector which is only N162 billion and to labour, only N7 billion along with low allocation to women which is N2.5 billion and youths N46 billion, do not portray the government as particularly obsessed with the goal of improving the lots of the under-privileged and the low income in the society. More must be done for the lower strata of the society.

Question Three: What is the other side of our society priorities? That is, the question of social in justice in a plural multi-ethnic federation? Again, let us take the instance of roads. Besides the general allocation to roads on zonal basis, there is one provision tagged *Presidential Initiative Projects* (PITs). Of the nine projects with the total cost of over N53 billion under this sub-head, none is inserted in the South East. This inexplicable omission is a yearly occurrence. If you add to this under funding, the yearly shortchanging form the denial of one more state to bring the South East zone's number of states to six as other zones, you will understand why the people of South East see the failure of the Federal Government to match their 40-year amnesty, with reconstruction since the end of Civil War as an indirect levying of war reparations on them. This should be reserved.

Question Four: Does the Budget contain any hint of determination by Yar'Adua's regime to implement it better than it has done in the last two years or better than his predecessor did in eight years? Yes, on improving the time of preparation and presentation of Budgets, the regime has improved slightly. But on order of structural indication, the answer is, No. First, the high percentage of Budget allocation to personnel and overheads has done little to allay the fear of the tradition of airconditioned lethargy; we do not continue to determine the pace of our implementation of Budgets.

More serious still, nothing in the Budget indicates that the regime intends to give more priority to fight against corruption. EFCC, ICPC, Nigerian Extractive Industries Transparency and State Security, should get, at least, twice of what they allocated. Such increases should be re-enforced on the political front with the re-introduction of the Bill on Economic Crimes Courts by the National Assembly. Until something drastic is done about corruption, the nation could

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count itself lucky if it gets up to 10 *per cent* returns on the financial expenditures being made in this Budget.

Aligned to corruption is the night mare of insecurity. Nigeria is grossly under-policed. Allocation to the police demands substantial increase.

Lastly, what is the revenue allocation and on what basis? The Appropriations Committee must look deeply into this in order to minimise circumstances that will compel midstream supplementary budgets. The revenue profile will also throw more light on the new 10 *per cent* equity participation to Niger Delta Oil Producing Communities. It will also reveal government's thinking on the economies of deregulation. It has to be emphasised early now, that the political economy of deregulation, if not handled to the satisfaction of labour; and the generality of the people, could make or mare the success of the whole Budget.

Senator Anyim C. Ude (Ebonyi South): Mr. President, I would like to observe that when copies of this Budget was distributed to us yesterday, it came without the Revenue Profile until this morning, we got a document titled *Fiscal Framework*, which gives the idea of sources of funding for the Budget. We wished that they had come together to enable us in our study and analysis.

I would like to concentrate on the area of Capital Projects and I would like to go outside the country to note that the Foreign Affairs definitely have a problem. We should now decide how many nations Nigeria can run and maintain Embassies. I had the opportunity of visiting Bucharest during the recess. I noted while interacting with the staff at the Embassy that we have been there for more than 30 years and we have been paying rents and they are now giving them quit notice, because we could not afford to buy a building for more than 30 years. I heard they are about to close down ten of them based on the reports by the Emeka Anyaoku Committee. It is high time we decide on how many missions we can run. When we are taking about re-branding all these negative issues have effect on our image abroad.

Back home, I would like to go to the area of reimbursement, which is in the Cost Retain Revenue. It does appear that there is inconsistency

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in policy by the Government. They decide which states they can allow to repair federal roads based on federal design and approval and they are given N20 to N30 billion reimbursement. But in a state like mine, Ebonyi State, we have had the same permission to repair a road causing N1.5 billion for two years we have been battling to get reimbursed. Now that they are about to do so, they said they could only pay back N1 billion. That sounds discriminatory and they even decided to stop further reimbursement because it does appear that they have accommodated the only states they wanted to accommodate.

I looked at the area of power though we have N153.3 billion for capital and I think it is high time we get the Minister of Power here to tell us more about the 6,000 mega watts we have been promised. We have less than 30 days to get to the end of the year yet our power situation has not improved. We are allocating N153.3 billion. Is it for continuing what has not been achieved or for brand new projects?

