

## **NATIONAL ASSEMBLY WATCH**

**(A twice-monthly focus on Nigeria's National Assembly.  
Period ending October 13, 2012)**

### **Finally, the budget:**

After two weeks of delay, during which time the parliament considered the medium term expenditure framework (MTEF), President Goodluck Jonathan on Thursday October 10 presented a proposal to spend N4.9 trillion for the 2013 fiscal year, an increase of five per cent from the 2012 budget of N4.7 trillion.

Entitled, "Budget of Fiscal Consolidation with Inclusive Growth," the pegging of the benchmark on Nigeria's main export, crude oil at USD75 per barrel, is likely to cause dispute between the executive and the legislature. The National Assembly had in the previous week, fixed USD85 as benchmark price, when it considered the MTEF. Other parameters of the proposed budget include oil production of 2.53 million barrels per day (mbpd), up from 2.48 mbpd for 2012.

The proposal shows a slight change in the percentage ratio of the recurrent to capital expenditure from 71.47% to 28.53% in 2012 to 68.7% to 31.3% in the 2013 proposed budget. This is still too low to be able to speed up development though. The president further proposed to establish a 'sinking fund' of N100billion to repay Government's maturing debt obligations and to curb the rising domestic debt profile.

The proposed key allocations per sector include: Works – N183.5 billion; Power - N74.26 billion; Education – N426.53 billion; Health – N279.23 billion; Defence – N348.91 billion; Police – N319.65 billion; and Agriculture & Rural Development – N81.41 billion.

Other high points of the proposed budget is the plan to increase import duty on polished rice to 100 percent and 10 percent for brown rice (to boost local production of rice); five-year tax holiday for sugarcane and 'sugar value chain' investors as well as zero percent duty on machinery and spare parts imported for local sugar manufacturing.

Other imports to attract zero percent tax include all commercial aircraft and their spare parts; machinery and equipment imported for use in solid minerals as well as completely knocked down (CKD) components for the manufacture of mass transit buses of 40 or more-seats.

President Jonathan said government would empower women through five pilot ministries, Agriculture, Health, Communication technology, Water Resources and Works. Some of the details include that the Ministry of Agriculture will work with the Ministry of Information and Communication Technology to ensure that five million women farmers and agricultural entrepreneurs receive mobile phones to be able to access information on agriculture through an electronic wallet scheme while 35 percent of road rehabilitation work by the Federal Road Maintenance Agency (FERMA) would be reserved for women.

The president's budget speech is available at this link: <http://www.fmf.gov.ng/the-media/press-release/87-president-jonathans-2013-budget-speech.html>

#### **Otedola-AMCON Debt Deal attracts House probe:**

A few months after his last (inconclusive) brawl with the House of Representatives on account of the accusation and counter accusation between him and Rep. Farouk Lawan (PDP, Kano) on an alleged bribe demand by the legislator, businessman, Femi Otedola is headed for another round of trouble with the same legislature.

Otedola's trouble this time is the mysterious settlement he struck with the Assets Management Corporation of Nigeria (AMCON) which saw his two companies exit a whopping debt of N141 billion.

Not satisfied with the sudden nature of the debt exit and its timing which came just after the Central Bank of Nigeria (CBN) issued a document blacklisting Otedola's company, Zenon Oil and 112 others companies, their principal shareholders and directors whose debt profiles with AMCON are more than N5 billion.

To unravel the circumstances of this deal, the House has set up an eight-member ad hoc committee headed by the House Minority Leader, Rep Femi Gbajabiamila (ACN, Lagos) to investigate the transaction and report findings within one month.

Other members of the committee are Reps. Sani Kalgo (PDP, Kebbi), Uzo Azubuike (PDP, Abia), Ajibola Muraina (PDP, Oyo), Pally Iriase (ACN, Edo), Evelyn Ojakovo (PDP, Delta), Jerry Manwe (PDP, Taraba) and Idris Wase.

The deliberation that led to the setting up of the committee was based on a motion sponsored by Rep Abimbola Daramola (PDP, Ekiti).

#### **Students' killings worry Reps:**

The House of Representatives has sent a delegation of six members to visit the Federal Polytechnic, Mubi, Adamawa State and the University of Port Harcourt, Rivers State, where some students were gruesomely killed recently.

The delegation is headed by the Deputy Minority Whip, Rep Datti Garba Mohammed (CPC, Kaduna), and has Rep. Femi Odeneye (ACN, Ogun), Rep. Aisha Modibo, Rep. Bitrus Kaze (PDP, Plateau), Rep. Victor Nwokolo (Accord, Delta) and Rep. Aliyu Madaki (PDP, Kano) as members.

