



SENATE OF THE FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Tuesday, 11th October, 2016

1. The Senate met at 10:10 a.m. The Senate President read Prayers.

2. **Closed Session:**
Closed Session — 10:11 a.m.

Open Session — 10:32 a.m.

The Senate President reported that the Senate in a Closed Session deliberated on current topical national issues.

3. **Votes and Proceedings:**
The Senate examined the Votes and Proceedings of Thursday, 6th October, 2016.

Question was put and the Votes and Proceedings were approved.

4. **Message from Mr. President:**
The Senate President announced that he had received a letter from Mr. President, Commander-in-Chief of the Armed Forces of the Federation, which he read as follows:

Confirmation of Appointment:



**PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA**

26th October, 2016

*Distinguished Senator Abubakar Bukola Saraki
President of the Senate,
National Assembly Complex,
Three Arms Zone,
Abuja.*

Dear Distinguished Senate President,

**APPOINTMENT OF TWO JUSTICES OF
THE SUPREME COURT OF NIGERIA**

In conformity with Section 231, Sub-Section (2) of the 1999 Constitution of the Federal Republic of Nigeria, as amended, which gives the President powers to appoint a Justice of the Supreme Court acting on the recommendation of the National Judicial Council and subject to confirmation of the appointment by the Senate. I have the honour to forward the under mentioned names for confirmation as Justices of the Supreme Court of Nigeria.

<i>S/N</i>	<i>Name</i>	<i>Geo-Pol. Zone</i>	<i>State</i>
1.	Hon. Justice Sidi Dauda Bage, JCA	North-Central	Nasarawa
2.	Hon. Justice Paul Adamu Galinje, JCA	North-East	Taraba

It is my hope that this request will receive the usual expeditious attention of the Distinguished Members of the Senate of the Federal Republic of Nigeria.

Please accept, Senate President, the assurances of my highest consideration .

*Yours Sincerely,
(Signed)
Muhammadu Buhari*

5. Announcement:

Acknowledgment:

The Senate President acknowledged the presence of the Members of the Department of Political Science, Nasarawa State University, Keffi, Nasarawa State who were in the gallery to observe Senate Proceedings.

6. Matter of Urgent Public Importance:

Rising on Rules 42 and 52, Senator Joshua M. Lidani (*Gombe South*) drew the attention of the Senate to the invasion, arrest and detention of serving judicial officers by the Directorate of Security Services (DSS). He sought and obtained the leave of the Senate to present the matter forthwith:

The Senate:

notes with dismay and disapproval, the recent midnight invasion, assault, intimidation, indiscriminate arrest and harassment of serving judicial officers by operatives of the Directorate of Security Service (DSS) in a widely reported nationwide operation;

further notes that in the operation carried out in the early hours of Saturday 8th of October, 2016, the DSS swooped on senior judicial officers including His Lordships Justice Sylvester Ngwuta JSC; John Inyang Okoro JSC; and Adeniyi Ademola of the Federal High Court Abuja; Kabir Auta of Kano High Court; Muazu Pindiga of Gombe High Court; and Mohammed Tsamiya of the Court of Appeal, Ilorin; and the Chief Judge of Enugu State, His Lordship I. A. Umezurike resulting in their arrest and subsequent detention at the DSS office, Abuja from the day they were arrested and have remained in detention since then;

aware that the DSS in a press briefing held on Saturday, 8th October, claimed that the affected judicial officers were arrested “based on allegations of corruption and other acts of professional misconduct”, matters which are under the constitutional responsibility of the National Judicial Council (CNJC) as set out in paragraph I, Part 1, third schedule to the 1999 Constitution of the Federal Republic of Nigeria, as amended;

also aware that it is on record that the NJC under the leadership of His Lordship, Hon. Justice Mahmud Mohammed, CJN, GCON, has been creditably discharging its constitutional responsibility of exercising disciplinary control over Judicial Officers as a result of which a number of judicial officers found wanting in the discharge of their duties were recommended for various disciplinary measures including dismissal;

observes that the DSS has abandoned its primary responsibility of prevention and detection of crimes against internal security as stipulated under the National Security Agencies Act and now veered into arbitrary arrest of judges contrary to processes and procedures on discipline of judicial officers as outlined under paragraph I, Part 1, third schedule to the 1999 Constitution of the Federal Republic of Nigeria, as amended;

aware that it is the statutory responsibility of the National Judicial Council to recommend for removal from office, judicial officers found wanting and it is equally the shared responsibility of the Economic and Financial Crimes Commission (EFCC), the Independent Corrupt Practices Commission (ICPC) and the Police to prosecute corruption offences committed by public servants;

