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HOUSE OF REPRESENTATIVES
FEDERAL REPUBLIC OF NIGERIA

Tuesday, 3rd November, 2009

The House met at 11.40 a.m.

PRAYERS

(The Speaker in the Chair)

VOTES AND PROCEEDINGS

The Speaker: Hon. Members, the House is called to order. I have examined and approved the Votes and Proceedings of Thursday, 29th October, 2009.

OATHS

**OATH OF ALLIGENCE
AND
OATH OF MEMBERSHIP**

The Speaker: Hon. Members, we have two Members desirous of taking the Oaths this morning. Can they please come to the Table?

Thereupon the following Members-Elect took and subscribed the Oaths or made and subscribed the Affirmations required by law:

Member-Elect Hon. John Olawole Fashogbon (*Ife Federal Constituency*)

Member-Elect Abubakar Mahmud Wambai (*Mubi North/Mubi South/Miaha Federal Constituency*)

ANNOUNCEMENTS

The Speaker: Will the following Members, please, meet with me immediately after sitting:

Chairman, (Downstream)	Committee	on	Petroleum
Hon. Warman W. Ogoriba	-	Bayelsa State	
Hon. Kayode Amusan	-	Ogun State	
Deputy Chairman,	Committee on Aviation		
Chairman,	Committee on Federal Character		
Hon. Bernard Ambrose Udoh	-	Akwa Ibom	
Hon. Daniel Oritse G. Reyeniejue	-	Delta State	
Hon. Stanley O. Ohajuruka	-	Abia State	
Hon. Patty Etete O. Inemeh	-	Akwa Ibom	
Hon. Overah O. Joyce	-	Delta State	
Hon. Musa Usman	-	Niger State	

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The Chairman of the River State Caucus

**Visit of Pupils and Staff of Anointed Children
Nursery and Primary School**

The Speaker: My dear Colleagues, we have in the Gallery students on excursion from the Anointed Children Nursery and Primary School, Mpape, Abuja.

(Pupils and staff of the institution stood for recognition)

Meeting of the Committee on Marine Transport

The Speaker: Hon. Members, there will be a meeting of the Committee on Marine Transport today at Hearing Room 2.37, New Building at 2.00 p.m.

(Signed)

*Hon. Ifeanyi Ugwuanyi
Chairman*

Complaint on Faulty Microphones in the Chamber

The Speaker: Chief Whip, I have received a complaint of faulty microphones at Row 9 on the right hand side. Their microphones are not working.

You will need to call on the Chairman and Members of the House Services Committee to find out exactly what is going on with the repair work in this Chamber.

Performance of the House on Bills Passed

The Speaker: Hon. Members, on the performance of this House regarding Bills passed, let

me say that we have already surpassed almost by 100 *per cent* the performance on Bills passed as at this time of the last Session.

On Motions, we have done almost 100 *per cent* higher by this time of the last Session. I know the work rate is very high but we need to push a little harder. We have 65 Public Hearings to complete before the Sallah break which is in three weeks. I know the Deputy Speaker is pushing harder on it as well. Chief Whip, again you will need to work a little harder so that we can get the desired result.

PRESENTATION OF PUBLIC PETITIONS

The Speaker: Any Member who has a petition to present to House may, please, rise to do now.

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**Unlawful Dismissal from the service
of the Nigeria Police Force**

Hon. Joseph M. Gumbari (Kauru): Mr. Speaker, I have here a petition from one of my constituents, Corporal Hassan Ishaya. He is petitioning on unlawful dismissal from service of the Nigerian Police Force after serving for 8 years. He is complaining that he was dismissed verbally without written documents therefore his prayer is that he wants to be reinstated into the service. He is seeking the indulgent of this honourable House to do justice to the matter. With your permission Mr. Speaker may I present it on the Table?

The Speaker: Please, proceed.

Petition laid

The Speaker: Are there any other petitions? (*No response*) All right; the petition is referred to the Committee on Public Petitions.

Petition referred to the Committee on Public Petition

MATTER OF URGENT PUBLIC IMPORTANCE

**Deplorable Condition of the Road Linking
Abuja/Lokoja to Benin City**

Hon. Patrick A. Ikhariale (Esan Central/Esan West/Igueben): Mr Speaker, Point of Order.

The Speaker: Yes Order what?

Hon. Patrick A. Ikhariale: My point of order is Order VIII, Rule 4 of our Standing Orders at page 25 dealing Matter of Urgent Public Importance.

I stand this morning before you as an honourable Member of this hallowed Chamber to raise a Point of Order with a heavy heart, in the sense that part of my constituency and other road users who have to ply that road to access Benin City the capital of Edo State may now have to go through neighbouring States, because the major road that links Benin City from this end going from Abuja, Lokoja, Edo Central to Edo South has been cut into two by gully erosion.

Mr. Speaker you will recall that we have made several applications on the Floor of this House calling on the Federal Government to take a serious look with a view to fixing that road. Mr. Speaker that is the substance of my point of order this morning and if it pleases this House, with due respect, I pray we take it tomorrow the next legislative day.

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The Speaker: My dear colleagues a question, is this urgent enough to be considered as a matter of public importance?

Question put and agreed to.

Resolved: That the deplorable condition of the road linking Abuja/Lokoja to Benin City be considered a Matter of Urgent Public Importance to be taken at the next legislative day.

PRESENTATION OF REPORT

**Report of the Joint Committee on Governmental
Affairs and Justice on Senior Citizens Centre
(Establishment) Bill, 2008**

The Speaker: The only business of the day is the presentation of the Report of the Joint Committee on Governmental Affairs and Justice on a Bill for an Act to establish Senior Citizens Centres in the country to cater for the needs of the Senior Citizens and for other matters connected therewith 2008.

Hon. Leo Ogor is presenting the Report as the Chairman of this Committee. This was referred to your Committee on the 3rd of February, 2008. Please present your Report.

Hon. Leonard Okuweh Ogor (Isoko North/South): May I with due humility move that this House do receive the Report of the Joint Committee on Governmental Affairs and Justice on the Bill for an Act to establish Senior Citizens Centres in the country to cater for the need of the Senior Citizens and other matters connected therewith 2008.

Hon. Abubakar Shehu Bunu (Bungudu/Maru): I rise to second the motion ably moved by the Chairman of Committee on Governmental Affairs.

Question put and agreed to.

Report laid on the Table.

ORDERS OF THE DAY

MOTION

**Medium Term Expenditure Framework and Fiscal
Strategy Paper of the Federal Government of
Nigeria**
(Adjourned Debate on 28/10/09)

The Speaker: The First Order of the Day is the resumption of debate for the Medium Term Expenditure

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Framework and Fiscal Strategy Paper of the Federal Government of Nigeria, standing in the name of the Leader of the House, Hon. Tunde Akogun.

My dear Colleagues, you will remember that this debate was adjourned on Wednesday, 28th October, 2009.

Hon. Akogun, please move for the debate.

Hon. Tunde Akogun (Akoko Edo): Mr. Speaker, I rise to move that this House do resume consideration and approve the Medium Term Expenditure Framework and Fiscal Strategy Paper revised 2010 and 2011.

The Speaker: Is there any seconder?

Hon. Sama'ila Mohammed (Bassa/Jos North): I rise to second the Motion as moved by our Leader.

Question Proposed.

The Speaker: The Floor is open to Members who may wish to contribute. I believe some Members have already submitted their names. I would start with Hon. Ekpo.

Hon. Ekperikpe Ekpo (Abak/Etim Ekpo/Ika): Mr. Speaker, thank you for the golden opportunity offered me to contribute on the deliberation on the Medium Term Expenditure Framework, which we were made to understand constitute a framework for planning of the expenditure and revenue of the Federation for a particular year as the case may be.

My concern about this very presentation is with reference to the revenue generation in terms of oil and as well as non-oil sector. In the oil sector, we were made to understand that there was going to be an increase from what was projected in 2009, which was ₦969 billion to ₦184 billion in 2010, which provide a difference of ₦2.5billion.

One expected that this would be reflected in the Capital Budget unfortunately, what we have seen in the Capital Budget is minus; reducing from the 2009 Budget, ₦1,022 billion to ₦860 billion in 2010. Where does the increase translate into when it has not been reflected in the capital sector?

And of course, we are the representative of the people; there is no way you can impact on your own people without looking at projects executed before your tenure; projects executed within your tenure and the ones that are being continued. We were also made to understand too that because of the shortfall in the non-oil revenue, the surplus here would be used in the

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Recurrent Expenditure instead of the Capital Expenditure.

Secondly, 2010 is the third year of this administration, 2011 would be a year of election which means that we would not have enough time to execute projects within 2011. Why then do we short-change capital projects within the year 2010, which should be proactive in making sure that new project and the ongoing projects are executed.

From the Speech made by Mr. President when he was presenting the Budget Estimate for 2009, I discovered that the estimate for capital project for 2008 was ₦796.7 billion but the projected estimate for this year is ₦860 billion which gives an increase of ₦64 billion from the Executive but when we compare this with what was passed by the National Assembly, you will have a difference of ₦162billion, which does not in any way reflect the introduction of projects from the National Assembly. This means that they are only operating there budget without consideration to the input from the National Assembly. I believe that we should look into this aspect and make sure that the projected figures are readjusted to reflect the aspiration of the people that we represent.

Deficit or shortfall, should not affect a particular sector; it should equally affect the recurrent expenditure so that it goes across the board and that would reflect the actual representation of the people in what we are doing here.

I, plead that the Executive should know that we equally have a part to play in whatsoever that they are doing when they talk about budget projection as being presented here.

I have equally noticed that there is a predicted decline in oil production; we have not been made to know what would have constituted this? Is it natural or man made? If it is natural then we have nothing to do but if it is man made now that they have discovered that there might be a shortfall in production we should work towards making sure that it does not occur so that nothing would tamper with our own projected figures in terms of implementation of the budget.

Hon. Okey Udeh (Orumba North/South): I must, in line with the previous Speakers, commend the drafters of this document. We are all aware that this is a statutory requirement and responsibility. Having looked at the document, I found out that it contains the relevant components as detailed out in the Physical Responsibility Act. On that note, I commend them irrespective of the fact that this document should have guided our annual budget preparations since the year 2008. But it is said that it is better late than never.

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I know that the philosophy behind this sole exercise is in line with the attainment of our national objectives; the key ones being the 7-Point Agenda and also the Vision 20-20-20. If that is so, it then means that this Medium Term Expenditure Framework ought to represent the first solid foundation that would help us to attain these objectives. This is because if we realize that the projections and the assumptions in these documents are not in alignment with its objectives, then it means that the whole idea might fail.

I believe that the responsibility of this Parliament is to make sure that the projections and all other major assumptions that are contained therein in these documents are in alignment with the objectives that we have already set for ourselves. I believe that for us to be able to achieve the 7-Point Agenda and get to our objective which is the Vision 20-20-20, we have to critically analyse what is contained in this document.

Let me say that the long term objective of our government is for Nigeria to be one of the twenty largest economies by the year 2020. Now, let us compare ourselves with the other countries. I know that for us as a country, we are presently at a thirty-eight point on the economic table. I do not think it is a position that we enjoy. This means that for us to get to being one of the first twenty, we must displace some countries. We must displace countries like Netherlands that is presently the sixteenth. We must displace Turkey, Poland and Indonesia. We should also expect to displace Belgium that is twentieth.

How can we achieve this with the way we are running? The current size of these countries GDP is at least twice that of Nigeria presently. If I take Belgium for example, the GDP of Belgium is \$497 billion while that of Nigeria is \$212 billion. If you look at Belgium running at the rate of 2.2 *per cent* as their growth rate, you will find out that by 2020 when we expect to displace them, they will have a GDP of about \$645 billion. For Nigeria to move faster than these countries, it is estimated that Nigeria should grow at a rate of about 9.7 on the average for the term.

