



SENATE OF THE FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Tuesday, 29th November, 2016

1. The Senate met at 10:30 a.m. The Senate President read Prayers.
2. **Votes and Proceedings:**
The Senate examined the Votes and Proceedings of Thursday, 24th November, 2016.
Question was put and the Votes and Proceedings were approved.
3. **Announcements:**
 - (a) **Briefing:**
The Senate President read a letter from Senator Mohammed A. Ndume (*Borno South*) as follows:



**SENATE LEADER
FEDERAL REPUBLIC OF NIGERIA**

ANNOUNCEMENT

There will be briefing today, 29th November, 2016 by the Senior Special Assistant to the President, Social Intervention on the implementation of N-Power and Market Women Loan.

Venue: Conference Room 022

Time: 2:00 p.m.

(Signed)
Mohammed A. Ndume
Senate Leader

- (b) **Acknowledgment:**
The Senate President acknowledged the presence of the Staff and Students of New Capital School, Asokoro, Abuja who were in the gallery to observe Senate Proceedings.

4. Petition:

Rising on Rule 41, Senator Mohammed A. Ndume (*Borno South*) drew the attention of the Senate to a petition from his constituent, Mr. Idris A. Zamdai, over wrongful termination of appointment by the Nigeria Customs Service. He urged the Senate to look into the matter.

Petition laid and accordingly referred to the Committee on Ethics, Privileges and Public Petitions [Rule 41(3)] to report within two (2) weeks.

5. Matter of Urgent Public Importance:

Rising on Rule 42, Senator Enyinnaya H. Abaribe (*Abia South*) drew the attention of the Senate to a report of Amnesty International contained in the Sun Newspaper of 23rd November, 2016, on the alleged gruesome murder of over one hundred and fifty Nigerians from the eastern part of the country by some security personnel while on a peaceful demonstration for the actualisation of the Republic of Biafra. He sought and obtained the leave of the Senate to present the matter.

Newspaper's Publication Laid; and Matter to stand over to the next Legislative Day [Rule 42(2)].

6. Presentation of Bills:

(i) Science and Technology Development Fund (Establishment, etc.) Bill, 2016 (SB. 50) — *Read the First Time.*

(ii) Marriage Act CAP M6 LFN 2004 (Amendment) Bill, 2016 (SB. 171) — *Read the First Time.*

(iii) Incandescent Light Bulb (Prohibition) Bill, 2016 (SB. 368) — *Read the First Time.*

7. Committee on National Identity Card and National Population Commission:***Report on the Screening of Commissioners for National Population Commission:***

Motion made: That the Senate do receive the Report of the Committee on National Identity Card and National Population Commission on the Screening of Commissioners for National Population Commission (NPC) (*Senator Suleiman O. Hunkuyi — Kaduna North*).

Question put and agreed to.

Report Laid.

8. Committee on Appropriations:***Report on Virement of Funds:***

Motion made: That the Senate do consider the Report of the Committee on Appropriations on the Virement of Funds appropriated for Special Intervention (Recurrent) and Special Intervention (Capital) for funding of critical Recurrent and Capital items (*Senator Mohammed D. Goje — Gombe Central*).

Question put and agreed to.

Report Presented.

Debate:

Motion made: That the Senate do resolve into the Committee of Supply to consider the Report on the virement of funds (*Senate Leader*).

Question put and agreed to.

(IN THE COMMITTEE OF SUPPLY)

CONSIDERATION OF REPORT OF THE COMMITTEE ON APPROPRIATIONS ON THE VIREMENT OF FUNDS APPROPRIATED FOR SPECIAL INTERVENTION (RECURRENT) AND SPECIAL INTERVENTION (CAPITAL) FOR FUNDING OF CRITICAL RECURRENT AND CAPITAL ITEMS.

That the Senate do approve the virement of the total sum of ₦213,821,671,494 of which the sum of ₦44,208,367,476 is from the Capital component and the sum of ₦169,613,304,018 is from the Recurrent component of the Special Intervention Programme of the 2016 Appropriation Act.

S/N	MDA/Budget Line	2016 Appropriation	Virement Proposal	Committee Recommendations
1	Special Intervention (Recurrent)SWV	300,000,000,000	166,630,886,954	169,613,304,018
2	Special Intervention (Capital Supplementation)	200,000,000,000	14,208,367,476	44,208,367,476
	Total	500,000,000,000	180,839,254,430	213,821,671,494.