notes with sadness that even though the DSS had in their press briefing acknowledged that the affected judicial officers had earlier honored invitations for interrogation and have in fact been cooperating with detectives regarding the investigation of corruption allegations against them, the DSS for no apparent reason other than to embarrass and ridicule the institution of the judiciary opted for this "gestapo -style" invasion of the homes of these judicial officers;

alarmed that such unorthodox and extra-constitutional approach adopted by the executive in its attempt to sanitize the judiciary, in line with the ongoing anti-corruption crusade is bound to prove counter-productive, as it will not only erode public confidence in the judiciary but also undermine the sanctity and independence of the judiciary as well as embarrass and demoralize many patriotic and upright judges who are prepared to support the crusade;

convinced that in a democracy, there is a compelling need for all arms of government to respect the sanctity of the doctrine of separation of powers; and

further convinced that there is an urgent need to draw the attention of the President to ensure the observance constitutional processes and rule of law in his attempt to sanitize the judiciary and tackle corruption in the country.

Accordingly resolves to:

- (i) that the Senate supports in its entirety the fight against corruption particularly the effort to sanitize the Judiciary;
- (ii) condemn the draconian and "gestapo-style" invasion of the homes, arrest and detention of serving senior judicial officers including His Lordships Justice Sylvester Ngwuta JSC; John Inyang Okoro JSC; and Adeniyi Ademola of the Federal High Court, Abuja; Kabir Auta of Kano High Court; Muazu Pindiga of Gombe High Court; and Mohammed Tsamiya of the Court of Appeal, Ilorin; and the Chief Judge of Enugu State, Hon Justice I.A. Umezurike by the DSS without deference to the constitutional responsibility of the NJC;
- (iii) mandate the Committee on Judiciary, Human Rights and Legal Matters; to review all existing laws that deal with the powers of the security agencies and bring them in line with the tenets of democracy and report back to the Senate within four (4) weeks;
- (iv) summon the Director-General, Security Service (DSS) to appear before the Senate to explain his actions; and
- (v) urge the President to call to order, all Security Agencies and direct the full observance of the rule of law in the discharge of their statutory duties which is the cornerstone of modern constitutional democracy.

Debate:

Proposed Resolution (i):

Question: That the Senate supports in its entirety the fight against corruption particularly the effort to sanitize the Judiciary — *Agreed to.*

Proposed Resolution (ii):

Question: That the Senate do condemn the draconian and “gestapo-style” invasion of the homes, arrest and detention of serving senior judicial officers including His Lordships Justice Sylvester Ngwuta JSC; John Inyang Okoro JSC; and Adeniyi Ademola of the Federal High Court, Abuja; Kabir Auta of Kano High Court; Muazu Pindiga of Gombe High Court; and Mohammed Tsamiya of the Court of Appeal, Ilorin; and the Chief Judge of Enugu State, Hon Justice I. A Umezurike by the DSS without deference to the constitutional responsibility of the NJC — *Negatived.*

Proposed Resolution (iii):

Question: That the Senate do mandate the Committee on Judiciary, Human Rights and Legal Matters; to review all existing laws that deal with the powers of the Security Agencies and bring them in line with the tenets of democracy and report back to the Senate within four (4) weeks — *Agreed to.*

Proposed Resolution (iv):

Question: That the Senate do summon the Director-General, Security Service (DSS) to appear before the Senate to explain his actions — *Negatived.*

Proposed Resolution (v):

Question: That the Senate do urge the President to call to order, all security agencies and direct the full observance of the rule of law in the discharge of their statutory duties which is the cornerstone of modern constitutional democracy — *Agreed to.*

Resolved:

That the Senate:

- (i) supports in its entirety the fight against corruption particularly the effort to sanitize the Judiciary;
- (ii) mandate the Committee on Judiciary, Human Rights and Legal Matters; to review all existing laws that deal with the powers of the Security Agencies and bring them in line with the tenets of democracy and report back to the Senate withing four (4) weeks; and
- (iii) urge the President to call to order, all Security Agencies and direct the full observance of the rule of law in the discharge of their statutory duties which is the cornerstone of modern constitutional democracy (*S/Res/028/02/16*).