What do we have in this document? You will find out that the growth rate projection as contained in this document shows that the expectation is that by 2020 Nigeria should be growing at 2.61 *per cent*; compare this with 9.7 projection at which we have to grow on the minimum to be able to overtake these countries. By 2011, Nigeria is projected to grow at 4.89 and finally by 2012, Nigeria is projected to grow at 5.83 *per cent*.

That brings me back to the Vision 2020 document. The projection in that document is that Nigeria should grow at the average of 12.1 *per cent* between now and

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2020 for us to achieve that vision which is a bit more realistic judging from the fact that I have told you that for us over take even Belgium that we have to grow at the rate of 9.7 *per cent*. Where does this leave us?

We have to acknowledge the fact that there is a global economic down turn. This global economic down turn has affected our country's economy. That is an agreeable fact. We have all the other factors that contributed to this. I believe that with all these put into consideration that the drafters of this document have gone into the extreme, adopting conservative approach with respect to their projections and sectoral allocation.

I will now suggest that this House should look into this document and critically review the benchmark. We have to look into this document and review the sectoral allocation because we have to bring this sectoral allocation in line with the objectives that we set for ourselves.

I do not want to go into examples here but I want to say that if you look at the table on pages 62, 63, 65 and 66 of this document, you will find out that it is so ridiculous that while the gross earnings should be increasing, the allocations for capital projects is decreasing; yet we want to talk about enhanced expenditure in power and infrastructure that will enable us to achieve our stated objectives.

It is my candid opinion that this is an opportunity for us to make our input into the budgeting process. This is the time for us to review this document critically because we have remember that by the time we push out this document it becomes a subsidiary legislation because that is what is going to guide the budget planning process for two years.

The Speaker: Wait a moment Hon. Udeh. That was excellent but I want to ask you a question on the figures that you mentioned as far as the expected growth rate is concerned. The expected growth rate according to this document is supposed to be nine point something percent. Is that what you are saying?

Hon. Okey Udeh: No, Sir, I said the expected growth rate according to this document is 2.61 *per cent* for 2010; 4.89 *per cent* for 2011 and 5.83 *per cent* for 2012.

The Speaker: At that rate and in consonance with vision 20-20-20, would we be able to match or surpass those countries that you have mentioned who may probably have their own target for 2020?

Hon. Okey Udeh: Never.

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The Speaker: According to those figures, is it not possible?

Hon. Okey Udeh: It is not possible.

The Speaker: Therefore the plan is already fundamentally faulty.

Hon. Okey Udeh: Yes, that is why we have to review it.

The Speaker: According to you, the document is faulty and not the plan.

Hon. Okey Udeh: No, the document is faulty but the plan is all right because vision 2020 has already brought out its own statistics.

The Speaker: So, we need to review the document within the plan.

Hon. Okey Udeh: Yes, Sir.

The Speaker: All right.

Hon. Emmanuel Yisa O. Jev (Buruku): Point of Order Mr. Speaker.

The Speaker: Go ahead with your Point of Order Hon. Jev.

PERSONAL EXPLANATION

Hon. Emmanuel Yisa O. Jev: My Point of Order is Order VIII Rule 5 of our Standing Orders at page 26. It reads:

By the indulgence of the House and the leave of the Speaker, a Member may make a Personal Explanation although there be no question before the House; but no controversial matter may be brought forward nor may debate arise upon the explanation. The terms of the proposed statement shall be submitted in extensor to the Speaker when his leave to make it is sought.

The Speaker: Go ahead. What is the explanation you wish to make?

Hon. Emmanuel Yisa O. Jev: I think some clarifications need to be made so that some of us will be in a position to function properly in this House. When we get the Order Paper, I think the idea is to prepare us for the task ahead. I am seeing a situation in this House where we have the Order Paper but when we come for the sitting an entirely different process is brought

forward. For instance, the Order Paper that we had yesterday...

The Speaker: Wait a moment; can you refer to the Notice Paper?

Hon. Emmanuel Yisa O. Jev: The Notice Paper that we had yesterday, we have up to five issues coming up today.

The Speaker: Can you restrict your explanation to what we are discussing right now?

Hon. Emmanuel Yisa O. Jev: The Speaker is calling what we are discussing here from a list. I do not know when the list was prepared.

The Speaker: Well, if you are not on that list you can just put your name on it now.

Hon. Emmanuel Yisa O. Jev: I needed certain clarification so that next time my name will be on that list.

The Speaker: It was passed on Thursday last week and it is actually on the Votes and Proceedings which has been approved this morning.

Hon Yisa O. Jev, do you have a copy of the Votes and Proceedings?

Hon Emmanuel Yisa O. Jev (Buruku): Yes, I do.

The Speaker: You do have a copy; please read it.

Hon. Mayor Chukwudi Eze (Orlu/Orsu/Oru East): I want to approach the issue from a different perspective. The perspective is the role of the Parliament. It is a well-known fact that no Executive can function effectively without the Parliament. Moreover, it is said that when the Executive fails the Legislature must bear at least 60 percent of the failure because the inactivity or inaction of the Executive is also attributed to the failure of oversight; that is why, as a Parliament, we should never shy away from the issue of oversight no matter the noise from the Executive.

This is because the Constitution has placed enormous responsibility on us, which we must never shy away from. Sometimes, when we come here as the representatives of the people and look at the Budget there is no doubt that no Executive has a Budget; it is only the output or whatever comes from the Parliament that is a Budget of a Nation. It is therefore incumbent on us to exercise those enormous functions placed on us by the Executive.

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This mid-term assessment that we are doing, we all know that from 2008 and 2009 we cannot say that the Budget has been effectively implemented. What are we doing as a Parliament? It is therefore incumbent on us at all times to rise to the occasion to do the right thing and checkmate the Executive. The essence of the Parliament is to checkmate the arbitrariness inherent in the Executive Arm. There is nowhere in the world that the Executive can claim that they are better than all the elected Members of the Parliament.

I am using this opportunity again to call on us to x-ray the 2009 Budget even before passing the 2010 Budget. We cannot be here and we see this thing from a pedestrian level, whenever the Budget comes, we approve and then fail to carry out effective and efficient Oversight. It is left for us to harness the enormous powers inherent in us so that this arbitrariness would stop.

That is the angle I want to take it.

Hon. Ubale Jakada Kiru (Bebeji/Kiru): I have gone through this very important document and I have seen three things; one is a document that tells us about a framework; and the strategies. I will underline those two words because they are key to the entire Presentation in the document.

It went ahead to structure itself this way; it gives us a Report of what happened in 2008, told us what is happening in 2009 and then gives us an idea of what it intends to do in subsequent years; in particular, the next three years. Unfortunately, it worked in the reverse.

The last part of the document consists of information titled; *Indicative Expenditure Ceilings*. This is what formed the basis for the expenditure framework for the three years, 2010 to 2012. After going through the entire documents, my observation is that the *Indicative Expenditure Ceilings* should be reviewed to accommodate the aspirations and expectations of Nigerians beyond the 7-Point Agenda. So far, we have not seen much as far as the implementation of the 7-Point Agenda is concerned and therefore we should not assume that it ought to be the basis for future planning.

Nigerians needed roads; electricity; portable water to drink; good schools for their children; more employment opportunities and above all; the security of their lives and property. These must be accommodated within the framework and the strategies.

I observed that as far as 2008 Report is concerned in the document, it falls short of so many things. I do not want to call it a misrepresentation but I want to

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believe that hon. Members of this House do know that as far as 2008 Budget implementation is concerned it was a terrible failure.

Unfortunately, the tables and figures in the document that were supposed to be printed in colour to be able to allow Members understand exactly the messages were presented to us in black and white and therefore hardly can one really understand their implications. But then, I will casually suggest that the picture painted on the Budget Performance for 2008 did not acknowledge shortcomings. And unfortunately, unless you accept your shortcomings the tendency is that you may not look for ways to improve. I want to believe that, that is one of the fundamental mistakes of the document.

The second issue has to do with the 2009 Budget. The reporting is that there was a substantial increase in terms of Capital Expenditure to the tune of 33 *per cent*. Unfortunately, as far as the first and second quarter are concerned, I did not believe implementation in physical achievement terms was anything beyond 20 *per cent* which was actually reported to this honourable House.

Secondly, there was this statement on page 20 of the document talking about revenue performance in the 2009 Budget, especially the first quarter. It said clearly that the targets set for the revenue generating agencies on the non-oil side were not realized. Unfortunately that was where it stopped. Therefore, Parliament needs to be told why they have not been realized and what strategies government intends to adopt to match this kind of situation for the rest of the year as well as for the three years that would come after 2009.

In any case, there is fundamental linkage that is not properly established as far as reporting on happenings and the seriousness of government to deal with this kind of budget is concerned. Although the Capital aspect of the Budget – (*Interruptions*)

(*Microphone system breakdown*)

The Speaker: Honestly, this not funny at all, this has been going on for the past four weeks. Can you check another microphone, please?

Hon. Ubale Jakada Kiru: Mr. Speaker, I was saying that as far as the projections for 2010 are concerned, there are three fundamental problems: the issue of the emphasis on oil revenue. I would say that it is a wrong strategy for us as a Nation to continue to base our planning on purely oil revenues. I want to believe that in the next three years we are supposed to begin to shift emphasis from oil to Agriculture and other resources which God blessed this country with.

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The second observation has to do with the issue of exchange rate stability and interest rate. Unfortunately, the document falls short of talking about how to improve on manufacturing productivity. We have witnessed in the last few years the closure of our industries as a hallmark of this situation. I believe we have to reverse this situation; we cannot continue to be consumers and importers of goods. We must encourage our industries to manufacture and the only way to do it, is to get them on again so that they would access funds at cheaper rate and at controlled situations that would facilitate manufacturing as an activity. I believe that would enhance our employment opportunities.

The third issue has to do with the degree to which we would continue as a Nation, to rely on the outside world to survive. It is a wrong sin. I believe the document has to be reversed to take into consideration these issues.

The Speaker: May I please advise my dear Colleagues that, this document when it is passed, it is our document. So when you criticize, it is the easiest thing to do but we want solutions please.

Hon. Sokonte H. Davies (Degema/Bonny): Mr. Speaker, the microphones are becoming very funny.

The Speaker: Hold on one moment, Hon. Davies. Chief Whip, I sincerely hope that they are not working on these microphones right now. If they are going work on them, they should wait until we are done. So, would you please inform them to stop whatever work they are doing? When we are done, they could start their work; they need not prove to us that they are working now.

Hon. Sokonte H. Davies: I want to first of all thank Hon. Udeh for succinctly presenting a lot of issues he discussed as an Economist; it captured a lot of issues as they should be. This is because if we are preparing to be amongst the 20 most developed economies in the year 2010 our growth projection is already saying that we did not believe in that vision. We have said that we must grow at a minimum of at least 10 *per cent* and we are saying that we are going to grow in the next three years at about 5 *per cent* which is not right if we believe in that vision.

Secondly, this document is rich in projection and negative projection actually and very poor in strategy; it is supposed to be a fiscal strategy paper. If you go through this document as some of us have done, it is very short on strategy. For example it says at page 24: *the decline in economies activities in other countries in which Nigeria are residence is also expected to negatively attract the economy through a reduce inflow of resources*. It goes on to say much things but nothing was said about what we can do to mitigate these

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expected shortfalls. In fact it is almost true of everything that is said in this document.

So I believe that the document has not been properly presented for us to really look at the Medium Expenditure Framework appropriately. Look at the revenue also, it said forecasted market price of oil in page (7) for 2010 is 57.2; but it is silent when it came to 2011 and 2012. Yet this is a document that is supposed to cover 2010, 2011 and 2012. It means that it is not sure of its economics so he does not want to bring a thing that if it fails tomorrow it would not be able to stand the test of time.