Everybody knows that budget performance for this year is poor and we are perpetuating it. In the area of transport capital where they have N221.3 billion, all of us know the state of our roads. Some of the contracts are still being awarded in November yet the Budget was approved about a year ago. Like in my own State, the contract for the reconstruction of Afipko-Abakaliki road is just now being awarding. The Lebanese and Chinese Companies are hurrying to mobilise. By next year they will recall the funds and then we would get back into our usual logjam. Nothing will happen again until about April or May then they will say it is rainy season. These are not helping us. We cannot continue to go ahead and keep approving budgets that are not implemented or are poorly implemented.

In the aviation sector, we have about 22 airports in the country and we approved money for all of them. At the end of the day we were told that only four airports have been looked at based on budgetary provisions. In other words, we sit down here and approve budgets but those in the Presidency or in the Executive decide on what they want to implement. I believe all of us know that it is a breach of the Constitution. If they have always made up their mind as to what they want and then get us to rubber stamp it that is not fair. When we make some changes as to what we think is good for

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Nigerians they go back to revert to what they want to do. Otherwise, why would they take care of only four airports?

Even the big money we recovered during our Public Hearings which is more than \$100 million they are still sitting on it. We asked for a two, three or four medium short term development plan for the aviation sector, for almost one year, all decisions we took here on that Report none has been implemented including the issue of BASA account. I do not know what they are doing with the billions of dollars we have recovered for them.

Quick waves, MDGs, they are once more saying N23 billion for 2010. All of us know that not much has happened this year in that area. Some of the contracts still remain at the foundation stage. Some have not been awarded and that is for 2008. We are talking of 2009 and not one contract has been awarded under MDG and we are being asked to approve another N23 billion for 2010. Are we deceiving ourselves or kidding?

For Agric and Water Resources they have N117 billion for 2010. We have gone round this country and there are too many abandoned dams and irrigation projects. There is a silo in Ebonyi State that has been abandoned for 25 years and we need less than N100 million to get it working. The silo to be built in Port Harcourt was never started though the money had been released. We could not even locate the site. The same is the case for the ones for Maiduguri, Kano and some other places. Now they are appropriating another N117 billion in the same sector. What has happened to all the ones we approved in the past years? Even to complete what has been on-going. Are we really serious? Are we kidding?

Senator Adeleke Olorunnimbe Mamora (Lagos East): Mr. President, thank you for this opportunity to make some contributions in respect of the 2010 Budget Estimates and Expenditure. The first thing I want to say is that there is no doubt that the priority areas as enumerated are in order and apparently tailored towards the sustenance of the Seven Point Agenda of this Administration. One would not quarrel with the area of critical infrastructure, human capital development, food security, fiscal security, law and order, of course, Niger Delta.

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But my worry is that for too long we seem to have engaged that is, this Administration would appear to have engaged more in statements of intention rather than reality. As we do say, nearly does not kill a bird. There is no point continuing to state intentions, intensions and intensions. People can only benefit from reality and not from intensions of the government.

I am worried that this year's Budget that will soon end, the size of that Budget is a little over N3 trillion and this time around we are proposing a budget of over N4 trillion. If this Administration has not demonstrated faithfulness in small things, how do you expect faithfulness in big things in the sense that we are now talking of over N4 trillion Budgets. Of course, chances are that we will return to the era of unspent funds; funds that are available but through error of commission or omission or both, they are not spent. Where the funds are not spent the people cannot benefit.

Again, I am worried that year-in, year-out, we tend to have a situation where the recurrent expenditure tends to draw the capital. I do not know of any country that can really develop and progress under that kind of what I call, worked budgetary approach. It is high time we change this idea. For example, the budget under consideration has N2.011 trillion for recurrent and capital of N1.370 trillion for capital expenditure. It does not seem to me that there will be meaningful development under that kind of budgetary situation. I expect that more money ought to be allocated to the capital expenditure because that is where people benefit from and not recurrent. What this tells me with all due respect, is that we must manage bureaucracy; we must manage how money is spent within these so-called recurrent estimates. There are areas of waste and redundancy, which we need to check if this country must progress.

Let me now come home to appeal to our Colleagues and, of course, in saying this I am talking to myself as well that we need to pay greater attention to our oversight functions. This is because there is no point approving budgets and we do not tract them as a kind of follow-up to ensure that implementation comes to the highest level possible. This is the only situation where people can be happy with us.