7. Presentation of Bills:

- (i) Corporate Manslaughter Bill, 2016 (HB.273) — *Read the First Time.*
- (ii) Chartered Institute of Project Managers of Nigeria (Establishment, etc.) Bill, 2016 (HB.18) — *Read the First Time.*
- (iii) Nigerian Investment Promotion Commission Act CAP N117 LFN 2004 (Amendment) Bill, 2016 (HB.248) — *Read the First Time.*
- (iv) Witness Protection Programme Bill, 2016 (HB.132) - First Reading
- (v) Chartered Institute of Public Management of Nigeria (Establishment, etc.) Bill, 2016 (HB.78) — *Read the First Time.*

8. Committees on Establishment and Public Services; and Appropriations:

Report on the National Assembly Budget and Research Office (Establishment, etc.) Bill, 2016 (SB.222):

Motion made: That the Senate do receive the Report of the Committee on Establishment of the National Assembly Budget and Research Office (Establishment, etc.) Bill, 2016 (*Senator Emmanuel I. Paulker — Bayelsa Central*)

Question put and agreed to.

Report Laid.

9. Committee on Judiciary, Human Rights and Legal Matters:

Report on the Sexual Harassment in Tertiary Institutions Bill, 2016 (SB. 262):

Presentation of Report deferred to another Legislative Day.

10. Committee on Tertiary Education and TETFUND:

Report on the JAMB Act (Amendment) Bill, 2016 (SB. 245):

Motion made: That the Senate do receive the Report of the Committee on Tertiary Education on the JAMB Act (Amendment) Bill, 2016 (*Senator Jibrin I. Barau — Kano North*).

Question put and agreed to.

Report Laid.

11. Executive Communication:

Confirmation of Nomination:

Motion made: That the Senate do consider the request of the President, Commander-in-Chief of the Armed Forces of the Federation, on the confirmation of the nomination of the following persons as Chairman and Commissioners of the Nigerian Electricity Regulatory Commission:

S/No.	Name	Position	Zone
1.	Prof. Akintunde I. Akinwande	Chairman	South West
2.	Sanusi Garba	Vice Chairman	North West
3.	Nathan R. Shatti	Commissioner	North East
4.	Dr. Moses Arigu	Commissioner	North Central
5.	Dafe C. Akpeneye	Commissioner	South South
6.	Prof. Frank Okafor	Commissioner	South East
7.	Dr. Muslliu O. Oseni	Commissioner	South West

(Senate Leader).

Question put and agreed to.

Request accordingly referred to the Committee on Power, Steel Development and Metallurgy to report within two (2) weeks.

12. Committee on Niger Delta:

Report on the confirmation of Nominations:

Motion made: That the Senate do consider the Report of the Committee on Niger Delta on the screening of the nomination of the following as Chairman and Members of the Niger Delta Development Commission (NDDC):

S/N	Name	Position	State of Origin/Zonal Representatives
1.	Senator Victor Ndoma-Egba. CON	Chairman	Cross River State
2.	Nsima Udo Ekere	Managing Director	Akwa Ibom State

3.	Engr. Adjogbe Ajenakevwe Samuel	Executive Director (Project)	Delta State
4.	Mene Lenyie Derek	Executive Director (Finance and Administration)	Rivers State
5.	Hon. Donatus Enyinnah	Member	Abia State
6.	Frank Samuel George	Member	Akwa Ibom State
7.	Prof. Brambaifa Nelson	Member	Bayelsa State
8.	Sylvester Effefiom Nsa	Member	Cross River State
9.	Dr. Ogaga Ifowodo	Member	Delta State
10.	Hon. Uwuilekhue Saturday	Member	Edo State
11.	Senator Osita Bonaventure Izunaso	Member	Imo State
12.	Olatokunbo Ayotunde Ajasin	Member	Ondo State
13.	Harry Iboroma Dabibi	Member	Rivers State
14.	Air Commodore Bernard Banfa	Member	North Central Zone
15.	Yahaya Mohammed	Member	North East Zone
16.	Mustapha Dankadai	Member	North West Zone
17.	Mr. Igo Weli	Member	Niger Delta
18.	Dr. Mahmoud Isa-Dutse	Member	Federal Ministry of Finance
19.	Mr. Abdul-kazeem Kasimu Bayero	Member	Federal Ministry of Environment.

(Senator Peter O. Nwaoboshi — Delta North).

Question put and agreed to.

Report presented.

Motion made: That the Senate do resolve into the Committee of the Whole to consider the Report
(Senate Leader).

Question put and agreed to.

(SENATE IN THE COMMITTEE OF THE WHOLE)

Consideration of the Report of the Committee on Niger Delta on the screening of the nominations of the Chairman and Members of the Niger Delta Development Commission (NDDC).