Another issue that this document has brought up, which this Parliament must look at, is the issue of Excess Crude Account. The legality or otherwise of this account has not been established and it is still there, that it why you project every market price of oil to be \$57 in 2010 then you are putting a bench mark of \$50. This is because we want to create Excess Crude Account which will be appropriated without authorisation from the National Assembly.

We must look at this document and begin to ascertain our position as a Parliament to oversight. In fact I agreed with Hon. Mayor Eze that said that one of the problems which we face is oversight; we allowed ourselves to be cajoled and cowed not to do proper oversight. Today's paper says that ~~N~~60 billion that was supposed to be in this year's budget for projects were not implemented. Why was it not implemented? This was not implemented because they said it was a room for gross corruption, which is an indictment on this National Assembly. We know how that sixty billion Naira project came about; things like this would continue to go on if we do not look at these issues properly.

I think that this document is not well prepared and I do hope that when it is submitted to the appropriate Committee, it would do a thorough work on it.

The Speaker: Hold on a moment; that information you are gave us which arm of the government and which department is it coming from? Whose name is attached to those comments?

Hon. Sokonte Davies: It is coming from the Executive arm of Government and Presidency department. It is on today's Guardian and ThisDay Newspapers. I read one or two of them this morning on the internet. In fact it is the Guardian of today I can tell you that. A document like this to National Assembly is very black and blank in its colour presentation.

I want to urge the Committee which we would finally give this document to look at to come out with a

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position. I am not sure that the debate on a general principle would give us what we desired.

Let a powerful Committee be set up to look at this document so that they would come with an alternative. That is why I am happy that as it has come to National Assembly Budget Office Law and if it is accented to, then for the issues like these, we would have our own data before it come to us.

The Speaker: Hon. Chairman Committee on Appropriation and Chairman Committee on Finance I believe the two of you would be meeting with the Members of the Executive on Budget Implementation, can you authenticate the information that Hon. Sokonte Davies gave to the Floor.

Hon. John Enoh Owan Enoh (Obubra/Etung): What specific aspect Mr. Speaker?

The Speaker: Could you repeat that, Hon. Sokonte Davies?

Hon. Sokonte Davies: Yes, in today's paper, Guardian Newspaper even somebody has confirmed that it is in the Guardian of today that the Presidency has said that, that sixty billion project should not be implemented because it is an avenue for corruption.

The Speaker: Alright. When you meet with the Minister of Finance and those who are in charge of the Implementation can you authenticate what he is saying?

Hon. John Enoh Owan: Mr. Speaker, I think what I can say is that, that information becomes a basis for engagement.

The Speaker: You have been engaging them.

Hon. John Enoh Owan Enoh: That specific matter obviously has not come up; it is just being thrown up by the papers and a Colleague is mentioning it.

The Speaker: But in your engagement with the Executive is there no such thing?

Hon. John. Enoh Owan Enoh: No, Hon. Speaker.

The Speaker: Alright, we cannot begin to pass judgment based on Reports that may or may not be authenticated, but the Committee on Finance and Appropriation has been working with the Ministry and I want to assume that, that may be a misunderstanding and that there is work in progress. Please have a look at that; thank you.

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Hon. James Ita Enang (Itu/Ibiono Ibom): The Fiscal Responsibility Act, provides and compels the Executive to lay before us the Medium Term Expenditure Framework and the Fiscal Strategy paper. The Medium Term Expenditure Framework is intended to be the proposal of the Executive to the Legislature as to the priorities of government in the next financial year. The Medium Term Expenditure is intended to be a three-year term thing which is presented to the Legislature to consider and approve as thought fit.

I want to submit that the document we have from the Mr. President is a proposal. It is only what will go out of us that will be what would guide the President in knowing how the representatives of the people think and what they want done in the next year's budget. That is why this document has come in accordance with Section 11 of the Fiscal Responsibility Act.

May I please, draw the attention of Mr. Speaker and our Colleagues that what Mr. President has presented here is only what is required by sub-section (b) of that Act which is the Medium Term Expenditure for the year 2010; that which is required to be done by the Act as the first originating document has not been presented to the House by Mr. President. May I also draw the attention of the Members to section 11(1) of the Fiscal Responsibility Act. It says:

The Federal Government after consultation with the States shall, not later than 6 months from the commencement of this Act, caused to be prepared and laid before the National Assembly for their consideration a medium term expenditure framework for the next three financial years and thereafter not later than four months before the commencement of the next financial year, caused to be prepared a medium term expenditure framework for the next 3 financial year.

What has been presented before us is the one that leads to next year's budget that we are expecting from Mr. President. I want to use this opportunity to urge that the President should still lay before this House, although it has exceeded six months after this Act was passed, it still has to be laid before this House a Medium Term Expenditure Framework to be considered in accordance to the subsection (1) of this Act.

I have looked at the framework and I am of the opinion that the assumptions used in that document are faulty indeed. I would not blame the document so much because it was prepared some time in July. For instance, we have seen the oil benchmark put at about \$50 per barrel. Oil has, for the past two weeks, been hovering between \$76 and \$80 per barrel. I would

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suggest that we raise the benchmark to between \$58 to \$60 per barrel.

In this year, we had \$45 per barrel as our benchmark but by God's grace, we are having it at \$78 to \$80 per barrel today. The amount of revenue we are expecting makes the future to look bright because with amnesty and peace in the Niger Delta, there is going to be an increased production and in of petroleum products; therefore, the income at the end is going to be good for the Government.

No economy in the world survives the way Nigeria economy does. Our economy relies only on oil. We should take steps that would ensure that the industries we have start and work again.

The greatest problem we have in this country is unemployment. Where would we employ our citizens, it can only be in these industries and factories. It is sad that for the past three years it is only one sector that has been employing: Civil Defence, Customs and Immigration and all these are service sectors. None of the production sectors is producing for the economy.

Much of what we are talking about is tax is taxing oil-related and oil-dependent matters. Therefore, other than oil, there is actually no other source of earnings for the economy of this country.

We should revisit the issue of privatization and industries because when you look at America, they are earning from employing their citizens and the production from their factories. I commend this and move that we commit this in due time to the Committee on Finance so that they would study and take the inputs of Members into account in making final recommendations to the House to comment.

The Speaker: Did you realize that the projections are up to 2012?

Hon. Ita Enang: Yes, Mr. Speaker.

Hon. Yusuf Maitama Tuggar (Gamawa): As you have rightly pointed out, this document is ours to consider and approve and as such, I am not getting up to criticize but also to perhaps point out areas that might have been left out as a result of oversight. Section 13 of the Fiscal Responsibility Act stipulates that this document is meant to be prepared in consultation with, among others, the National Assembly. The area that I want to draw our attention to is that of cash calls.

As we are all well aware, there is an ongoing review of the Petroleum laws which seek to, among other things, create incorporated joint ventures which

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means that Nigeria would be relieved of the burden of providing annual cash calls which amount to \$4 billion to \$5 billion. What I see missing in this document is what is to be done with the \$4 billion to \$5 billion. It does not seem to take that into account.

The second area that I also see some figures missing has to do with oil production with reference to 2011 and 2012 where it talks about revenue generated from oil production. In the column that pertains to independent producers, it reads zero, which means that nothing is expected from them. There is also nothing in the column pertaining to marginal oil field; you also have zero. This means there would be nothing generated by independent oil operators as well as marginal fields. This is precisely the area that has to do with local oil companies.

We have just finished passing the Local Content Bill which, to the best of my knowledge, the government is planning another marginal field from our exercise as well as the fact that you have about 40 oil mining leases that are said to have expired. There are also some things in the media about talks with Chinese and other interested parties.

What we have to take care to consider is whether we should simply assume that the oil companies are going to continue operating those licenses; leases are going to be renewed and that is why the independent marketers are being expected to produce nothing or if indeed local companies are going to also be considered in awarding those mining leases which really should not be the case. We should not expect that it is simply going to go to foreign operators.

Hon Umaru Ibrahim Kurfi (Dutsin Ma/Kurfi): I stand to support this Motion. This Medium Term Expenditure Framework is a program which has been on for the past maybe twenty or thirty years.

The previous Leaders have rarely succeeded; but it is now introduced back to us in the year 1998. It really enhances and allows the MDAs to be able to have their resources as accruable to them. It encourages investment by making taxation, interest rates and government strengthens more credibly. It also improves transparency and direct public discussions. Indeed it facilitates our programme evaluation.

I therefore, stand to support that this Motion should be passed by all hon. Members.

Hon Labaran Y, Dambatta (Dambatta Makoda): Looking at the Medium Term Expenditure Framework that has been submitted, I would like to draw our attention to the issue of pricing which has earlier been mentioned by most of our Colleagues here today.

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Regarding the price setting, having taken into consideration the average price of oil world wide, it is suggesting \$50 for 2010 and \$52.5 in 2011 and \$55 in 2012. I believe we should look at this critically with a view to raising the benchmark because looking at the averages really and what obtains today in the market where the average hovers around \$78 to the barrel, I think we should do better on that because that will bring in more revenue to the Nation.

I would also like to dwell on the issue of the non-oil revenue where it is highlighted that there would be a fall in the year 2010 from the 1,296 billion (one thousand two hundred and ninety-six billion) that we have in 2009 to 913 billion (Nine hundred and thirteen billion). This I believe has to do with how we set our targets; what is the target setting mechanism? Probably the target setting mechanism is faulty. I think there is a need to review critically how we set targets of revenue collection.

In addition to that, I would also like this House to recall that the issue of non-remittance of revenue by Government Agencies has been discussed and the Report tabled before this House. I believe we should do a thorough analysis of what it obtains so that we enhance the revenue of the Federation because so many Government Agencies are generating revenues which are not properly accounted for. I think once we look at that, that aspect will probably be enhanced.

Thirdly, is the issue of Capital Expenditure; I wonder why we should be envisaging a decrease in Capital Expenditure to the tune of 16 *per cent* in the year 2010.

I think and even for the interest of all Members here, it is a year we should see projects coming up in our Constituencies. If the Capital Expenditure is envisaged to decrease by 16 *per cent*, it means we will have nothing to show really in our Constituencies and so on. I think that is an aspect that we should look at critically because why should there be a decrease in Capital Expenditure. Once the decrease in Capital Expenditure is raised; there is decrease in the government activities, there is decrease in employment, and it affects so many factors; so many things. I think we should look at all these issues.

Hon Ralph Udenze Okeke (Anambra East/Anambra West): Before I go into the details in this document, I want to say that the introduction of this Medium Term Expenditure Framework will do a lot of good to our budgeting system in Nigeria. This is because here is a document showing us the Budget of the next three years; it will give both the Executive and the Legislature the opportunity to study it very well to enable us go for better implementation.

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It will also reduce the heat generated by the Budget activities between the Executive and Legislature in this Country. It is important that these three years forecast should be looked into thoroughly by the Legislature so that at the end of the day we can come out with a document that can actually do good to this country in the next three years. All we have to do is that every year, we have to look at the year's forecast and only amend those things that are not realistic or in tandem with the current realities by being sure that the few things that we want to amend in that year's forecast really needed to be amended. This brings me to the issue of oil prices that we have forecasted here.

In this document, it is said that the only factor that determines the reduction or downward movement of oil prices in the world is Global Economic Resources. And this document also is telling us that it is expected that the World Economy Crisis will stop by the year 2010; it will be all right. Here in 2009 that we are still in that crisis, the oil prices have gone up to \$76 per barrel. So, we should not be expecting anything less than \$100 per barrel by the year 2010 when we are told that the economy recession will stop.

Therefore, I am suggesting here that we put it at \$55 per barrel 2010, \$58 per barrel in 2011 and \$62 per barrel in 2012.

I would like to touch on the area of Capital Expenditure. It is very ridiculous that while we are expecting to grow on yearly basis in order to meet up our socio-economic activities and increase it, this document is forecasting a downward movement or decrease in our Capital Expenditure. I do not know how to handle this issue; I do not know why the Executive is shying away from implementing Capital Expenditure. It is very ridiculous.