The breakdown of the expenditure items of the virement is as follows:

Recurrent:		₦
i.	Service Wide Vote: Public Service Wage Adjustment (PSWA)	71,800,215,270
ii.	Service Wide Vote: Contingency	1,200,000,000
iii.	Service Wide Vote: Margin for increase in Cost (MIC)	2,000,000,000
iv.	Ministry of Interior: Cadet feeding-Police Academy Wudil, Kano	932,400,000
v.	Service Wide Vote: Amnesty Programme	35,000,000,000
vi.	Service Wide Vote: Internal Operations of the Armed Forces	5,205,930,270
vii.	Service Wide Vote: Operation Lafiya Dole	13,933,093,000
viii.	Ministry of Youth and Sports Development: NYSC	19,792,018,400
ix.	Ministry of Foreign Affairs: Foreign Missions	16,349,647,078
x.	Federal Ministry of Education: Augmentation of Meal Subsidy/Direct Teaching & Lab Cost	900,000,000
Sub Total:		167,113,304,018
Statutory Transfer:		
i.	Statutory Transfer: Public Complaints Commission	2,500,000,000
Sub Total:		2,500,000,000
Capital:		
ii.	Ministry of Defence: Nigerian Air Force (NAF)	12,708,367,476
iii.	Capital Supplementation: Presidential Initiative For the North East (PINE)	1,500,000,000
iv.	Payment of local Contractors Debts/Other Liabilities	25,000,000,000
v.	Federal Ministry of Power, Works and Housing (SDG Housing)	5,000,000,000
Sub Total:		44,208,367,476
Grand Total:		213,821,671,494

That the Senate do approve for the Federal Ministry of Power, Works and Housing the sum of ₦300million Naira appropriated in the 2016 Budget under the Transmission Company of Nigeria (TCN) for the construction of 132 KVA Substation at Gwaram, Jigawa State to be vired for the Reconstruction of Fallen Towers, Replacement of Glass Insulators, etc. (TCN01B021775)

Question,

That the virement of the total sum of ₦213,821,671,494 of which the sum of ₦44,208,367,476 is from the Capital component and the sum of ₦169,613,304,018 is from the Recurrent component of the Special Intervention Programme of the 2016 Appropriation Act be approve — *Agreed to.*

Question,

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Chairman to report progress.

(SENATE IN PLENARY)

The Senate President reported that the Senate in the Committee of Supply considered the Report of the Committee on Appropriations on the Virement of Funds appropriated for Special Intervention (Recurrent) and Special Intervention (Capital) for funding of critical Recurrent and Capital items and approved as follows:

That the Senate do approve the virement of the total sum of ₦213,821,671,494 of which the sum of ₦44,208,367,476 is from the Capital component and the sum of ₦169,613,304,018 is from the Recurrent component of the Special Intervention Programme of the 2016 Appropriation Act.

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viii.	Ministry of Youth and Sports Development: NYSC	19,792,018,400
ix.	Ministry of Foreign Affairs: Foreign Missions	16,349,647,078
x.	Federal Ministry of Education: Augmentation of Meal Subsidy/Direct Teaching & Lab Cost	900,000,000
Sub Total:		167,113,304,018
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v.	Federal Ministry of Power, Works and Housing (SDG Housing)	5,000,000,000

Sub Total:	44,208,367,476
Grand Total:	213,821,671,494

That the Senate do approve for the Federal Ministry of Power, Works and Housing the sum of ₦300million Naira appropriated in the 2016 Budget under the Transmission Company of Nigeria (TCN) for the construction of 132 KVA Substation at Gwaram, Jigawa State to be vired for the Reconstruction of Fallen Towers, Replacement of Glass Insulators, etc. (TCN01B021775).

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

Resolved:

- (i) That the virement of the total sum of ₦213,821,671,494 of which the sum of ₦44,208,367,476 is from the Capital component and the sum of ₦169,613,304,018 is from the Recurrent component of the Special Intervention Programme of the 2016 Appropriation Act be approve; and
- (ii) That the Senate do approve for the Federal Ministry of Power, Works and Housing the sum of ₦300million Naira appropriated in the 2016 Budget under the Transmission Company of Nigeria (TCN) for the construction of 132 KVA Substation at Gwaram, Jigawa State to be vired for the Reconstruction of Fallen Towers, Replacement of Glass Insulators, etc. (TCN01B021775)(S/Res/067/02/16).