Nominees recommended for confirmation:

1.	Senator Victor Ndoma-Egba (<i>Chairman</i>)	—	Agreed to.
2.	Nsima Udo Ekere (<i>Managing Director</i>)	—	Agreed to.
3.	Engr. Adjogbe Ajenakevwe Samuel (<i>Executive Director - Project</i>)	—	Agreed to.
4.	Mene Lenyie Derek (<i>Executive Director - Finance and Administration</i>)	—	Agreed to.
5.	Frank Samuel George (<i>Member</i>)	—	Agreed to.
6.	Prof. Brambaifa Nelson (<i>Member</i>)	—	Agreed to.
7.	Sylvester Effefiom Nsa (<i>Member</i>)	—	Agreed to.
8.	Dr. Ogaga Ifowodo (<i>Member</i>)	—	Agreed to.
9.	Hon. Uwuilekhue Saturday (<i>Member</i>)	—	Agreed to.
10.	Harry Iboroma Dabibi (<i>Member</i>)	—	Agreed to.
11.	Air Commodore Bernard Banfa (<i>Member</i>)	—	Agreed to.
12.	Yahaya Mohammed (<i>Member</i>)	—	Agreed to.
13.	Mustapha Dankadai (<i>Member</i>)	—	Agreed to.
14.	Dr. Mahmoud Isa-Dutse (<i>Member</i>)	—	Agreed to.
15.	Mr. Abdul-kazeem Kasimu Bayero (<i>Member</i>)	—	Agreed to.

Nominees not recommended for confirmation:

- | | | | |
|-----|--|---|-----------------|
| 16 | Hon. Donatus Enyinnah (<i>Member</i>) | — | <i>Negated.</i> |
| 17 | Olatokunbo Ayotunde Ajasin (<i>Member</i>) | — | <i>Negated.</i> |
| 18. | Mr. Igo Weli | — | <i>Negated.</i> |
| 19. | Senator Osita Bonaventure Izunaso | — | <i>Negated.</i> |

Chairman to report progress.

(SENATE IN PLENARY)

The Senate President reported that the Senate in the Committee of the Whole considered the Report of the Committee on Niger Delta, on the screening of the nomination of the Chairman and Members of the Niger Delta Development Commission (NDDC) and approved the nominations of the following:

1. Senator Victor Ndoma-Egba (*Chairman*)
2. Nsima Udo Ekere (*Managing Director*)
3. Engr. Adjogbe Ajenakevwe Samuel (*Executive Director - Project*)
4. Mene Lenyie Derek (*Executive Director - Finance and Administration*)
5. Frank Samuel George (*Member*)
6. Prof. Brambaifa Nelson (*Member*)
7. Sylvester Effefiom Nsa (*Member*)
8. Dr. Ogaga Ifowodo (*Member*)
9. Hon. Uwuilekhue Saturday (*Member*)
10. Harry Iboroma Dabibi (*Member*)
11. Air Commodore Bernard Banfa (*Member*)
12. Yahaya Mohammed (*Member*)
13. Mustapha Dankadai (*Member*)
14. Dr. Mahmoud Isa-Dutse (*Member*)
15. Mr. Abdul-kazeem Kasimu Bayero (*Member*)

The Committee on Niger-Delta to review the Niger-Delta Development Commission (Establishment, etc.) Act 2000 and make appropriate recommendations.

Question: That the Senate do approve the Report of the Committee of the Whole — *Resolved in the Affirmative.*

Confirmation of nominations:*Question:*

"Will the Senate confirm the nomination of Senator Victor Ndoma-Egba for appointment as a Chairman of the Niger Delta Development Commission (NDDC)?" — Resolved in the Affirmative.

Nomination of Senator Victor Ndoma-Egba for appointment as a Chairman of the Niger Delta Development Commission (NDDC) accordingly confirmed.

Question:

"Will the Senate confirm the nomination of Nsima Udo Ekere for appointment as a Managing Director of the Niger Delta Development Commission (NDDC)?" — Resolved in the Affirmative.

Nomination of Nsima Udo Ekere for appointment as a Managing Director of the Niger Delta Development Commission (NDDC) accordingly confirmed.

Question:

"Will the Senate confirm the nomination of Engr. Adjogbe Ajenakwe Samuel for appointment as a Executive Director (Project) of the Niger Delta Development Commission (NDDC)?" — Resolved in the Affirmative.

Nomination of Engr. Adjogbe Ajenakwe Samuel for appointment as Executive Director (Project) of the Niger Delta Development Commission (NDDC) accordingly confirmed.

Question:

“Will the Senate confirm the nomination of Mene Ienyie Derek for appointment as Executive Director (Finance and Administration) of the Niger Delta Development Commission (NDDC)?” — Resolved in the Affirmative.

Nomination of Mene Ienyie Derek for appointment as a Executive Director (Finance and Administration) of the Niger Delta Development Commission (NDDC) accordingly confirmed.

Question:

“Will the Senate confirm the nomination of Frank Samuel George for appointment as a Member of the Niger Delta Development Commission (NDDC)?” — Resolved in the Affirmative.