Professor *Ngozi Okonjo Iwuala* told us some years ago when she was the Finance Minister that the total Budget of Nigeria is less than the Budget of Fire Services Department in New York City. If this is true, why is it that Nigeria can not implement a Capital Budget of just One Trillion Naira? It is very ridiculous,

One of the cardinal points of this government is provision of electricity for our citizen. And we were told that by December, 2009 we should expect 6,000 Mega Watts so that our electricity generation will improve. But as I speak to you now, NNPC has refused to award the contract of Gas Generation Plant which was budgeted for in the 2009 Budget. Therefore, what we would probably hear by January next year is: *yes, we have generated 6000 Megawatt but there is no gas to power it, when the Kanji Dam Water(Interruption)*

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The Speaker: Hold on; Chairman Committee on Gas; Deputy Chairman, Committee on Gas? *(No response)*

Is there any Member of the Committee on Gas here? If there is, can you authenticate the information that Hon. Okeke has just given us now?

Hon. David Onobi Idoko (Ado/Ogbadibo/Okpokwu): We called the Minister to the Committee to explain to us why they have not awarded the contracts for those projects. They tried to parry it to the NNPC to say it is in the purview of NNPC but we insisted that the provisions. *(Interruption):*

The Speaker: So it is true it has not been awarded.

Hon. David Idoko: Yes, it has not been awarded.

Hon. Ralph Okeke: So Mr. Speaker, it is a terrible situation because the NNPC is not answerable to anybody.

The Speaker: The NNPC is answerable to the Committee on Gas and Committee on Petroleum. Hon. Chairman, Committee Petroleum.

Hon. Bassey Edet Otu (Calabar Municipal/Odukpani): Mr. Speaker, there was a time we were having very serious problems with the NNPC but I believe that those problems right now has been resolved.

The Speaker: So, will the contract be awarded?

Hon. Bassey Edet Otu: Actually, the approvals from the Presidency came out quite late, I believe that right now they are on it and by tomorrow we will report to the House if they have been awarded.

The issues we heard were that those Pipelines that were to take Gas to these different stations were, of course, the Ministry's responsibility. We budgeted for it in this House. Therefore, we did not see any reason it should be the NNPC that is awarding what we have given to the Ministry that proved to us here that they have the capacity to carry out these projects.

So, they have moved in, though late, and we have reported to the House accordingly. And we made it very clear to them that if by the end of the year those projects are not on stream then they will be in a very big trouble. So, they are running helter-skelter to solve this problem.

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The Speaker: The Chairman, Finance Committee, do we have any constraints on the Capital Expenditure to fund capital projects or monies for this particular project being released?

Hon. John Enoh: Mr. Speaker, the answer is no because as you will also appreciate, the problem this year has not actually been the release of funds. *(Interruption)*

The Speaker: So, the funds are with the Central Bank of Nigeria.

Hon. John Enoh: It is the inability of the MDA's to access the funds released to CBN. We have mentioned ₦500 billion, which is true; those funds have been released. So it cannot be the failure of the Ministry of Finance or the Budget Office to release funds.

The Speaker: The Committee on Gas and the Committee on Petroleum we would like you to meet with those who are responsible to make sure that this is done on time.

Hon. Ralph Okeke: Mr. Speaker, they keep telling us stories. It is a serious issue. The Finance Minister told us two months ago that the monies for that project have been released by the Accountant-General of the Federation for the past three months and they refused to do something. This leads me to the issue of unspent money; here they are forecasting that in 2010 they would return only ₦150 billion, this is not true because we all know *(Interruption)*

The Speaker: It has not happened; so, how could you know whether it is true or not?

Hon. Ralph Okeke: This year they returned ₦300 billion. *(Interruption)*

The Speaker: Sorry?

Hon. Ralph Okeke: I am saying that at the end of the year, the unspent money is going to surpass that of the previous year. So when they are forecasting ₦150 Billion, the NNPC alone can return that ₦150 billion.

Finally, if we take a look at the deficits they gave us here, if you look at the document for 2010, the deficit is increasing. I have never seen a situation where even an individual can sit down and say that in 2010, for example, he was going to owe Mr. Bolaji ₦100 Billion; in 2011, he was going to owe Ozomgbachi ₦200 billion? No, our deficit has to be reducing because they

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have told us here that the economic recession will end in 2010. Therefore, we are expecting more money as from 2010. Therefore, our deficits have to be decreasing.

Hon. Andrew Uchendu (Ikwerre/Emohua): Mr. Speaker, I have to tag along with Hon. Ita Enang in his remarks when he said that this is a proposal of the Executive and it is our responsibility to look at it, make some inputs and finally come with up a position we believe the Executives should handle.

As a country this documents is our future; as a people it is our live, and so we must, with every seriousness, look at these positions. I have tried to go

page by page and I am impressed that these are very excellent Micro-economic parameters that had been assembled. However, my worry is that how these micro-economic parameters would affect the lives of our people. I have not been able to understand the link between these micro-economic parameters, their projections and the accepted vision 20-20-20. I believe that it is the implementation of the Vision 20-20-20 that will really affect the lives of our people.

And if these array of micro-economic parameters are just to impress whatever that is outside this country then we may have to do a lot more work. It was in the earlier meeting that we had discussion on this issues that we talked about setting up a Committee that will sit down and analyse these things to understand really where we are going. In addition, it has to be properly resolved with the Executives if not we will not be doing much to ourselves.

I have tried to see these projections and I have not been able to see the projections as they relate to production. Somebody was busy talking about our resources – human, material, and land. What have we made out these? We have mentioned unemployment problems; how are these projections going to meet up with that? I have not seen any projections on consumption. Our attitude to consumption is unbridled and uncontrollable. In addition, if we are going to move as a country as we are targeting production, we are also to watch our consumption and our consumption habits. Somebody again has talked about the capacity of the Executives to implement and to access funds that have been budgeted.

There is no projection that would work unless we have projections based on how we can improve our Executive capacity. When you take cursory survey of what goes in the Ministry you will find out that virtually everybody aside of the Assistant Directors and upwards, the rest are just sitting down, I am sorry to say this. It is not their fault; it is the fault of those who manage the

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system, and I say we must do something about this; we will need to confront the Executives and let them know that this country belongs to all of us. There is no need allowing 85 *per cent* of the work force in the Public Service to consume more than 50 *per cent* of our total national income. Something has to be done. Moreover, if they must consume it then they must be seen in a role that is important.

There had been quite a lot of disruptions in the system such that each time we come up with budgets, there are numerous major extra budgetary expenditures that throw off whatever projections that were approved. A case in point is that along the year, we came about a situation whereby the sum of ₦200 billion was injected into the Agriculture Credit Scheme. We never asked where this money was coming from. What are the modalities for accessing these funds?

The Speaker: Are you sure the Committee on Agriculture were engaged?

Hon. Uchendu: I am a Member of the Agriculture Committee and I know that before I left for somewhere else, I was to raise this Motion but because this issue has come up I have to bring it here. I recall when the President of the United States of America came in with \$750 billion projection to save the America economy. It was robustly debated in the Parliament; but we never did. However, whether or not we discussed it, I am concerned about this disruption in our micro-economic projections. So long as this thing continues to interfere with the budgetary system, we would not just go where we are going. I think there must be what we call serious budget discipline.

I want to agree that this Budget is a noble one, the projection is important, the document is our future, it is our life, except they set up to read and understand what I am talking about (*Interruption*).

The Speaker: The National Planning Committee should just do its work.

Hon. Uchendu: With every respect to whatever we have done here, I think it requires more serious work than this.

The Speaker: Than the Committee of the House?

Hon. Uchendu: I have just received from a friend in the United States of America what is called the America Vision for 200 years. They are thinking for themselves and the children yet unborn. They do not even mind what is going to happen in the next 200 years but there is a Vision and it is reduced to medium term and Annual Budget. This is what I think we should be doing.

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Hon. Ibn Na'Allah (Zuru/Dankoa/Wasagu/Sakaba): First of all, let me respectfully say that a careful understanding of this document and its origin would present no problem to this Parliament. What is it about? It arose from our requirements as inserted in the Fiscal Responsibility Bill that requires the Executive to be able to provide us with this so as to sharpen our thinking as to what goals we can set for this country to stimulate the economic growth.

As you have rightly pointed out, the requirement under the Fiscal Responsibility Act is for three years and this document is up to 2012 and we are in 2009. As far as I am concerned that is what I know. In the analysis here, it says the Medium Term Fiscal Policies are consistent with an increased economic growth which my colleague Hon. Ude has said the projected growth would be 5.83 *per cent* by 2012.

Secondly, the analysis says that based on honest and sincere figures in the implementation, it shows that under the most unfavourable economic scenario, Nigeria's debt level will remain sustainable which is a very good analysis. It says that part of the problems we had was that we relied so much on a very efficient and effective tax system which has not met the expectation of those who are planning under this Act. What does it require? It requires that the Parliament should equally look at how the tax system in this country can be made more efficient and effective.

I want to go into a little controversy which I hope that my Colleagues would have a sober reflection and understand the need for us as people with the desire to build this nation to have a re-think. We must respectfully admit the fact that Nigeria as it is presently constituted makes economic growth a bit unpredictable. What do I mean by that? We get money and the monies are shared between the States with different budget policies, goals, yearnings and aspirations. Where is the national goal? How is it going to be funded? What does Nigeria as a nation aim as its goal different from that of the States? How is it going to be funded from the earnings of the Federal Republic of Nigeria?

The document itself had said that even though there is going to be increase in the Excess Crude Account that would affect the projected economic growth of the country because this money is going to be ploughed back to States as it is being done in the states. Therefore, because of the uncoordinated spending by the various State Governments, it makes the attainment of one national goal equally difficult.

We must accept that analysis and then we, as Members of Parliament more especially the House of Representatives, must take a second look at whether

based on the Medium Term Revenue Framework submitted in this document, we can actually say that we have a national goal and if we do not have, what can we do as Parliamentarians to realign this document to be able to meet that objective? After all, we are coming from the various States of the Federation but we must admit the fact that as we are presently constituted and the way we spend money uncoordinatedly, it is going to make the attainment of national goal a little bit more problematic.

Let me just give one example which I am aware is on record; in one year in this country, an Airline had sold tickets for ₦25 billion but today Nigeria does not have a national carrier. If we have had a national carrier, for example, we could have taken part of this ₦25 billion from one single operator.

The Speaker: Just a minute, you said ₦25 billion in ten months?

Hon. Ibn Na'Allah: ₦25 billion in twelve months

The Speaker: It is not the end of the year yet.

Hon. Ibn Na'Allah: No, I am talking about last year's Report. It was one particular operator that made it. We have not less than eight operators of airlines operating in this country. If Nigeria has had a stable national carrier, this is the money that can be trapped into this country and kept and that would have stimulated economic growth and it could have become a national goal.

We have a country today whose National Income coming from Aviation constitutes 63 *per cent* of their National Income. We all know that part of this 63 *per cent* analysis had shown that 42.1 *per cent* coming from this country is going out.

So, we must sit down as Parliamentarians and agree that we need a national goal and it is achievable based on burying our political differences and pursuing the national interest. This is where this document becomes a very handy document for my Colleagues and brothers

Hon. Leonard Wakkyai W. Dilkon (Pankshin/Kanke/Kanam): This House has been talking of remittance of internally generated revenue into the Consolidated Account since this House started. If you look at the revenue framework, the projection for 2010, there is a fall from 305 to 250 this year. Are we now saying that everybody should pay in more? Let me just take an example of Nigeria Port Authority.

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The Speaker: From which figure to which figure?

Hon. Leonard Dilkon: From 305, but the projection for the year 2010 is 250 less than this year. For instance, Port Authority had projected that they would generate ~~₦~~47 billion as from June. They were able to generate ~~₦~~46 billion. Out of this amount, they pay only \$10 million as operating surplus which is less than 10 *per cent*. The Port Authority collects 4 *per cent* Port Charge from the 7 *per cent* Port Charge. This fee was introduced for Port development. Which Port are we developing? They are still collecting this 4 *per cent*.