9. **National Institute for Legislative Studies (NILS) Act 2010 (Amendment) Bill, 2016 (SB.359):**
Motion made: That a Bill for an Act to Amend the National Institute for Legislative Studies (NILS) Act 2010 and for Other Matters Connected Therewith, 2016 be read the Second Time (*Senator Mohammed A. Ndume — Borno South*).

Debate:

Question put and agreed to.

Bill accordingly read the Second Time and referred to the Committee on Establishment and Public Services to report within Three (3) weeks.

10. **Environmental Managers Registration Council (Establishment, etc.) Bill, 2016 (SB. 88):**
Motion made: That a Bill for an Act to provide for the Establishment of Environmental Managers Registration Council of Nigeria to provide for Code of Conduct, Professional ethics and Stipulation of Minimum Standards and for Other Related Matters, 2016 be read the Second Time (*Senator Francis A. Alimekhena — Edo North*).

Debate:

Question put and agreed to.

Bill accordingly read the Second Time and referred to the Committee on Establishment and Public Services to report within Four (4) weeks.

11. **National Commission for Peace, Reconciliation (Establishment, etc.) Bill, 2016 (SB.74):**

Consideration of Bill deferred to another Legislative Day.

12. **National Youth Service Corps Act CAP N84 LFN 2004 (Amendment) Bill, 2016 (SB.147):**

Consideration of Bill deferred to another Legislative Day.

13. **Foreign Exchange (Monitoring and Miscellaneous Provisions) Act, CAP F34, LFN 2004 (Amendment) Bill, 2016 (SB. 181):**

Motion made: That a Bill for an Act to Repeal the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act, CAP F34, LFN 2004, to establish a Foreign Exchange Market and to provide for the Control, Monitoring and Supervision of the transactions conducted in the Foreign Exchange market and for Related Matters, 2016 be read the Second Time (*Senator John O. Enoh — Cross River Central*).

Debate:

Question put and agreed to.

Bill accordingly read the Second Time and referred to the Committee on Banking, Insurance and Other Financial Institution to report within Four (4) weeks.

14. **Chartered Institute of Fraud Examiners (Establishment, etc.) Bill, 2016 (SB.167):**

Consideration of Bill deferred to another Legislative Day.

15. **Nigeria Postal Services Act CAP N127 LFN 2004, (Repeal and Re-enactment) Bill, 2016 (SB.106):**

Consideration of Bill deferred to another Legislative Day.

16. **Oil and Gas Export Free Zone Authority Act CAP O5 LFN 2004 (Amendment) Bill, 2016 (SB.06):**

Motion made: That a Bill for an Act to Amend the Oil and Gas Export Free Zone Authority Act CAP O5 LFN 2004 and Other Matters Connected Therewith, 2016 be read the Second Time (*Senator Ibrahim A. Gobir — Sokoto East*).

Debate:

Question put and agreed to.

Bill accordingly read the Second Time and referred to the Committee on Trade and Investment to report within Four (4) weeks.

17. **Motions:**

- (a) ***The abuse of Customs Tariff and Indiscriminate issuance of Fiscal Policies and the Negative Impact on the national economy, Urgent need for Policy Reversal:***

Motion made: That the Senate notes with serious concern the abuse of customs tariff and indiscriminate issuance of fiscal policies and the negative impact on the national economy;

further notes that a fall out of the formation of this regional body was the ratification of the ECOWAS Common External Tariff (CET) and ECOWAS Trade Liberalization Scheme (ETLS) in the year 2000;

observes that these protocols on Economic integration of the West African sub region were predicated on free movement of goods and services as well as strategic economic convergence criteria of member nations;

observes also that the convergence criteria include:

- i. Establishment of a Common External Tariff (CET); harmonizing all customs duties across the board, for all imports from a third party country;
- ii. Under the provision of the ETLS protocol, goods produced in any member state will be imported into any member state at zero percent duty rate. This include prohibited items provided that such goods have 40% local value addition to satisfy "Rule of Origin" requirement; and
- iii. Aware that prior to the signing of the ECOWAS trade integration protocols, the Nigerian Economy was booming with the manufacturing sector having at least 70-75% capacity utilization and oil prices going for between 80-120 United States dollars per barrel;

aware also that the Nigerian economy especially the manufacturing sector was worsened by the two protocols, that is CET and ETLS which further drove the real sector into doldrums and consequently forced most manufacturing firms like Dunlop, Michelin, Lever brothers and the likes to relocate to our neighboring ECOWAS States to manufacture there and ship back the product to Nigerian market at zero duty and in the process complicating the unemployment situation in the country in addition to the monumental revenue loss to the country;

further aware that the ECOWAS market would have been additional gain for Nigerian products if Nigerian goods were in a position to compete with international prices;

observes that the ECOWAS integration package, in the place should not have been signed as:

- (i) Nigeria was not and is still not in the same economic level with other West African countries as Nigeria had made a huge industrial advancement and was ready for a giant leap into the league of developed countries;
- (ii) In spite of the provisions in the CET for strategic local industries by harmonizing most tariff lines with ECOWAS low duty rates of 01%, 5% and 10%, the harm to local industries was already irretrievable;
- (iii) The ECOWAS member states are 90% - 95% import dependent; and
- (iv) Nigerian population is three times of all other ECOWAS member states, put together;

disturbed that the "Rule of Origin" concept provided in the protocol has led to the collapse of the manufacturing sector with Member States employing sharp practices to repackage products from Asia into Nigeria at zero percent duty rate while our vegetable oil industries are in comatose as a result of the huge tank farm built in Cote d'ivoire where ships from Malaysia and other Asian countries dump their vegetable oil before repackaging it for export to Nigerian markets with duty paid to Ivorian Government, while Nigerian Government collects nothing;

worried that the insincerity of purpose, exploitation, economic sabotage and breach of protocol are clear evident in our relationship with Member States especially Benin Republic, a country that has become a smuggling haven for rice and vehicle imports destined for the Nigerian market;

worried that banking on these two protocols CET and ETLS, our fiscal policies on rice and vehicle imports have been rendered ineffective by Benin Republic through their deliberate policies aimed at attracting high dutiable goods meant for Nigerian market to be imported through Cotonou port;

notes that a new wave of abuse of the protocols is the recent discovery that Nigerian agricultural products and solid minerals are now being transported to Benin Republic by road to be shipped out of Cotonou port to foreign export market without the involvement of the Central Bank of Nigeria; and

aware that the ratification of the ECOWAS Common External Tariff (CET) and the ECOWAS Trade Liberalization Scheme (ETLS) in year 2000 were not done in accordance with section 12 of the 1999 Constitution of the Federal Republic of Nigeria as amended which states that:-

“No treaty between the federation and any other country shall have the force of law to the extent to which any such treaty has been enacted into law by the National Assembly”.

Accordingly resolves to:

- (i) urge the Federal Government to review the process of enacting the tariff handbook; to identify all abuses and revenue leakages;
- (ii) urge the Federal Government to suspend forthwith the ECOWAS Trade Liberalization Scheme and ECOWAS Common External Tariffs; and
- (iii) That the Senate shall approve all Tariff Regime before implementation (*Senator Hope O. Uzodinma — Imo West*).

Debate:

Proposed Resolution(i):

Question: That the Senate do urge the Federal Government to review the process of enacting the tariff handbook; to identify all abuses and revenue leakages — *Agreed to.*

Proposed Resolution(ii):

Question: That the Senate do urge the Federal Government to suspend forthwith the ECOWAS Trade Liberalization Scheme and ECOWAS Common External Tariffs — *Agreed to.*

Proposed Resolution(iii):

Question: That the Senate shall approve all Tariff Regime before implementation — *Agreed to.*

Resolved:

That the Senate do:

- (i) urge the Federal Government to review the process of enacting the tariff handbook; to identify all abuses and revenue leakages;
- (ii) urge the Federal Government to suspend forthwith the ECOWAS Trade Liberalization Scheme and ECOWAS Common External Tariffs; and
- (iii) That the Senate shall approve all Tariff Regime before implementation (*S/Res/068/02/16*).

(b) ***Urgent need to Investigate Revenue Generating Agencies over alleged Leakages, Non Remittance and Misuse of Generated Revenue:***

Motion made: That the Senate notes that Section 80, subsections 1-4 of the 1999 Constitution (as Amended) of the Federal Republic of Nigeria clearly stipulates that all revenue, moneys raised or received shall be paid into and form on consolidated Revenue Fund of the Federation;

further notes that the Fiscal Responsibility Act, 2007 was enacted to ensure transparency, accountability and prevent corrupt practices in relation to public revenue and expenditure;

aware that Sections 21-23 of the Fiscal Responsibility Act, 2007 clearly limits Corporations, Agencies and Government owned Companies listed in the Schedule to the Act to the expenditure of only a fifth of its operating surplus with the balance paid to the Consolidated Revenue Fund of the Federal Government;