Nomination of Frank Samuel George for appointment as a Member of the Niger Delta Development Commission (NDDC) accordingly confirmed.

Question:

“Will the Senate confirm the nomination of Prof. Brambaifa Nelson for appointment as a Member of the Niger Delta Development Commission (NDDC)?” — Resolved in the Affirmative.

Nomination of Prof. Brambaifa Nelson for appointment as a Member of the Niger Delta Development Commission (NDDC) accordingly confirmed.

Question:

“Will the Senate confirm the nomination of Sylvester Effefiom Nsa for appointment as a Member of the Niger Delta Development Commission (NDDC)?” — Resolved in the Affirmative.

Nomination of Sylvester Effefiom Nsa for appointment as a Member of the Niger Delta Development Commission (NDDC) accordingly confirmed.

Question:

“Will the Senate confirm the nomination of Dr. Ogaga Ifowodo for appointment as a Member of the Niger Delta Development Commission (NDDC)?” — Resolved in the Affirmative.

Nomination of Dr. Ogaga Ifowodo for appointment as a Member of the Niger Delta Development Commission (NDDC) accordingly confirmed.

Question:

“Will the Senate confirm the nomination of Hon. Uwuilekhue Saturday for appointment as a Member of the Niger Delta Development Commission (NDDC)?” — Resolved in the Affirmative.

Nomination of Hon. Uwuilekhue Saturday for appointment as a Member of the Niger Delta Development Commission (NDDC) accordingly confirmed.

Question:

“Will the Senate confirm the nomination of Harry Iboroma Dabibi for appointment as a Member of the Niger Delta Development Commission (NDDC)?” — Resolved in the Affirmative.

Nomination of Harry Iboroma Dabibi for appointment as a Member of the Niger Delta Development Commission (NDDC) accordingly confirmed.

Question:

“Will the Senate confirm the nomination of Air Commodore Bernard Banfa for appointment as a Member of the Niger Delta Development Commission (NDDC)?” — Resolved in the Affirmative.

Nomination of Air Commodore Bernard Banfa for appointment as a Member of the Niger Delta Development Commission (NDDC) accordingly confirmed.

Question:

“Will the Senate confirm the nomination of Yahaya Mohammed for appointment as a Member of the Niger Delta Development Commission (NDDC)?” — Resolved in the Affirmative.

Nomination of Yahaya Mohammed for appointment as a Member of the Niger Delta Development Commission (NDDC) accordingly confirmed.

Question:

“Will the Senate confirm the nomination of Mustapha Dankadai for appointment as a Member of the Niger Delta Development Commission (NDDC)?” — Resolved in the Affirmative.

Nomination of Mustapha Dankadai for appointment as a Member of the Niger Delta Development Commission (NDDC) accordingly confirmed.

Question:

“Will the Senate confirm the nomination of Dr. Mahmoud Isa-Dutse for appointment as a Member of the Niger Delta Development Commission (NDDC)?” — Resolved in the Affirmative.

Nomination of Dr. Mahmoud Isa-Dutse for appointment as a Member of the Niger Delta Development Commission (NDDC) accordingly confirmed.

Question:

“Will the Senate confirm the nomination of Mr. Abdul-Kazeem Kasimu Bayero for appointment as a Member of the Niger Delta Development Commission (NDDC)?” — Resolved in the Affirmative.

Nomination of Mr. Abdul-Kazeem Kasimu Bayero for appointment as a Member of the Niger Delta Development Commission (NDDC) accordingly confirmed.

13. **Motions:**

(a) *Urgent-need to stop the plan to raise a Federal Government-Secured Bond of ₦309 Billion to finance the shortfall in the Nigerian electricity market:*

Motion made: That the Senate notes that when the Federal Government embarked on transforming the electricity sector by unbundling the government-owned Power Holding Company of Nigeria (PHCN) into eighteen (18) successor companies, which were sold to private investors, the primary objective is that there would be constant electricity and increasing access to power for Nigerian citizens;

further notes that the plan by the Federal Ministry of Power, Works and Housing using the vehicle of the Nigeria Bulk Electricity Trading Company (NBET), to raise a federal government-secured bond of ₦309 billion allegedly to cover the market shortfall made up of ₦187 billion accrued in 2015 and ₦122 billion projected shortfall for 2016;

aware that the market shortfall is defined as the invoice amount of electricity transmitted to the Distribution Companies in any given month less the amount remitted by the Distribution Companies to pay the market participants for electricity supplied;

worried that this planned massive borrowing is in spite of interventions by government, such as the bailout by the Central Bank of Nigeria (CBN) in March, 2015 to the tune of ₦213 billion through the Nigeria Electricity Sector Intervention (NESI) facility;