On that note, I want to urge my Colleagues that we make a difference; a commitment to follow up this Budget when it is approved for the good of us all.

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Senator Felix Kolawole Bajomo (Ogun West): Point of Order!

The President: Senator Bajomo, what is your Point of Order?

Senator Felix Kolawole Bajomo: My Point of Order is Order 92(3) which says:

During the second reading, the debate shall be confined to the financial and economic state of Nigeria and the government financial policy. Detailed items in the estimate may not be debated on the second reading.

In the debate so far, except that of the last speaker, some contributors have been dwelling very heavily on the detailed items and I would like to believe that we are now on the Second Reading of this Bill. For brevity and to enable us cover all aspects of this debate, I consider it appropriate that I should bring this Point of Order to you and to the House so that we can confine ourselves to the general principles of the Bill.

The President: Distinguished Senator Bajomo, the responsibility for interpreting the rule and who is going out of step in the debate is not yours. *(Interruptions)*

I think you have gone completely out of your area of jurisdiction. I, therefore, rule you out of order.

The next set of contributors is; distinguished Senator Anthony Agbo, distinguished Senator Victor Ndoma-Egba and distinguished Senator, Comrade Dahiru Awesu Kuta.

Senator Anthony O. Agbo (Ebonyi North): Mr. President, I thank you for giving me the opportunity to contribute to this debate.

I want to start by calling on the appropriate Committees of the Senate to organise Public Hearing on the issue of Budget Implementation in this country because that issue has assumed crisis dimension and has to be properly diagonalised for us to really understand what is holding this country from moving forward.

When a Budget is passed, it becomes an Act of the Legislature which is a legal document which its

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implementation is binding on the Executive and the non implementation of it is a punishable offence. I can hear some distinguished Senators calling it impeachable offence. (*Laughter*)

Our yearly Budgets have become annual routine of expenditure outline funneled into a black hole of expenditure misery. We do not really know what happens to the fund we allocate to projects. At the end of every Financial Year, a certain percentage of the fund is returned to the Treasury and the projects for which they were allocated remain the way they were.

I am deeply disturbed at the routine of our budgeting and budgeting provisions. Every year, our budgeting system and the project outline remain virtually the same; the same sub-headings and projects. The only difference is the amount of money attached to them which at the end of the year the projects are not executed.

This takes me to the issue of economic diversification. Looking at the totality of our budget outlay, what we have in the current year should be about \$23 to \$24 billion. When you look at the total figure, you would discover how small our country is economically.

Last year, America's military budget alone was well over \$600 billion but the total budget outlay of our country in 2010 is just about \$23 billion. This means that we are really very small. If we decide to be very ambitious in our expenditure, this kind of fund cannot get us anywhere. Every day, we talk of Vision 20:2020. Are we really talking about this for its propaganda value or do we really want to reach the target of that Vision? If we want to reach that target, our budgeting should be more ambitious and more revolutionary than what we are seeing.

There are some sensitive and new things we are supposed to bring into our Budget that would lessen our dependence on oil and enable us exploit other areas of revenue inflow into our economy. Imagination rules the present world but in Nigeria we remain attached to the daily routine of our ways of doing things. Since I have been in the Senate these years, I have not seen new things that have entered our Budgets that could expand the profile of the economy of this country beyond what it has always been.

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Taking the Federal Capital Territory (Abuja) for instance, I am aware that the capital of any city is one of the major factors that contribute to the economic growth of a nation. How much have we tried to internationalise our Federal Capital? As far as I am concerned, Abuja is still a City of Nigerians by Nigerians and for Nigerians. If Abuja is an international City and on its streets you will see hundreds of thousands of foreigners moving around the City taking photographs and video clips. Our Capital City is below what it is supposed to be.

During holidays, most of us head towards London, Paris, Beijing, *et cetera*. Those nations are great the way they are today because we go there to spend our money. There is no nation that can have ambition of graduating to an economic super state when it is not attracting foreign funds into its economy. How many foreigners come to Nigeria to spend their money? This is because we do not have an environment that is attractive to foreigners so that they float into our country to spend their money.