These Ports have been given out to concessionaires; they pay rent. Where does the rent go? Where is this money? In Cotonou, they fund their budget with operations from the Ports but in Nigeria, I want to tell this House that we do not see up to ~~₦~~2 billion of the money from the Port Authority.

Secondly, FAAN and other Parastatals in the Aviation industry do not remit adequate revenue to the Federation Account. Hon. Na 'Allah has just mentioned how much an airline collects from the sale of tickets. There is a fee that each passenger pays to these organizations in the Airports; everyday, they will come here to tell you of inadequate funding. If you call them to Finance Committee Public Hearings, they will tell you that they do not have any savings; that they would only pay from the operating surplus; that the money they have is not even enough. When you travelled and come back to Nigeria, you will notice that the conveyor belts are not working; the air-conditioners are not working; you tend to wonder, where they take this money to.

I want to talk about NTA; I am happy Hon. Habeeb is here. If you look at the submissions of the NTA, their Internally Generated Revenue hovers around ~~₦~~2 to ~~₦~~3 billion. But the Committee Chairman on Information came up with how much they are supposed to generate, that it is supposed to be ~~₦~~13 billion. We are now going to invite them because from his records they are supposed to bring in ~~₦~~13 billion and not the ~~₦~~2 or ~~₦~~3 billion that they have been talking about.

I want to ask the Nigerian Universities this question. Every time we talk about inadequate funding of Nigerian universities. There are levies that students pay in each institution in this country; but the Universities do not remit a single kobo to government coffers. If you look at the returned funds, the Nigerian universities funds that were returned are the highest. Why is it so? It is so, because they are running a Budget, which is the internally generated revenue.

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When our Colleagues were talking about releases and so on, since this new Minister came on board there has not been any problem with releases; the problem is that most of these organisations do not come to draw from the fund because they are helping themselves with the internally generated revenue.

Therefore, this is an area that I would want this House to look at properly. For instance, when we went on Oversight with the Committee on Agriculture, we observed that as far back as June this year some parastatals had drawn 80 *per cent* of their budget for the year; some had drawn 100 *per cent* and some have not drawn anything at all. I told them that no, this is not possible because the report I have as the Deputy Chairman, Finance Committee was that at most 50 *per cent* had been drawn from the Budgets. However, we realised that if these funds get to them this week they will distribute them as if they were distributing groundnuts to the Parastatals that they want to give. So, if this honourable House goes out on oversight function and any Chief Executive talks about not being funded adequately, I would want the Committee Chairman to meet with the Chairman of my Committee. This is because all the stories about non-release of funds are not true.

If you look at it properly, organizations do not want to come and draw down because they have enough internally generated revenue and when you call them to come and explain, they would say no that their law allows them to spend the money.

If you look at these submissions, there is nowhere that they talked about grants. Grants from international organization are supposed to be revenue to us. In their budgets, you will see money budgeted for malaria one and so on; while they also receive grants from international organisations for these purposes, which they spend without accounting for it. You tend to wonder as a Member who approved the money for them. It was never reflected in their revenue.

This is where I want to stop.

Hon. Garba Shehu Matazu (Matazu/Musawa): Mr. Speaker, I can see from the contribution of my respected brother and Colleague that not only the moods of hon. Colleagues have changed but also even the mood of the Presiding Officer has changed. This is to show that there are many problems, which this House needs to sit down and address under your able leadership.

Let me first congratulate my hon. Colleague because this Motion, which we are discussing on this

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particular document today, is a Motion and a document of necessity and it is our own child because it originated from this very important Chamber.

One area which disturbed me when I went through this document is the issue that there is a forecast that by 2010 the revenue expected from the non-oil is going to come down less than what we have in 2009. This is a very sad story. This is something that should worry every Member of this very important Chamber. This is because this government has invested a lot of money in agriculture in the last two years and we expected that by now or by next year that the non-oil revenue will even double more than what we have in 2009; but from this document it is projected that the non-oil revenue will even go down more than what we have in 2009. This is a very sad development and we need to look at it very squarely especially when we come to consider the 2010 Appropriation Bill.

Another very serious concern which I was able to fish out from this very important document is that we need to take our constitutional responsibility seriously when carrying out our Oversight functions. This is because some speakers before me had mentioned that there are a lot of problems. Many government agencies, parastatals, ministries generate a lot of revenue internally which they do not report to anybody and it has not been captured in our annual Appropriation. Moreover, I know that this problem has been on for the last ten years that I have been in this very important Chamber.

Every year we come here to do the normal budget rituals; we have always asked question, what all these parastatals especially institutions of higher learning - Federal Colleges of Education, Federal Polytechnics, Federal Universities generate a lot of internally generated revenue which they do not account to anybody. That is the more reason why we are having problems here and there. We need to look at this problem very seriously especially now that...
(Interruptions)

The Speaker: Hold on for a moment, please. Let me ask the Chairman Rules and Business Committee, the Bill that was brought by Hon. Leo Ogor to address this problem of IGR which some of these agencies claim that the Law allows them to spend. At what level is that Bill?

Hon. Ita Enang (Itu/ Ibiono Ibom): Mr. Speaker, it has been committed to the Committee on Finance.

The Speaker: Deputy Chairman, Committee on Finance, how far have you gone on that Bill?

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Hon. Leonard Dilkon (Pankshin/Kanke/Kanam): We worked on it lately (Interruptions)

The Speaker: When are you bringing it to the Floor?

Hon. Leonard Dilkon: Well, it is not for us to decide.

The Speaker: Hon. Chairman Rules and Business Committee, do you have a copy of their Report?

Hon. Ita Enang: No, I do not have a copy, Mr. Speaker.

The Speaker: When are you going to let him have a copy of the Report?

Hon. Hon. John Enoh (Obubra/Etung): Mr. Speaker, we have not done Public Hearing on that; it was just committed to us recently.

The Speaker: Chairman Rules and Business is it part of the 55 Public Hearings that were meant to take place before the end of December?

Hon. Ita Enang: Yes, Mr. Speaker.

The Speaker: When is the Public Hearing then?

Hon. John Enoh: Mr. Speaker that Bill is not part of Public Hearings that you are talking about.

The Speaker: Chairman Rules and Business, you claimed it is part of it but he is saying that it is not.

Hon. Ita Enang: Yes, Mr. Speaker, it is.

Hon. John Enoh: It is not. Mr. Speaker, the Committee has actually started work on that Bill. We invited the FIRS; we invited the Accountant-General then I suddenly found out that, that Bill was not listed among the Bills to be funded for Public Hearing.

The Speaker: All right, you can take it from me that you have full approval of that Bill for a Public Hearing; you can bring your paper to me in my office immediately after Sitting so that we can have the Public Hearing before we go on *Sallah* break.

Hon. John Enoh: That is all right.

Hon. Garba Shehu Matazu (Matazu/Musawa): Now I want to suggest on a very serious note that this

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honourable House must do whatever we can within our Constitutional power as Federal Legislatures, as law makers and as Parliamentarian who has the constitutional right and backing to make good laws for the good Governance of our country. We must do whatever we can to see that we revitalized our industries and also to see that in the 2010 appropriation something is done in other to improve Agriculture and Agricultural development in this country, because it is sad to hear that what we have from non-oil revenue in 2009 is going to be with less in 2010. This is not going to augur well for this country.

Finally, on a very happy note after mentioning all the negative sides of this document, I am happy to realized and see that our real GDP Growth in 2010 is projected to be 2.61 *per cent*, and in 2011 2.89 *per cent*.

The Speaker: Hon. Matazu if you had come earlier, you will realized that those figures would not even get us to 20-20-20 it has been taken apart here and you are happy about it.

Hon. Garba Shehu Matazu: I have withdrawn the side of my contribution; and on this note I want to end up that we need to do something to save this country; we have no other country but Nigeria, and we must remain here especially as Legislatures to salvage it.

Hon. Daniel Dino Melaye (Kabba/Bunu/Ijumu): Hon. Speaker, my highly respected Colleagues, I salute your courage. One would show one is very sincere and happy at the frankness of our discussion this morning. Having perused this document, I want to summarily conclude that the indicators of the economic growth as stipulated in this document are not capable of taking us to the Promised Land. If you look at what is obtainable in this document as a vehicle of taking us to the promised land of becoming one of the 20 largest economies in the Global 2020, our projection up to 2013 is of about 5 *per cent* growth rate.

So for Nigeria to be one of the 20 largest economies in the world, we must displace one of the current 20 largest economies in the world. This means we must do something extra ordinary than what any of these 20 economies in the world is doing. With 2.3 or 2.6 *per cent* growth rate, are we going to displace France, America, United Kingdom, or any of these 20 largest economies in the world who currently are operating between 16 and 20 *per cent* growth rate?

Several Members: We cannot. (*Prolonged Interruption*)

The Speaker: Before Hon. Dino continues, my

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dear Colleagues, what he is saying to us is that even if those countries are operating at 1 *per cent* increase it is still almost 50 times higher that our own 5 *per cent*. I think that is right? So please carry on.

Hon. Daniel Dino Melaye: Thank you very much Mr. Speaker. What I am saying in essence is having studied even the present budget we have, there is a Report from the Federal Minister of Finance that we have 45 *per cent* budget performance but over the weekend I collected documents from the Accountant General's Office which proved that that is not true. I want to stand on good authority to say it is not true. After my postulation, you may commit this to the Committee of Finance to actually give us the Christian and Islamic budget performance of this government till date.

Releases made from the Office of the Accountant General do not completely translate into budget performance. Some of these monies have been released either due to due process bottle necks, they have not been accessed or because some of them have been kept in special account to accrue interest before they could be utilized. It is a basic problem even to projection from now to 2020.

We have not seen anything practically on the ground with respect to the MDG's in 2009. I, as a Legislator, my hope and aspiration is that I will at least make sure my constituency benefit from the fair share of our National cake, and if in November there is no indication that contractors have been mobilized, and by 15th of December, all monies will be ask to be returned to treasury, then there is a fundamental problem. In this time of opprobrium, in this time of obloquy... (*Interruption*)

The Speaker: Hold on, I did not understand, and I am sure we do not understand. You said in this time of what?

Hon. Daniel Dino Melaye: In this time of opprobrium.

The Speaker: No Hon. Dino do not do this please. Chairman Rules and Business,

Hon. Daniel Dino Melaye: It is English Mr. Speaker; you can ask Hon. Ita Enang.

Hon. Ita Enang (Itu/Ibiono Ibom): Mr. Speaker, that is the language of his people. (*Prolonged laughter*).

Hon. Daniel Dino Melaye: Mr. Speaker, I am not speaking with water in my mouth. (*Interruption*)

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The Speaker: Hon. Dino can you please just speak English.

Hon. Daniel Dino Melaye: This is English Mr. Speaker; *Opprobrium* is in the Dictionary it means disgrace. Hon. Ita Enang has misled this House by saying it is my native language.

The Speaker: Is Hon. Patrick Obahiagbon here? Oh, he is not here. Apparently, the word is English.

Hon. Daniel Dino Melaye: Mr. Speaker if it is in the Dictionary then Hon. Ita Enang will have to apologies to me.

The Speaker: Yes, he will apologies to you if it is in the dictionary. Does anybody have a copy of the dictionary? Meanwhile, you can proceed.

Hon. Dino Melaye: Mr. Speaker, before the dictionary arrives, what I am saying is that in this time of opprobrium, obloquy, postulation and vicissitude, it is very inherent that we Members, especially the Committees must take our oversight functions very seriously. This is because the figures being branded and postulated have no positive concomitant effect with what is obtainable on the ground. If we are not spending our Capital Budget then automatically there will be no infrastructural development and you will have a reflection and resultant effect on even monies in circulation.