equally worried that in spite of that intervention, the shortfall has continued to escalate at the rate of about ₦15 billion per month (equivalent to ₦500 million daily) rising to a total market shortfall of ₦400 billion as at December, 31st 2015;

further worried that continuing incidence of market shortfalls is a disincentive for new investors to venture the Nigerian electricity market. This implies that the projected generating capacity expansion is an illusion. As a matter of fact, any increment in generating capacity would further aggravate and escalate the market shortfall;

aware that the DISCOs, which collect revenue, have so far refused to fully pay other market participants, while NERC has failed to intervene by stopping this practice and refusing to apply sanctions/penalties on the defaulters. Meanwhile, the Generation Companies (GENCOs) recently advertised in several Nigerian Newspapers by warning of an impending shut down of their operations due to an outstanding ₦145.7 billion debt. Collectively, these GENCOs, including the three Hydro Stations, account for almost 65% of Nigeria's entire available generation capacity today;

further aware that successor companies are supposed to borrow funds secured by their respective balance sheets and revenue streams to run their operations, but the Federal Ministry of Power is curiously trying to ride on the Nigeria sovereign guarantee, whereas the DISCOs are not only deriving returns on investments but there is the likelihood of another tariff increase to accommodate the cost of the bond (though they already enjoy cost-reflective tariff in the Multi-Year Tariff Order (MYTO) 2015);

disturbed that in spite of lack of any noticeable improvement in the electricity sector whether in the area of investment, Generation, Transmission or Distribution, tariffs have been increased twice since 2013 without any improvement in the services;

further disturbed by the negative consequences of the bond which would amount to not only spoon-feeding the operators in spite of their inefficiency, but at great cost to Nigerians as the risk of default would cause the crystallization of the Federal Government Sovereign Guarantee and lead to national energy crisis in the future;

aware that when the successor companies were privatized, the revenue collection was significantly high, about ₦23 billion, which was the level of collections in the PHCN era. Rather than monthly increase, this has continually declined to as low as ₦5 billion in August 2016;

further aware that tariff computation is a factor of capital investment, which was considered during privatization, but regrettably there is no evidence that the DISCOs and GENCOs invest in acquiring any tangible assets;

worried that the new borrowing is being planned to be paid as a first charge on the market revenue stream ahead of CBN, whereas the first priority is to stop the bleeding in revenue and optimize efficiency by the operators; and

further worried that the successor distribution companies have failed or neglected to produce audited financial statement to NERC and BPE for the last two years, neither have they held annual general meeting to disclose their performance to the shareholders which include the federal government.

Accordingly resolves to:

- (i) urge the Federal Ministry of Power, Works and Housing and the Nigeria Electricity Regulatory Commission to immediately halt the raising of the bond by NBET;

- (ii) urge NERC to live up to their duty by automating the tariff frame work for correctness, immediately setting up a monitoring mechanism to measure and enforce full monthly remittance by DISCOs, recoup all misappropriated funds that resulted in the accumulated market shortfalls and apply sanctions for any default whatsoever, including the threat to withdraw the licence of erring DISCOs;
- (iii) urge the Federal Government to immediately provide the statutory leadership position in NERC to ensure that electricity market situation is saved from collapse and replace the BPE appointed Board Members representing Federal Government shares in the DISCOs 40% and GENCOs 20% - 40% with competent members; and
- (iv) mandate the Committees on Power and Privatization to investigate the post-privatization performance of the GENCOs, DISCOs and TCN in line with their performance agreement including the management and disbursement of any loans or Bonds of the sector agencies (*Senator Mustapha M. Bukar — Katsina North*).

Debate:

Proposed Resolution(i):

Question: That the Senate do urge the Federal Ministry of Power, Works and Housing and the Nigeria Electricity Regulatory Commission to immediately halt the raising of the bond by NBET.

Proposed Resolution(ii):

Question: That the Senate do urge NERC to live up to their duty by automating the tariff frame work for correctness, immediately setting up a monitoring mechanism to measure and enforce full monthly remittance by DISCOs, recoup all misappropriated funds that resulted in the accumulated market shortfalls and apply sanctions for any default whatsoever, including the threat to withdraw the licence of erring DISCOs.

Proposed Resolution(iii):

Question: That the Senate do urge the Federal Government to immediately provide the statutory leadership position in NERC to ensure that electricity market situation is saved from collapse and replace the BPE appointed Board members representing Federal Government shares in the DISCOs (40) and GENCOs (20 -40) with competent members.