So I want to say that the Federal Government should look at the issue of the Federal Capital Territory and see how we can internationalise the City. Abuja is possibly, the only Capital City in the world which you can enter and it is not tuned to the birth and history of that nation. A foreigner who comes into Abuja for the first time is supposed to have known the history of Nigeria. When they come here and ask about the history of Dr. Nnamdi Azikiwe he will not get. He would ask that of Alhaji Tafawa Balewa and Chief Obafemi Awolowo he would not get in the capital of Nigeria which these great men helped to give birth to. That is embarrassing. I feel that the first measure towards exploding the economy of this nation is to build up Abuja in a way it can become an international attraction to start pulling in foreigners to this place to spend their money.

On the issue of power generation which has graduated into a classic mystery whereby the more money we vote into it, the less services we get. I want to advocate that we should completely withdraw ourselves from the annual routine of putting in billions of Dollars into our power sector and try now to involve private independent power operators to come into the sector and the government can go into joint venture with them for us to get the kind of services that can help the economy of this country.

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During the last Budget Retreat in Enugu, those of us that went to Abia State, we visited the Independent Power Projects and if we have people like Professor Bartholomew Nnaji in this country, I see no reason Nigerians should be groaning under the economic adversities the absence of electricity is causing in this country, when we have such people who can privately invest in our power sector. I expected the President of this country in line with what I had earlier said to encourage us bring in new ideas into our budgetary provisions.

In our supermarkets today, 85 *per cent* of the goods sold there are from outside this country. Ninety *per cent* of the consumptions those of us who are at the higher class in this country, is from outside this country. These goods are product of archaic technologies that are over 100 years old. Can we not copy what America and Europe had done 100 years ago and employ them to manufacture some basic goods which we sell to ourselves and neighbouring African countries? I feel that these are the kind of ideas we should be into our budget if we are serious about Vision 20:2020. The way we stick to the historical routine which we have been doing all these years, I cannot see us approaching that Vision beyond the propaganda advantage of it.

I am encouraged by the attention given to education, works, defence and the Police in the current Budget. However, what expectation do we have that this attention is going to yield any result and not going to be the way it used to be? In addition to our oversight functions, this Senate has to come out very strong on the issue of non budget implementation, so that whatever happens, at least, Nigerians should know that the Legislature is outside the execution of the Budget. Nigerians should, from the onset know where their problems are coming from.

Senator Victor Ndoma-Egba (Cross River Central): Mr. President, I thank you for this opportunity to make few comments on the 2010 Budget, and I promise that I will be very brief.

Theoretically, the 2010 Budget looks good and I think it was the Deputy Senate President who drew our attention to what the 2010 Budget seeks to serve, especially, immediately after a recession, it is expansionary which means that it provides the opportunity for greater expenditure, and opportunity for creating opportunities, especially economic opportunities. Theoretically, it looks good.

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For ones we are concentrating on critical infrastructure and I believe that education has been given its rightful place in the 2010 Budget, because it is trite that a nation is as prosperous as its people are educated. In other words, there is a direct correlation between the level of education of a people and its prosperity. That we are now giving adequate attention to education means that we are now beginning to get our acts right.

This is not the first budget that we have debated in the current dispensation. Year in, year out we pass through this ritual of debating a budget; restating our hopes and aspirations for the coming year, and trusting that we will deliver on the budget. But again, year in, year out, we have failed to derive the maximum benefits that we ought to from our budgets. The story every year has been a story of non performance of the budget. For me, therefore, the 2010 Budget provides an opportunity for us to investigate the reasons for the failure of our Budgets year in, year out. So for me, we can isolate those reasons to a few points.

The first is human capacity; do we actually have the capacity to implement our budgets? It was Senator Adeleke Mamora who said, if we cannot be faithful in little things, can we be faithful in bigger things? If we do not have the capacity to implement smaller budgets, are we likely to have the capacity to implement bigger budgets.

The other reason for non performance of our budgets, in my view, is our failure to respect the rule of law. Promises have been made that come December, 2009 this country will enjoy 6,000 megawatts of power. I do not want to sound like a Prophet of doom, but it will, indeed, be a miracle if that promise is kept. For me the real reason we will fail in the delivery of 6,000 megawatts of power as promised, is because we have failed to abide by the Energy Sector Reform Act which this Senate passed. After very critical reviews, milestones were established, systems were agreed upon and these milestones and systems were promulgated into law, how well we have abided by that law is a matter for another day but I want to believe that if we are able to implement our budgets, then we must be true to the concept of rule of law.

The other reason our budgets have failed has been as a result of inefficiency. Inefficiency breeds corruption. Again, this is an opportunity for us to reflect on our strategies and our efforts at addressing corruption.