So, we must, as matter of utmost necessity, ask that the Federal Ministry of Finance to work very seriously with the Committees of this House and our Committees should take their oversight functions seriously and make sure that there is proper budget implementation. This is because the projection as it is right now will not make Nigeria one of the 20 best economies in the world; it will rather retard the present *status quo*.

I rest my case while we look for the meaning of opprobrium.

Hon. Abdul A. Ningi (Ningi/Warji): Mr. Speaker, the Medium Term Expenditure is a product of the Fiscal Responsibility Act passed by the National Assembly. The Medium Term Expenditure was developed by many developed nations immediately after the Second World War. They developed this Medium Term in order to meet their political and economic expectations. Therefore, the Medium Term Expenditure that we have happens to be developed in an ideal environment. So, whether or not this country is an ideal place to have a Medium Term Expenditure developed remains to be seen.

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With our economic dependence of more than 90 per cent on oil, (*Interruption*)

The Speaker: Wait a moment Hon. Ningi. Hon. Ita Enang, for misinforming the Speaker and the entire House of Representatives would you please apologize to Hon. Dino Melaye?

Hon. Ita Enang (Itu/Ibiono Ibom): Mr. Speaker, in view of the fact that the spelling and the pronunciation was not clear, I still apologize to my brother and my friend for the House to make progress. He did not pronounce opprobrium well. (*Laughter*)

The speaker: Hon. Ningi still has the Floor.

Hon. Abdul Ningi: As I was saying, the Medium Term Expenditure is an economic strategy adopted by many great nations especially Great Britain, Germany, France, Japan and the United States of America. As I said, no Medium Term Expenditure took place in an ideal situation.

To define ideal, it is seen to be our expectation in the next few years all things being equal. Because we are 90 percent dependent on oil and because of the Nigerian factor, this Medium Term Expenditure has a big question mark as to whether or not we are going to abide by it.

It is a path to development; it is a road map to greatness and it encompasses where we are coming from, where we are, where we are going and how we are going. This nation has always had very beautiful documents. Even the budget passed for the last ten years were so beautiful despite of complaints from certain quarters. However, over the last ten years, no one national budget was implemented beyond 50 percent.

Who are those that are supposed to check non-compliance of the budget? Everything that our Members have said is correct but who are those constitutionally empowered to make sure that what happened in the last ten years do not happen again? And the answer is, it is we in the National Assembly. If you ask me whether we have the ability to do it? The answer is yes. If you ask me whether we have the capacity to do it? The answer is no. This is because for the last ten years we have been unable to reflect to find out what is really happening with our Committees in terms of their functional capacity to do this job.

When the history of this House is written tomorrow, it will be referred to as Speaker Bankole's House just as we had Speaker Masari's House or Speaker Ghali Na'Abba's House. For some of us, we

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are mere Chapters in the book. Some are paragraphs and some are even footnotes but when the history of this House is written, it will be referred to as Bankole's House. It therefore falls on your youthful shoulders but you are fortunate to have vibrant Members that are able to move this country from the status that we are.

Not long ago, the Committee on Finance came up with trillions of Naira that were not remitted to the Government. They said it and echoed it and the Committee on Police also uncovered billions of Naira that were recovered from former Inspector General of Police, Mr. Tafa Balogun that were nowhere to be found. Neither were they remitted to the government nor were they given back to Mr. Tafa Balogun or the Police and we asked these questions just like the Committee on Finance asked: where are these monies? As far as Nigerians are concerned, these issues that have been swept under the carpet.

The Speaker: Just a moment, that Report has been tabled. When is it due for consideration, Chairman Rules and Business?

Hon. Ita Enang: We have just decided that for this week we would consider the Executive Bill.

The Speaker: I did not ask you what we are doing this week; I know what is going on.

Hon. Ita Enang: It will be taken next week.

The Speaker: We are going to consider the Report of the Finance Committee on the unremitted funds next week.

Hon. Ita Enang: Yes, next week.

The Speaker: All right, proceed Hon. Ningi.

Hon. Abdul Ningi: The Nation is always coloured by ethnic and religious configurations. If the Head is a Yoruba man that does the criminal act this nation will cover him; the Yorubas will cover him because he belongs to them so also is the Hausas and the Igbos. That has always been the problem of this great country and even in this House you will see some synopsis of such behaviour. Until and unless we begin to address these issues, we will be going in circles.

There are two areas that the Medium Term Expenditure did not cover well. There is the expectation of the non-performance of the non-oil revenue that will dwindle and for us, it is a food for thought to reflect and ponder over. If in the next three years the non-oil revenue will not progress then why are we talking about the 20-20-20 vision? That is why this

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House must look at this document with all the seriousness that it deserves.

In addition, the Medium Term Expenditure should not only be meant for the Executive or the Parliament. It should be made available to all Nigerians so that side by side everyone will be informed of what the Executive said they will do; and this what the Parliament approved that should be done. If anything happens along the way, the public will know who actually erred. This is because over the last ten years this country has witnessed serious squandermania of riches, extravagance, wastage and leakages. No matter documents we are going to put across if we do not tackle wastage, leakages and corruption, we will not go anywhere.

For the very first time we have seen a President who has a vision without being corrupted; who has a vision of where we want to be but even at his own end, you will find a lot of people who are trying to undermine what he is trying to achieve and they are key personnel of this government.

When you talk of trillions of Naira missing here and there, is it the Parliament that is responsible or Nigerian? It is the key Bureaucrats who were the reason of this mix-up. And when Parliament speaks, even the Executive no longer takes action; they look the other way. That is why, no longer what you tried to do; no matter your good intention, if you do not march your words with action, we would only go steps backward.

Therefore, it is my candid opinion that the President does not need to come here and lay the Medium Term Expenditure as enshrined in the Fiscal Responsibility Bill. What the President did was right; we are here debating the Medium Term Expenditure and that is sufficient. It has satisfied Section 11(a) of the Fiscal Responsibility Act.

Mr. Speaker, we are in dire need of heroes in this country; political heroes that would make bold statements; take bold actions in order to catapult this great nation into what we are supposed to be. Without great visionaries, Britain, Germany, Japan and United States of America would not have been where they are today. It is not about what; it is about commitment, transparency and honesty of purpose. All successive Budgets were unimplemented and people go scot free because there is no political will on the part of the Parliament. It is not the fault of the Parliament; we do not have the capacity to alter or make amends the Constitution even though it has given us such powers. So, between now and 2011, you must spearhead this revolution. It would pain a lot of people but in the long term, this country would be happy that for once we have

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chart a course for greatness and only prosperity would judge all of us.

The Speaker: I am going to make a short response to that when we have done with this.

Hon. Patricia Olubunmi Etteh (Ayedaade/Irewole/Isokan): Mr. Speaker, having gone through the Bill in front of us, I want to agree that we can actually achieve the goal for the 20-20-20 if we do something with honest minds and purposeful hearts.

I have listened to some of my Colleagues giving us quotations and statistics of things we should expect from Departments and all what not. But the problem still remains that, who does what?

I believe that the budget of any nation lies with her Parliamentarians. People have been citing examples of Germany, Britain, America; and the question is, as a House, have they actually gone to the United States which our government is fashioned after to really know how the Budget is being carried out so that that can really help us a lot.

Mr. Speaker, that brings me to the fact that before you can do a Budget, you do not expect it from the Executive. What has been happening is Executive giving us proposal and we would be tasking ourselves to perfect what they must have given us when in all honesty these things ought to have originated from us. This is so because we refused to realise the power that is vested in us as Federal Legislators; most especially, the House of Representatives.

If you want to follow the Presidential System of Government, and some of the previous contributors had cited America as an example, we should send people to that place and find out exactly what is going on. Although we may not be able to carry it out the way it is being done there because they are far, far ahead of us, but the fact still remains that before you can do any Budget, the Budget must originate from each Constituency based on their contribution to the Federal level.

Every Constituent is bound to at least pay its tax. And they are supposed to remit whatever they have and their ideas back to the Federal and it is on that that each Constituency can be well developed. Are we doing that? The answer is no. Today, if you go to any part of America you would see some areas well developed in the area of roads, other infrastructures, and you would come back to Nigeria and start talking about why is it happening here and there? This is because they have a system. We do not have a system in place as far as this country is concerned. We need a system that would move this country forward; we need a system that can

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really promote the Division of Labour and we know who does what. And as such we can hold whoever that does not do carry out his responsibilities very well liable.

I remember there is going to be a Motion tomorrow in which we would be discussing about bad roads in his Constituency; it is not only in his Constituency that we want to discuss about the bad roads; it is a general problem in this nation. I raised the issue last time when we were talking about road construction.

Toll Gates have been removed but you know the Federal Government cannot do all things alone. It must be a joint partnership job that can really assist us in achieving a lot of things. But if as a Legislator, you cannot stand and say that this is the problem that I am having and this is what my Constituency has been able to at least contribute to the growth of this nation, then it is going to be very difficult for us to say: what can we do. These countries we are referring to; what do they have? They do not have oil. How much oil does America produce compared with Nigeria? But now everything is based on oil; how about our tax. We have to look inward on the tax and on some other natural endowment that we have not been able take advantage of.

There is no State in this country that does not have one thing or the other; what are they doing to develop that? We complain that they are siphoning money, why would they not siphon money? If we the honourable Members cannot sit and really identify all the things we have in our Constituencies and bring it to the front burner. I think it is high time we do not have to look only on the Oversight functions, we must as a matter of urgency, look on how we are going to be the one to be producing the Budget for our different Constituencies and not the Government telling us what we want in our Federal Constituencies.

Let me ask you with due respect, how many of the last Government and this present one have gone to my Constituency; none of the Presidents has ever been there. I am the representative of my people. I know what they want and I know what they want me to say. But if I come and I say it and you do not put it in the Budget how can it be implemented; it is not going to work.

Outside this country people even prefer to live in the rural areas because whatever you can get in the developed cities you can still get even in the rural areas. The rural areas are not polluted but the reverse is the case in this country. I think it is high time we sit down as Legislators; let us know our job; let us know which ones belong to us as individuals or as Legislators, let us

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know the ones that are for the Executives so that at the end of the day we do not mix up issues. The issue of we *cannot achieve*; I do not believe that nothing is impossible if things are being done rightly.

The Speaker: Please try to stick to the time limit as we need to move on to the Reports.

Hon. Sama'ila Mohammed (Bassa/Jos North): The Medium Term Expenditure Framework as packaged here suffers from serious inadequacies; some bothering on law, others bothering on economics and others bothering on politics. Beginning with the legal angle, I discovered that the term appears to have been breached right from the start. If you look at the provisions of the Fiscal Responsibility Act, from Section 48, 49 and 50, the Act requires that there should be transparency in discussion and preparation of the Medium Term Expenditure Programme.

You will discover that in order to dig this home the Act provides that this framework should be well publicised but as you can see, this has been given to us it being publicised. In addition, to support this it requires that the Audited Account of the Federal Government including the budget and budget performance should be published not later than six months after the end of the financial year but in 2008, this has not been done; in 2009 this is not being done and these are supposed to be components for the administration of this Medium Term Expenditure Framework. However, we are being told that the benefit of the framework is to encourage inter-ministerial cooperation, to improve transparency, and to generate public discussion. But this is not being done.

Let me go to the specifics; the main problem with the framework is that it is also in breach of Section 12 of the Fiscal Responsibility Act which specifies that the deficit for any year should not exceed *3 per cent* of the Gross Domestic Product. As we are now in all the years: 2010, 2011 and 2012 the deficit is in excess of *3 per cent* of the Gross Domestic Product.

Another problem with this framework is that as all the speakers have said, it is a Medium Term programme yet we expect it to work for the longer term, this cannot happen. In the area of the Economics, there is this issue of Excess Crude Account which is being used to finance our deficits. I want to suggest that instead of the daily or yearly spending of the Excess Crude Account, we should be able to set up an Oil Stabilization Fund that can take care of vulnerabilities in the oil price for the long term but as it is, this framework cannot capture that and it has not captured it.