Proposed Resolution(iv):

Question: That the Senate do mandate the Committees on Power and Privatization to investigate the post-privatization performance of the GENCOs, DISCOs and TCN in line with their performance agreement including the management and disbursement of any loans or Bonds of the sector agencies.

Amendment Proposed:

Leave out the Proposed Resolutions (i), (ii),(iii), and (iv) and *insert* the following instead thereof: urge the relevant agencies to halt the raising of bond by Nigeria Bulk Electricity Trading Company (NBET) pending the outcome of the report of the Committee on Power, Steel Development and Metallurgy (*Senator Muhammed A. Ndume — Borno South*).

Question that the amendment be made, put and agreed to.

Additional Proposed Resolution:

Insert Additional Proposed Resolution as follows:

That the report of the *ad hoc* Committee on General Power Degeneration in Nigeria be laid soonest and referred to the Committee on Power, Steel Development and Metallurgy for consideration (*Senator Dino Melaye — Kogi West*).

Question that the amendment be made, put and agreed to.

(b) *Impending Power Sector Shutdown in Nigeria Occasioned by Liquidity Crisis:*

Motion made: That the Senate notes that electricity supply is pivotal to the development of nations, and its availability is directly connected to economic growth;

aware that the Nigerian power sector is currently facing acute liquidity crisis which if not urgently tackled will lead to total collapse of the sector and hence national black-out;

worried that the crisis is largely created by the inability of the distribution companies (DISCOs) to meet their payment obligation. A situation which has resulted to increasing debt within the market which has risen to a level that is threatening the integrity of the system as bankability and solvency of the generation companies (GENCOs) who generate the needed electricity;

worried also that the ability of Electricity Distribution Companies, DISCOs, to execute their capital expenditures, CAPEX, has been compounded by revenue shortfalls estimated at about ₦309 billion;

notes also that revenue shortfalls are typical in a transitional electricity market. In a nascent, transitional electricity market like the Nigerian electricity market, government's role is overarching and critical to the stability of the market and also in stimulating investments in the sector. Government's roles include putting in place cost reflective tariffs, ensuring the activation and effectiveness of contracts in the electricity market and adequate regulations that enforces the sanctity of such contracts;

observes that the Federal Government has been unable to provide subsidies to fund the shortfall thus far due to budgetary constraints. Market participants across the entire value chain are faced with both systemic and market risks, without the anticipated government subsidies, guarantees or World Bank PRG as envisaged under the transitional trading arrangement by NERC. We must quickly add, however, that the use of subsidies is not a sustainable means to fund the revenue shortfall and should not be contemplated;

aware also that in the design of the current power sector model in 2005, revenue inadequacy (revenue shortfalls) was anticipated by the designers due to the high ATC&C losses in the entire value chain. The shortfall between actual revenues collected and expected revenues was to be funded by the Federal Government via monthly subsidies;

further observes that the liquidity crisis is further exacerbated by outstanding ₦93 billion owed the 11 DISCOs by Ministries, Departments, Agencies, MDAs, across all levels of government and high rate of energy theft by electricity consumers;

concerned that currently, monthly revenue shortfalls in the electricity value chain are in excess of ₦20billion and will rise further once electricity tariffs are adjusted upwards to reflect the effects of the floating of the naira (particularly on the price of natural gas) and rising inflation. Naira devaluation and inflation are directly passed through costs to electricity customers. With the current state of the Nigerian economy, we can expect that monthly revenue shortfall to GENCOs and other market participants will cross the ₦30billion mark by the end of August, 2016;

concerned also that lack of access to foreign exchange is hampering the ability of the DISCOs to overhaul their machines, noting that most of the components used in the power industry were imported;

deeply concerned that as it stands, without the deployment of NBET's US\$800 million capitalization to meet the revenue shortfalls, as well as the full disbursement of the ₦213 billion CBN facility to the power sector, GENCOs as well as their gas suppliers, may have no other option than to shut down operations and plunge Nigeria into darkness;

recalls that recently, a full page advert was placed in several Nigerian newspapers by six electricity generation companies (GENCOs), warning of an impending shut down of their operations due to an outstanding ₦145.7 billion debt, out of which ₦86 billion is owed Egbin Power Plant for power generated so far. Collectively, these GENCOs, including the three hydro stations, account for almost 65 percent of Nigeria's entire available generation capacity today;

aware that there is the issue of Niger Delta Avengers and other militant groups operating in the Niger Delta, which has severely constrained gas supply. GENCOs are not the only parties being owed in the power sector; Transmission Company of Nigeria (TCN), as well as gas suppliers, are also owed huge sums for transmission services and gas supplied to the power sector; and

convinced that developing a sustainable liquidity solution for the power sector will have positive domino effect on the quality of lives of Nigerians as a whole: there will be greater investor confidence in the power sector, a more stable power supply, increased output and efficiency in manufacturing towards a more speedy industrialization of Nigeria, less reliance on foreign goods and products, a lessening of the pressure on Nigerian foreign reserves, increase in productivity across the entire economic spectrum, and a better life for Nigerians as a whole.