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Lastly, our budgets have also failed because of our attitude. We should use this opportunity of discussing the 2010 Budget to really do a postmortem on all previous budgets and see why they have failed. Until we have done this postmortem, my hunch tells me that the 2010 Budget will go exactly the same way the previous budgets had gone, and it would not be good for the people of this country. Our budgets must deliver jobs; our budgets must deliver prosperity and security to the common man. Until we have addressed the issue of power, we would not be able to address all these expectations that our budgets should give.

For me, this is an opportunity to look at why previous budgets failed. The moment we can isolate the reasons the previous budgets failed then we are half way to making the 2010 Budget work.

The President: The next sets of distinguished speakers are: Distinguished Senator Dahiru Kuta, distinguished Senator Mohammed Mana and distinguished Senator Hosea Ehinlanwo.

Senator Dahiru Awesu Kuta (Niger East): Mr. President, I thank you very much for this opportunity. One of the problems we have had is food security. I know that large amount of money that is being expended in the agricultural sector and we still have a problem. So, why not Members of the Senate be part of the solution to this problem? Why can the people in authority not go back to the farm so that they can produce for their immediate families instead of being just consumers? The moment we are able to do that, we will be reducing pressure on the little that is being produced for others. Please, whatever your responsibility and position, go back to the farm. It would assist in ensuring that we have enough food to go round through out the year. Please Senators, go back to farm and that is very important.

In 1976, General Obasanjo convinced us to give out our lands so that Nigeria would have a Federal Capital, and the promise he made then was that after we have given out our lands there would be dualisation of road from Abuja to Minna. Thirty years has gone we have not received this facility and it has not been reflected in our budgets. I hope this time around the National Assembly will look into this passionately. I am sure the Senate President is aware of this promise.

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The target of generating 6,000 megawatts of electricity by December, 2009 is just a dream. What we require daily is about 1,000 standard cubic feet of gas in order for us to have enough electricity. Today, we can only produce about 500. There is no way we can have this without ensuring that we attain the target of 1,000.

You are also aware that whatever money we are voting for electricity we are only talking of rehabilitation of Power Stations; we have forgotten about the security of our pipelines that convey gas to some of these Power Stations. That is why from time to time, the Afam Power Station in River State is always closed down. That Station is supposed to produce 400 megawatts. In Lagos State, the Egbin Power Station that is supposed to produce about 1,200 megawatts produces only 400 megawatts because of lack of gas. Unless we allocate enough money to ensure that we have total security for our pipelines, it would be very difficult to achieve the target that we have set for ourselves.

The Executive has said what it is supposed to say but we should look at the Budget again. People have said that corruption has eaten deep into our society, but the office of the Due Process is causing a lot of delay in the processing of contracts. There is corruption in that office, so much that it is causing unnecessary delays in the execution of contracts. Before they process any file they ensure they protect the interest of their bosses. This is one of the reasons contracts that are supposed to have been executed are not executed. Unless all of us are ready to live above board budgets cannot be implemented the way they should be.

Please give farmers support, by also going back to farm.

The President: Where is Senator T. U. Wada, Chairman of the Committee on Agriculture?

A distinguished Senator: He is within, Sir.

The President: All right, distinguished Senator Mohammed Mana, you may start now.

Senator Mohammed Mana (Adamawa North): Mr. President, first and foremost, I would like to congratulate the PDP Government under the able leadership of our President for presenting a very good budget. We have said that budgets are intentions. It is my hope and prayer that these intentions would be implemented in 2010.

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The intention of Government is very good, but the implementation has not matched the intentions for the past two years. I believe that the year 2010 would be remembered in this country as the year that government matched its intentions with actions in ensuring that this over ~~N4~~ trillion would be spent to ameliorate the conditions of Nigerians. My Colleagues have spoken at length on the need for implementation. I do not need to harp on that any more. Let me speak on the road sector.

We all know that our people are yearning for good roads. Here, I want to commend Mr. President for trying to start once again the railway project all over Nigeria. When the railway project starts to work people would not worry so much again about going by road. It takes some time to implement the project. I wish we had started it much earlier than now.

On the North-Eastern road projects we have one that is supposed to run from Maiduguri to Mubi and to Hong. Part of this project has started and it is going on. I expect that in 2010 the road would move into Adamawa State from Borno. I am not happy that this has not started. I intend to make presentation to the Committee on Works to ensure that this project moves to Adamawa State.