Also, a requirement of the Medium Term Expenditure Framework is that there should be a

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National Debt Management Framework but this National Debt Management Framework has not been included in the Medium Term Expenditure programme. If we had it, we will then be able to take appropriate steps to set a ceiling or limit on any government debts of both domestic and foreign. If you look at Section 42 of the Act, it stated that the President of the country should be able, on the advice of the Minister, to set a consolidated debt limit for both the Federal Government and the State Governments and this is to be done every year and to provide a basis for a debt framework.

We do know that our budgets are ritual exercises and this Medium Term Expenditure programme as stated by many of my Colleagues is also a ritual exercise. We do hope it will impact on the lives of Nigerians. The impact of poverty eradication programme, the impact on agriculture, the impact on the industrial sector and our efforts to ensure affordable, efficient, adequate and uninterrupted power supply has not been captured in this Medium Term Expenditure programme.

We hope that as we handle this Medium Term Expenditure Framework, we should be able to panel beat it to ensure that it is in accord with the reality and aspiration of Nigerians.

Hon. Austin Nwachukwu (Ehime Mbano/Ihite Uboma/Obowo): Mr. Speaker, every aspect of the economy in Nigeria is predicated on oil and I simply put it that oil is the flagellum through which the economy of this country is being propelled. All discussions today about this Medium Term arrangement is predicated on oil price and I have this to say that there have been a slight recovery from the negative oil price shock that we had last year.

In early 2009, the price of oil has risen in six months to some degree and this will help to stimulate and encourage the severity that has plugged the economic recession of the world. The average market price according to a survey carried out by the Doe Jones News Wire Polls and IMF show that the price of oil was pegged at between \$51.4 and \$57.2 for crude oil that are produced in Nigeria. Currently, the price of Bonny Light is going for \$71 while that of Brent goes for \$76 per barrel and as such I want to say that the proposal made by the Executive of \$50 as a benchmark for next year's budget; I would rather suggest we put it at \$58 or \$59 per dollar benchmark position.

In the area of VAT as enshrined in this document, it says the forecast for collection in 2010 is pegged ~~N~~\$25 billion which represents about 99.7 *per cent* decline from the amount of forecast for this year. This is because in 2009 budget, the figures for VAT collections were based on an ambitious and possibly unrealistic tax

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assumption. So, in the first five months of the year, it was said that VAT collections was well below average as against the target that was actually set out for the year. That would show that before the year runs out the total earning from VAT would also be below average. I am saying that for solution, the Executive should please watch and take note of the ambitious and possibly unrealistic tax efficiency assumptions while preparing the next year's budget.

In the area of Customs, we were told that a total of ₦421 billion was made as a forecast to be collected in 2010 and that shows a 15.8 *per cent* decline from that of 2009 despite the phenomenal growth in import items. They also said that the reason for that was based on unrealistic increase in tax efficiency arrangement for this year. In the first five months again in 2009, Customs duty collections were well below the budgeted amount. My suggestion is that the Executive should do more realistic tax efficiency proposals.

On the aspect of roads in the country and I have brought a Bill here in respect of that. My father once told me that if you want to marry a wife, you must look for her during the harmatan period the reason being that you will find a woman that has scaly legs so that you do not marry her. Harmatan affects women and they have scaly legs. This country has always had this problem of roads. I know that we are now approaching the harmatan period which is the dry season. It is time for the Executive to go into roads construction and because it would do us no good if all the money earmarked for this year's roads construction are returned to the treasury at the end of the year unused. It would also mean that we are not making any progress. I am saying that during the dry season period that they should make sure that roads are being awarded for reconstruction.

Finally, the security scanning machine at the Owerri Airport has never worked for the last three months and passengers are left to manual search and sometimes without search and you know what that means to the security of all the passengers on board the flight. I am saying that the ₦300 million earmarked in this year's budget for the fencing of Owerri Airport has not also been touched. I wonder what is happening to that money. I am also saying that we use this chance to remind the Federal Ministry of Aviation to carry out that particular project because it is there in the budget and the money has been earmarked.

Hon. Abdullahi Shuaibu (Awe/Doma/Keana): Mr. Speaker, thank you for the opportunity to participate in this debate on the Medium Term Expenditure Framework and the Fiscal Strategy paper 2010 – 2012.

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I will limit myself because of the time to two issues. The first is included in the framework and the other one is not in the framework. The one that is in the framework and which many contributors have spoken about has to do with the non-oil revenue projection in the framework. It is obvious that looking at the statistics, both in absolute and percentage terms, the non-oil revenue will decline in 2010 and 2011 and would only pick up in 2012. It is not only the independent revenue which Hon. Leo mentioned is going to decline from ₦305 billion to ₦250 billion next year but all the other components of non-oil revenue ranging from Company Income Tax and Value Added Tax (VAT) would also decline. That is the worrisome development given our goal of trying to diversify our sources of revenue away from dependence on oil.

However, the consolation is that the non-oil revenue over the medium term still hovers around 30 *per cent* while the oil revenue in this document will be around 65 *per cent*. This is a positive development if you look at it from the past where our reliance on oil revenue is usually not less than 80 *per cent*. However, much needs to be done to ensure that in no distance future our dependence on oil revenue may not be more than 50 *per cent*. This is because the document is saying that non-oil revenue target as passed maybe by the National Assembly has been over ambitious because of the economic slow down due to the world economic recession is not likely to increase in the near future. They forgot that we have issues to do with non-remittance of revenues. Also there is inefficiency of tax administration and collection and other challenges in terms of revenue or tax administration that need to be addressed by the tax revenue agencies and this National Assembly.

The second issue which is not in this framework has to do with what the honourable Speaker often talked about which is the input-output-model of budgeting and planning. In this framework which is coming for the first time now, we have projection for three years. There is nothing to indicate what is in that framework for the ordinary Nigerian. There is nothing about social safety nets, welfare and security. Somehow issues of poverty, unemployment, the MDGs *et cetera* are not addressed and these things are not quantified and not provided in the framework.

Finally, what do we expect in three years time in terms of those living below poverty line? What is the statistics and their number today? Will it decline or get worse? How many are the unemployed if this is categorized? If it requires inviting the author, the Director of Budget to come and tell us not just in terms of financial allocation but what is it that would change

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for better in Nigerian. Is it in terms of infrastructure? How many kilometers of roads do we expect to provide; how many power stations can be provided?

Hon. Saudatu A. Sani (Lere): I rise to give my voice to this document that was sent to the Parliament by the Budget Office. Let me start by congratulating us that we have started right in watching over what the Executive is and also chasing the implementation of the Budget. Let me again congratulate us for electing a President that believes in the Rule of Law. It is the Rule of Law that brought out all what we are saying today. However, we need to shake the system; the Civil Service. I am going to talk on the social aspect of the framework.

This document is supposed to be outcome of the budget to Nigerians with regard to how does it change a poor man to better person? Mr. Speaker, I rise to say that today as we talk, a lot of money is in the hands of the Ministries; they have not started doing anything with the money yet. Let me specifically say that funds to the States amounting to ₦19.5 billion is still in the Central Bank, it has not been distributed to the States. We have a lot of money within the Ministry and Parastatals which has not gone to the people and we are talking about returning unspent money by next month.

From our own records, about N400 billion has so far been released for NDDC from 2005 to date and half of that money was not utilised because every year monies are sent back to the Central Bank as unspent funds.

Apart from this beautiful document, it is not just to write and say we have appropriated this for the year, but it is about the outcome on the people that are getting the service on these moneys. We as a Parliament must rise up to make sure that it is not just to write for the release of the money but that it reached the people that we have appropriated the money for. So this Parliament is starting rightly, we are happy to have a young, dynamic, hardworking Speaker, who should also push and fund the Committees to work so that Nigerians can get the benefit of Democracy.

The Speaker: Did you say fund the Committees now?

Hon. Saudatu A. Sani : Yes.

The Speaker: Hon. Saudatu let us not go there.

Hon. Saudatu A. Sani: Well, I mean it is to assist the Committees to work so that when we chase the Ministries and Parastatals to do their work as appropriate we would come out with good Reports.

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Hon. Ganiyu Tunji Olukolu (Amuwo Odofin): Mr. Speaker, I want to touch on the domestic and foreign components of the debt. You will see that the foreign part of our debt has started piling up and we are not doing anything about it and before you know it, we might have problem paying them off.

The other part that is very important is the domestic aspect of the debt. As we are speaking here now, we do not have a reliable figure; the government does not have a reliable figure of how much it is owing to the contractors and other creditors; this is very bad. Moreover, the domestic debt is tied to development if government pays its domestic debts by promoting development of the country. This is very important. We need to look into the domestic components of debt profile with the view to trying to pay them off and by this we empower the entrepreneurs locally to be able to have fresh funds to expand and employ new hands.

On the revenue profiles; for decades, the bulk of our revenue comes from the oil sector; it is high time we develop the non-oil sector.

Another area is the Budget gap or Budget holes or deficit; in a normal situation as some of our Colleagues have mentioned, it should not exceed 3 *per cent* of the GDP, but what we have now is excessive; we need to watch that.

The attributes of good forecast are reliability, dependability and accuracy of data in whatever we are put down. Moreover, the target we are setting for ourselves must be achievable and realistic not that people will just sit down and be put figures on Paper because they want to be counted as super star. At the end of the day if you ask them why they are not achieving target, they cannot answer. So, it is very important that whatever you can achieve should be what you put down on Paper. The forecast must be capable of being reviewed and errors analysed.

The other important area is that I am suggesting that there must be punishment for non-implementation of Budget.

The Speaker: That there must be what?

Hon. Ganiyu Tunji Olukolu: There must be punishment for people who failed to realise their Budget; it is high time to think of it.

The Speaker: Right now, the punishment is on election. If we do not do our jobs and you want some people to do their jobs, why should they suffer for it? Therefore, we need to do our jobs on them, so that we do not suffer.

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Hon. Ganiyu Tunji Olukolu: With these being properly implemented, I believe we can go places.

The Speaker: Before I call on the last speaker on this, is the Chairman, Committee on Public Service here? (*No response*).

What about the Chairman, Committee on Public Procurement, is he here? All right his is here. Well, is the Deputy Chairman, Committee on Public Service or any Member of the Committee here? All right, Hon. Asita is here. Go on Hon. Idahosa.

Hon West Idahosa (Ovia North East/South-West): Mr. Speaker, I want to first re-echo the position of Hon. Abdul Ningi. He did a very good job. I took time to read the document and I am not in doubt for the strategy contained in that Paper. My position is that, that Paper is a ritual, which we have to fulfil in line with the provisions of the Fiscal Responsibility Act; there was nothing strategic. I will give you one example; for a country that cannot change strategy in 49 years of existence will certainly question its hunger for growth and change.

The Nigerian Institute for Oil Palm Research (NIFOR) was founded 70 years ago, between 1973 and 1974. It was one of the leaders of the world already earning revenue for Nigeria. Malaysia and many other small Asian countries came here to collect Palm Seedlings, paid for it, paid for research and paid for Consultancy; Nigeria was already earning money.

By the year 2009, NIFOPR is lying died; begging for resurrection. What kind of country is that? Now Nigerian companies trying to produce knowledge on oil palm are going back to Malaysia to pay money back to the same people who came here to beg us some years ago and thanked us apart from paying us. That is one of the big ironies of this country called Nigeria.

Let me give you another irony. As we speak, this Medium Term Framework and Fiscal Strategy Paper and so on has talked about every thing but about our human capital development.

The people of Nigeria surrendered to this government on the basis of the Concept Theory of *John Locks* that *it is only the governed that can give consent to the governors to govern them*. Wherein is their interest in this piece of Paper, they do not have it? What about the *Abraham Maslow's Theory of Needs*; where is the fulfilment and hope and reassurance of their physiological needs, their rights to shelter, employment and to pursue happiness freely within their country?