concerned that the Acting Chairman of the Fiscal Responsibility Commission, Mr. Victor Muruako on November 8, 2016 raised an alarm over leakages in revenue and remittances which he said has assumed alarming proportion in the last 5 years with some MDAs producing two different Statement of Accounts in an attempt to manipulate their operating surpluses and losses;

further aware that at the last National Economic Council meeting, the Federal Government specifically accused revenue generating Agencies of raising over ₦1.5 trillion and expending over 90% on recurrent expenditure mostly in paying bloated salaries and controversial allowances above Revenue Mobilization and Fiscal Allocation Committee, monetization of medical allowances, unapproved overseas travels, lavish training allowances and excessive personal loan approval, all amounting to financial misconduct;

worried that these Corporations, Agencies and Government owned Companies have over the years grossly violated the letters of the 1999 Constitution and the Fiscal Responsibility Act in relation to their revenue generation activities and expenditure;

disturbed that various audit queries against these Agencies over the years further indicates possible mismanagement of public funds against the spirit of the Constitution and Fiscal Responsibility Act; and

further worried that in view of the Federal Government's dwindling revenue from the traditional Crude Oil sector and the on-going recession, these Government bodies are continuing in short changing Government of needed revenue through various illegal practices.

Accordingly Resolves to:

Constitute a High Powered *Ad hoc* Committee to investigate the alleged misuse, under-remittance/non-remittance and other fraudulent practices in the collection, accounting, remittance and expenditure of internally generated revenue by all revenue generating agencies of government from 2012 to 2016 and submit a report in six (6) weeks (*Senator Solomon O. Adeola — Lagos West*).

Debate:

Proposed Resolution:

Question: That the Senate do constitute a High Powered *Ad hoc* Committee to investigate the alleged misuse, under-remittance/non-remittance and other fraudulent practices in the collection, accounting, remittance and expenditure of internally generated revenue by all revenue generating agencies of government from 2012 to 2016 and submit a report in six (6) weeks — *Agreed to.*

Resolved:

That the Senate do constitute a High Powered *Ad hoc* Committee to investigate the alleged misuse, under-remittance/non-remittance and other fraudulent practices in the collection, accounting, remittance and expenditure of internally generated revenue by all revenue generating agencies of government from 2012 to 2016 and submit a report in six (6) weeks (S/Res/069/02/16).

Ad-hoc Committee:

The Senate President named the following Senators as Chairman and Members of *Ad hoc* Committee to investigate the alleged misuse, under-remittance/non-remittance and other fraudulent practices in the collection, accounting, remittance and expenditure of internally generated revenue by all revenue generating agencies of government from 2012 to 2016:

(i)	Senator Solomon O. Adeola	—	Chairman
(ii)	Senator Joshua C. Dariye	—	Member
(iii)	Senator Andy E. Uba	—	Member
(iv)	Senator Yahaya A. Abdullahi	—	Member
(v)	Senator Fatima O. Raji-Rasaki	—	Member
(vi)	Senator Yusuf A. Yusuf	—	Member
(vii)	Senator John O. Enoh	—	Member

- (c) *Urgent need to Investigate Special Funds that Accrued to the Federation as provided by the Revenue Allocation Act 2004:*

Consideration of Motion deferred to another Legislative Day.

- (d) *Urgent need to revisit the issue of Corporate Tax Incentives which is turning into a huge drain on Nigerian Economy:*

Consideration of Motion deferred to another Legislative Day.

- (e) *Cancer Treatment Infrastructure Crisis:*

Consideration of Motion deferred to another Legislative Day.

- (f) *Deplorable State of the National Stadium, Surulere, Lagos:*

Consideration of Motion deferred to another Legislative Day.

- (g) *Recruitment into the Nigeria Police Force; the need to adhere to Federal Character Guiding Principles:*

Consideration of Motion deferred to another Legislative Day.

- (h) *Need for the Re-construction and Dualization of the Makurdi-9th Mile Trunk "A" Federal Highway:*

Consideration of Motion deferred to another Legislative Day.

- (i) *Need to give Recognition to Enugu, Kogi and Anambra States as Oil Producing States, forestall further Hostilities between the warring Communities in Anambra, Enugu and Kogi States and resolving the controversy surrounding the ownership of the Acreage Area of OPL 915, 916 & 917:*

Consideration of Motion deferred to another Legislative Day.

18. Adjournment:

Motion made: That the Senate do now adjourn till Wednesday, 30th November, 2016 at 10:00 a.m.
(Deputy Senate Leader).

Adjourned accordingly at 1:09 p.m.

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