On the issue of revenue generation, we depend too much on petroleum for our revenue and time has come for us to shift attention to other sources of revenue by the State Government, the Local Government and, of course, the Federal Government.

We thank Mr. President for the peace he has restored in the Niger Delta and once again we would be able to garner as much as possible from petroleum but we have to look inwards. I would not, at this recession period, advocate for increase taxation of our people but I would advocate that we try to imbibe the culture of paying taxes. We cannot solely depend on the Federal Government for revenue in this country. State, Local and even Federal Governments stretch their hands to receive from Federal Allocations. It should not be so. Local Governments should be able to generate, at least, 50 *per cent* of their revenue from taxation. So also are the State Governments. They should look into ways and means of getting additional revenue from taxation so as to implement their projects.

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I thank you for your attention.

The President: We will first take Senator Hosea Oladipo Ehinlanwo, after him we will take Senator Abidemi Babalola and then distinguished Senator Nimi Barigha-Amange all in that order.

Senator Hosea Oladipo Ehinlanwo (Ondo South): Mr. President, I rise to comment on the Budget of 2010.

First of all, I commend the President, Commander-in-Chief for this year's budget. It is a very moderate budget given the global recession. My observation on the Capital Expenditure of ~~N2.3~~ trillion is that it is in order. The government must as a matter of policy allow the country's resources to improve before embarking on huge capital expenditure. There is need for government to pay particular attention to the Abuja to Lokoja road project, considering the alarming rate of accidents along that road.

Concerning economic development, the global view supports the benchmark of oil price at ~~N57~~ per barrel. I support that.

I call on the Federal Government to religiously implement the amnesty programme of Mr. President in the Niger Delta so as to realise the estimated output of 2,088 barrels per day.

The essence of the budget, to my view, is for economic development and if this budget is well implemented, I am sure the projections we have for 2011 would be better. We are used to making budgets and presentation of budget is a yearly ritual for us but my concern is the implementation of budget which has been a problem in this country. The problem starts with late submission of budget for passage into law. Passage of the Appropriation Bill into law takes almost half of the year resulting into shortage of time for implementation within the year. Definitely, I commend this Senate for blazing the trail for early passage of budget into law which started last year when the Senate passed the budget before the end of the year. That is very commendable. This year, I look forward for the passage of this Budget of 2010 before the beginning of the year 2010 so that the implementation can begin very early so that the Executive will not complain that they do not have enough time to implement the budget.

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In management science there is planning, supervision and control. To me, budget represents the financial plan of the government while supervision and control factor rest with the Committees who should watch the performance of the budget within the budget year. My worries have been poor implementation of our yearly Appropriation, the under performance of the 2008 Appropriation calls for serious concern. We should be more alive in our oversight responsibilities to ensure full implementation of our budgets.

I thank you for the opportunity for the little contribution.

Senator Andrew Abidemi Babalola (Oyo North): Mr. President, let me first and foremost use this opportunity once again to thank you for the purposeful leadership that you have provided for this hallowed Chamber. It has made each of us to be able to stand on this very type of occasion to say it the way it comes to our mind.

There are two cardinal points that everybody looks for in the budget that determines whether that budget is good or not. One is the source of revenue. A budget that has so many sources of revenue contributing to the purse from where the expenditure is going to be made is described and considered a very good budget. Unfortunately, ours has followed the tradition of monotonous source of revenue which is oil every year. Some of us have taken it as a responsibility to remind government on the need to diversify for the sources of revenue. This has contributed to why implementation of budgets has always been a problem. When you are not sure of the source of revenue and every year you are budgeting and before the end of the year you might reach there but at the starting point which is point *zero*, the question is, how much money do you have in your hand? If you have to depend on what you earn at the end of every month to implement a budget for resources that are not enough from day one then *ab initio* that budget has a problem.

The other issue is the expenditure profile. When you look at the expenditure profile, what are we spending the money on? As usual, in this year's budget, 70 *per cent* of it is to be spent on government expansion. The budget has been increased by 37 *per cent* from last year that means the Recurrent Expenditure has also been increased. As said by Senator Uche Chukwumerije, there are

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millions of people in this country who are unemployed and in the last two that this government came on board it has not, at least, officially employed a single person yet our Recurrent Expenditure has continued to be expanded annually. So we need to find reason for this.