Accordingly resolves to:

- (i) urge the Federal Government to support the sector with more funding to provide the necessary booster that will sustain power delivery;
- (ii) urge the DISCOs to aggressively address issues of their losses by becoming efficient in their collections through metering;
- (iii) urge the MDAs, States and Local Governments to pay their indebtedness to the DISCOs;
- (iv) urge the Federal Government to successfully deal with, put an end to issue of militancy and pipeline vandalism in the Niger Delta;
- (v) urge the Central Bank of Nigeria (CBN) to continue its disbursement from the Nigerian Electricity Market Stabilization Facility (NEMSF) to address shortfalls in power sector revenues and settle legacy gas debts; and
- (vi) mandate Committee on Power to look into the matter holistically to avoid a possible shut down of power in the country (*Senator Andy E. Uba — Anambra South*).

Debate:

Proposed Resolution(i):

Question: That the Senate do urge the Federal Government to support the sector with more funding to provide the necessary booster that will sustain power delivery.

Proposed Resolution(ii):

Question: That the Senate do urge the DISCOs to aggressively address issues of their losses by becoming efficient in their collections through metering.

Proposed Resolution(iii):

Question: That the Senate do urge the MDAs, States and Local Governments to pay their indebtedness to the DISCOs.

Proposed Resolution(iv):

Question: That the Senate do urge the Federal Government to successfully deal with, put an end to issue of militancy and pipeline vandalism in the Niger Delta.

Proposed Resolution(v):

Question: That the Senate do urge the Central Bank of Nigeria (CBN) to continue its disbursement from the Nigerian Electricity Market Stabilization Facility (NEMSF) to address shortfalls in power sector revenues and settle legacy gas debts.

Proposed Resolution(vi):

Question: That the Senate do mandate Committee on Power to look into the matter holistically to avoid a possible shut down of power in the country.

Amendment Proposed:

Leave out the Proposed Resolutions (i), (ii), (iii), (iv), (v) and (vi) and *insert* the following instead thereof:

urge the relevant agencies to halt the raising of bond by Nigeria Bulk Electricity Trading Company (NBET) pending the outcome of the report of the Committee on Power, Steel Development and Metallurgy (*Senator Muhammed A. Ndume — Borno South*).

Question that the amendment be made, put and agreed to.

Additional Proposed Resolution:

Insert Additional Proposed Resolution as follows:

That the report of the *ad hoc* Committee on General Power Degeneration in Nigeria be laid soonest and referred to the Committee on Power, Steel Development and Metallurgy for consideration (*Senator Dino Melaye — Kogi West*).

Question that the amendment be made, put and agreed to.

Resolved:

- (i) That the Senate do urge the relevant agencies to halt the raising of bond by Nigeria Bulk Electricity Trading Company (NBET) pending the outcome of the report of the Committee on Power, Steel Development and Metallurgy; and
- (ii) That the report of the *ad hoc* Committee on General Power Degeneration in Nigeria be laid soonest and referred to the Committee on Power, Steel and Metallurgy for consideration (*S/Res/029/02/16*).
- (c) ***Need to include Pan- Africanism in Nigerian Secondary Schools Curriculum:***
Consideration of Motion deferred to another Legislative Day.
- (d) ***Need to revisit the regulatory conflict between Joint Admission and Matriculation Board (JAMB) and Universities in offering admissions in Nigeria:***
Consideration of Motion deferred to another Legislative Day.

(e) ***Urgent need to decongest the Nigerian Prisons:***

Consideration of Motion deferred to another Legislative Day.

(f) ***Need to Determine the Status of Unclaimed ₦90 Billion Dividends in Securities for Nigerian Investors:***

Consideration of Motion deferred to another Legislative Day.

(g) ***Need for the establishment of Inland Ports at Onitsha, Enugu and other Landlocked States:***

Consideration of Motion deferred to another Legislative Day.

(h) ***Intolerable Upswing of Unemployment in Nigeria:***

Consideration of Motion deferred to another Legislative Day.

14. Adjournment:

Motion made: That the Senate do now adjourn till Wednesday, 12th October, 2016 at 10:00 a.m.
(Senate Leader).

Adjourned accordingly at 1:33 p.m.

Abubakar Olubukola Saraki, CON
President,
Senate of the Federal Republic of Nigeria.