Every day we take Motions here on somebody dying in one country, or Nigerians dying in another

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country; we have never asked ourselves why it has become practically impossible for many of these people to stay in their country. It is because of Budgets like this that would never be implemented neither are they ever deeply articulated.

One more point before I round up. That Budget seems to me to be a mono product economic based instrument: that Medium Term Expenditure Framework and Fiscal Strategy Paper that was brought here has always oil as the only thought. My dear brother, Hon. Nwachukwu described it as platinum to take us out of where we are. I disagree with him. I believe that Professor Leonard a reputed U.S. Economist made it very clear when he said: *"the problem with depending on one natural resource is that in the end it becomes the bane of development if you do not have corresponding human capital to exploit that resource."* We do not have it.

The oil we have here is exploited on behalf of the Nigerian people by experts from other countries. What is the population of Nigerian indigenous people who participate in oil and gas exploitation? How much value can it have to the capital income that finally comes to average Nigerian? We do not have that capital development. Mr. Speaker it is now time to look elsewhere.

I suggest that you reject the strategy of the non-oil revenue projection and the way to do that is to immediately set up a powerful Committee to review all Laws establishing those agencies that are revenue generating. We need to now know those powers. I have taken note that Hon. Leo Ogor is working on a Bill but my fear with that Bill is that where there are two Laws other than the Constitution mischievous government operators will pick and choose which Law favours them.

So the thing to do is take NTA Law, the Customs and Excise Law review them thoroughly with the view to tying the hands of those who are vocation leakages in that area and give them an ambitious target so that even if we get 25 *per cent* above what they are projecting we have done well. In that way Mr. Speaker, this House will be reckoned with.

I thank you for your commitment particularly to prudence in spending but the problem is that prudence can never come until Parliament stands up to capacity. We already have it; let us re-commit ourselves to our decision to use this capacity to save this country. The resolution that turned China around were taken on the floor of the People's Parliament. It was three resolutions in the Chinese Parliament that turned the country around.

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The first resolution was on Agriculture; the right to own a farm it turned back that pedestrian and peasant economy that China was running. The second resolution was the right to punish corruption and ill-doing on the part of every government officer no matter whom you are. The third was the final decision to allow the people participate in the collective wealth of their country.

That was why their privatization exercise is deeply published; it is not as elitist as ours. I will round up by saying that in China you cannot borrow money to buy shares it is a double jeopardy as far as they consider it. Here we have witnessed banking in a voodoo manner where Bank Directors sit down give themselves overdraft to purchase shares of their own bank. A lot must be done between now and the tenure that is left for us.

Luckily for us, you qualify for those that Plato described as philosophers king you are well trained. Plato said that *there will be no end to the miseries and problems of the state until philosophers become king or until those who are now kings truly become philosophers*. That is why we are always in school; that is why we try to read; we must modernize our leadership in order to modernize this country.

It is only modern leadership that can provide a modern economy and only a modern economy that can guarantee the right of the Nigerian people to pursue happiness. This document is ancient. It is strange to global changes. It is an analogue product and it must be digitalized after you refer it back to them.

The Speaker: My dear Colleagues, are you really ready for this? We have had practice runs on some of these issues; we have tested ourselves. We have tested the public and opinion molders and leaders in the society. We have tested them over one or two investigations in the last two years. We have tested ourselves; we are falling short in some places, we have done very well in some places. Are you ready for this one?

Please, I get suspicious of one or two of my Colleagues who are my good friends who come in at the end of the day to ask questions about what we have discussed. I think we should be frank. I am asking, are you ready for the backlash?

Several Hon. Member: Yes and is the leadership ready?

The Speaker: Alright, let me give you the reason that made me say this. It is a shame that Rt. Hon. Etteh is not here but she made certain comments. Hon. Ningi you were the Leader of this House in the last session when I wrote a proposal as a Deputy Chairman of the

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Finance Committee that monies were not being remitted. I gave examples of why we needed to get involved with those agencies. I submitted it to the leadership and that was the end of it. Anyway that is no problem; it was because of the experience you had and I am saying you should give Hon. West Idahosa a round of applause. He has finally woken up to his responsibilities in this House because I have always challenged him that I will not agree to give him any respect as my senior until he decides to take his place in this House. (*Applause*) I pray that our discussions on those sectoral debates that would come up next year will give us all these resolution we are talking about.

Now, when you made me the Speaker, with my dear brother Hon. Bayero and the rest of the leadership, one of the things I said to you was that if you are going to do your job, you have to scrutinize your budget accordingly. If you are going to do that you have to look at them from three simple points: the input we all put inside it; the output that comes out and the desired outcome which may or may not come in the first year of the budget itself. That is the essence of the medium term revenue and expenditure framework.

What this has done to us in this debate or in the debates in the last one week is that we now know what the strategy is and its constraints and its inefficiencies. We now have the opportunity to correct it by debating and then committing it to the right Committee and then considering it so that whatever mistakes that had been made could be corrected.

Every quarter of the year we would monitor those targets on a quarterly bases to show us whether it is performing or not. When we miss those targets we would make those corrections immediately within the year so that we can achieve the aim of the medium term of three years which can be rolled into five years, then five by four places before we get to 2020. This document is there for us to make the best use of it. They have made a proposal; we are not geniuses neither are they but we are designed to work together. All we would do is consult and work together based on what they have brought.

When we started in 2007 by looking at the budget before we first said if the budget performed 30 percent and we have been saying that we have been performing 30 percent for the last 10 years where is the 70 percent money? That was the first question we asked and before you know it within one month with the Committee on Finance 70 percent showed up in the form of ~~N~~450 billion balance in CBN. You should ask yourself there was a Parliament before we came what question did they ask about that 70 percent? Where was the money? We have already started moving. I am now saying are you ready to go the full hog?

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Several Hon. Members: Yes.

The Speaker: When we did that we had an Executive that was responsive. We responded by saying look before you ask us (Parliament) any question this time, we are going to give you a ₦350 billion unspent fund returned. They have never done it before! But without asking any question they brought it out on Independence Day speech of our number one; that shows we are working together. All that will do is to expose the engine room of the non-elected officers of government who are the ones that manage this money and not us. We also have the challenge that 80 percent of us never come back, which means that any new set that comes in will have to go through the same process to find out what is going on before we make a move.

It is painfully obvious that the Civil Service is the problem. What do we do about it? That is the issue now. The records are very clear; at least we are having records of unspent funds; they are not going anywhere. The question of input is sorted out in a way. The next is the question of output - money released every quarter.

In the last session, there was a major improvement from 30 percent to 60 percent when it comes to releases. In this session the releases have improved more than 60 percent but the monies for the desired outcomes, which is supposed to be taken over by the Executive arm of Government and the engine room which is the Civil Service, after the Executive have given such awards, is supposed to take charge of that money and execute. That money of over ₦500 billion is still at the CBN till today. Therefore, it is not the elected officers any more; it is those people who are supposed to make sure that these things work.

We passed a law last week to reduce from 60 days to 30 days the time limit for which the Bureau for Public Procurement would approve payments for approved contracts so that these same people do not give us excuses that they cannot manage these jobs any more. But we cannot stop there. The Committee on Due Process is one of the most important Committees in this House. You have to ask those questions; how come those monies approved by Federal Executive Council have not been awarded as contracts?

The Committee on Works, some of you have given me Preliminary Reports on your oversight and we are over-sighting compared to what we have ever done before. The Committee on Works have given us information that even jobs awarded three months ago, those contractors have not been paid. Where they have been paid, they have not moved to site and the Ministry of Works has taken over a large percentage of the capital project. The Ministry of Works is the one that would employ labourers and make sure that there is an

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opening of our economy. How come that that money which no longer disappears is not being charged to revitalise our economy?

Yes, you also said that we lack capacity, which is why over a year ago we passed the Bill on Budget Office immediately. That is why I personally stood on this Floor and did the Second Reading with your support on Government Accountability Office. That is our answer of going to the USA; we have been there and we have seen it and the Bills are here for us to actualise what we have seen.

That was why we gave Hon. Fasinro, a third term Member, the opportunity of Chairing the Legislative Budget Committee of the House and towards establishing that Budget Office and Government Accountability Office before the end of this tenure. That was why we have voted ₦1 billion of this House's money to make sure that those two offices are established before the end of this tenure to give us those figures that we can compare to make sure that the Civil Service works.

I am sorry I am being exceedingly passionate about this but that is the only legacy we have because if you do not have information we cannot act on the poor performance of a particular section of government, which is supposed to serve all of us. However, I will tell you, gone are those days where anyone, any arm or section of the government can now begin to use the Legislature and the Executive and be smacking their heads together for their own benefit; it is not happening any more.

One of the figures that Members discovered in the Works Committee last year was that before the Budget was brought to the House by the President, ₦100 billion was the proposal for the Works Committee. Thirty percent of that money amounting to ₦30 billion was appropriated for jobs already concluded and paid for before you stopped it. Therefore, you are working but you just have to work harder now. You have to take on that ugly monster that is making sure that we are not moving forward. And in this case, I am happy to say that we need to begin to work together with the engine room of government.

Now, let us go to the issue of unremitted funds. Hon. Ningi, my senior, we have already started the process and we know those agencies and the figures which the Finance Committee is giving us of an average between ₦700 billion and ₦1trillion a year that is not being remitted is not from some special consultants that we got but it is from figures that the Civil Servants themselves gave us in Public Hearings. Therefore, if we dare even begin to do our own special

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investigations, you will find out that those figures are actually conservative.

In any case, let us agree that the figures are correct but we cannot put the cart before the horse. The Report of the Committee must be considered so that it will be opened up not only to you of those agencies; not only to the unremitted funds of the Police and not only to those Chairmen but to the entire Membership of the House that this is ugly monster of unremitted funds. It must be considered by the Whole House before we now move on to the next stage of changing those laws. In the mean time, the one that Hon. Leo Ogor has started will proceed and we will join him at the appropriate time.

Whilst we are doing all these, we cannot grind this country to a halt because of our inadequacies or the information that we have. We have to move on and that was why I asked for the Chairman, Public Service; next year it is going to be a different ball game as far as these things are concerned; we are going to take it up and I keep asking you if you are ready for it?

The Ministries are confirming the figure of 45 *per cent* implementation; but 45 *per cent* implementation of what? Is it of ₦1 trillion capital side of the Budget? You will have to ask yourself again; is that an improvement? If I look at the figures that has just been given to me now by the Committee on Finance on Capital Funds from 2003, we were coming from ₦400 billion a year to 2004 and 2005 was ₦600 billion a year until we got to ₦1 trillion. Thirty *per cent* of ₦400 billion is about ₦125 billion to ₦130 billion. That was the performance maybe eight years ago. Forty-five *per cent* of ₦1 trillion is ₦450 billion which means it is a

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hundred *per cent* of that budget performance of eight years ago.

You are working and it is improving; just take heart that our system is working compared to what we did eight years ago and even last year but we just need to get together now and push it harder. Remember, we are all on the same side: Federal Republic of Nigeria, it is not the Parliament versus the Executive; it is not PDP versus ANPP or AC. It is up to us to ask ourselves those questions that will move our nation forward

Well, may God answer our prayers.

Question put and agreed to.

Bill read the second time and referred to House Committee on Finance and National Planning.

ADJOURNMENT

Hon. Tunde Akogun (Akoko Edo): I move that this House do stand adjourned till tomorrow, Wednesday, 4th November, 2009 at 2.00 p.m.

Hon. Shehu Baba Agaie (Agaie/Lapai): I rise to second the Motion as ably moved by the House Leader.

Question put and agreed to.

Resolved: That the House do stand adjourned till tomorrow, Wednesday, 4th November, 2009 at 2.00 p.m.

The House adjourned accordingly at 1.50 p.m.