The Capital Expenditure for this year is N1.3 trillion. Some body asked me when we wanted to start that the money we budgeted last year, what did we use it for? We cannot use it for anything because believe it or not, this country does not have the capacity to utilise this money through the Civil Service. I am a product of the Civil Service of this country and I know the Civil Service we have today, does not have the capacity to utilise this money. Their orientation is not to spend money the way we expect to spend the Capital Budget. We need to ask ourselves, are we actually doing the right thing? Are we going the right way? Year in, year out we give a huge amount of money to people who are not prepared for it. Most of the contracts are just being awarded by this November. How then can the person utilise the money that he was supposed to have been given in January which is given to him in November? Some of these projects are just coming out this November. We can see from here that we are not yet prepared.

After the Second World War in 1945 there was the Marshal Plan that demanded the Europeans to develop their cities. The World Bank and the IMF came together and provided the necessary support to develop those cities. That is exactly what Nigeria needs today. If we depend on the Ministry of Works to develop our roads, it will be a failure. If we depend on the Federal Ministry of Agriculture to provide food for us, it will be a failure. If we depend on the Federal Ministry of Transport to provide transportation for us, it is a failure. What we need to do is to hand the developmental programmes to the private sector. It is only the private sector that can do it and there are ways of doing it. But the people that we give this money year in, year out will not give us the right to do it, because taking away the money from them is like removing the benefits they are getting from it. That is why corruption will continue to be entrenched in the system, because year in, year out we give these guys a lot of money to manage and they do not have the capacity to do it.

0521

We have only 34,000 kilometers of federal roads in Nigeria today. This is less than 10 *per cent* of what the State of Illinois has in America. What I am saying is that, if you tell Julius Berger and three or four other companies that, look, in four years I want you to deliver all the federal roads in Nigeria they would deliver. But if you continue to give billions of Naira to the Federal Ministry of Works every year, nothing would come out of it because the bureaucracy will consume three-quarters of the money.

In other not to go into the nitty gritty of this Budget, I will suggest that; one, we need to exploit taxable revenue. There are so many resources. America has oil, but if you look at their tax revenue, there is nowhere they say that they need one barrel of oil to pay for any project. What they do is to tax them and collect the revenue. Any country that cannot use taxation to finance its projects has not started. Our source of revenue should be taxation. We spend so much money on agriculture in the last 10 years yet if you look at our revenue profile, there is no one kobo agriculture is adding to the source of revenue and we should look into it.

The President: I am sorry, I did not get your point on taxation.

Senator Andrew Babalola: What I said about taxation is that even the oil revenue, we do not have to dig oil as a country. What government needs to do is to collect royalty from who ever that is digging the oil. That is issue of resource control. For instance, if Anambra State Government is digging oil behind its backyard that is its business. All the Federal Government should say is, as far as you dig the oil, give me 60 *per cent* of the accrued revenue. That is what we are talking about.

Senator Teslim K. Folarin: Mr. President, I move that we suspend further debate on this Budget till the next legislative day.

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Senator Adeleke Olorunnimbe Mamora: Mr. President, I rise to second the Motion as moved by the Leader that further debate on the 2010 Budget be suspended till the next legislative day.

The President: Distinguished Colleagues, you will agree with me that this has been a very lively debate. A lot of our Colleagues would like to contribute. We have 16 people who have contributed today. We would continue again on Tuesday, which is the next legislative date and we would get as many people as possible to be able to contribute and talk frankly about the way we feel about budget implementation in this country.

Question put and agreed to.

Resolved: That the debate on the 2010 Budget be suspended till the next legislative day.

Distinguished Senators, before I call on the Leader of the Senate, on behalf of all of us, I wish all Nigerians and, indeed, all our Muslim Brothers and Sisters a happy Sallah holiday celebration.

ADJOURNMENT

Senator Teslim Folarin: Mr. President, I move that this Senate do adjourn till Tuesday, 1st December, 2009 at 10.00 a.m.

Senator A. O. Mamora: Mr. President, I rise to second the Motion as moved by the Leader of the Senate.

Question put and agreed to.

Resolved: That the Senate do adjourn till Tuesday, 1st December, 2009 at 10.00 a.m.

The Senate adjourned accordingly at 1.05 p.m.