#### **Reps consider more judges:**

Two bills that would see an increase in the number of justices of the Court of Appeal and the Federal High Court have passed the second readings, on their ways to being passed by the House of Representatives.

The bill to amend the Court of Appeal Act 2005, seeks to increase the number of Justices of the Court of Appeal from 70 to 90 while another bill to amend the Federal High Court Act

would increase the number of judges of the Federal High Court from 70 to 100 also scaled the second reading stage.

Arguing for the amendment, House Leader, Rep Mulikat Akande-Adeola (PDP, Oyo), observed that the Court of Appeal which now operates in 17 divisions and has more than one panel sitting concurrently and continuously needed more than the present 70 justices, assuming all the 70 positions were filled at any given time.

She argued that the minimum number of justices required in each division should not be less than five and for larger divisions requiring two panels continuously, the number should be at least 10.

#### **Senate commences Constitution Review:**

Nigerians yearning for various changes in the Constitution were on October 11 and 12 given the opportunity to make presentations to the Senate on those areas.

At the event organized by the Senate Committee on the Review of the Constitution, Senate President David Mark (PDP, Benue) promised that the National Assembly has no 'hidden agenda' in the amendment of the constitution just as they do not intend to muscle through its opinion against the majority opinions of Nigerians.

The Senate President listed certain 'sacrosanct' provisions that the amendment should acknowledge to include "periodic elections, fundamental rights, a system of checks and balances, the principle of separation of powers, a vibrant legislature, a dynamic executive, an independent judiciary, and a free press".

He urged Nigerians to make known their positions to influence the review process, using not only the public hearing at the national level and the ones to be held across the country but also various public spaces like the media opportunities.

Many organizations and individuals made submissions at the two-day public hearing. ActionAid Nigeria's submission covered state creation; constitutional roles for traditional rulers; local government; immunity clause; rotation of offices; status of the Federal Capital Territory; residency/indigene question and reduction in the cost of administration. The details are on this link <http://www.actionaid.org/nigeria/publications/actionaid-nigerias-proposal-senate-committee-review-nigerian-constitution>.

#### **Senate considers bill to stop foreign studies for children of public officials:**

The much and long talked about disappointment of citizens with their public office holders who spend huge amounts of money to access medical and educational facilities abroad for themselves and their family members resonated in the Senate last week.

In an unprecedented move, the Senate is considering a bill, proposed by Senator Mohammed Bashir Garba (PDP, Kano) which seeks to restrict children of public office holders from studying abroad, except for specialized programmes or courses not offered in the nation's educational institutions.

The sponsor of the bill says it aims to restore the nation's public educational system by discouraging public officials from sending their children and wards to foreign schools. He also said sending such children to study overseas was responsible for the neglect suffered by public schools and a source of capital flight and brain drain. He urged the Senate to adopt drastic measures to rescue the ailing educational system.

In his words: "We should be proud of what we have and Nigeria cannot develop without a sound educational system. You cannot be a minister or commissioner of education or of health and refuse to patronize your own system and expect the system to improve".

The penalty proposed by the bill is a special tax for defaulters, which would be used to fix the public education.

#### **House probe of Malabu oil deal makes slow start:**

The absence of the Attorney General of the Federation, Mr. Mohammed Adoke and the Accountant General of the Federation, Mr. Jonah Otunla caused a setback to the House of Representatives public hearing on the transactions on the oil producing licence (OPL) 245.

OPL 245 had some years ago been allocated to Malabu Oil and Gas Limited allegedly owned by Dan Etete, who was petroleum minister under the military government of Sani Abacha. The allocation was later reversed for failing the test of transparency, leading the company to challenge the reversal.

It turned out that the same licence was re-allocated to Shell and Agip oil companies. However, more recent media reports indicated that the two companies paid \$1.1bn into a Federal Government account for OPL 245, and the money was subsequently transferred by the government into accounts of Malabu in circumstances the National Assembly now wants to unravel.

In July, the Senate resolved following a motion moved by Sen Abdul Ningi (PDP, Bauchi) and supported by 46 other senators to probe the transaction. The recent resolution of the House of Representatives to probe the same transaction was based on a motion moved by Rep. Robinson Uwak (PDP, Akwa Ibom).

Mr. Adoke's absence was explained in a letter he sent to the ad hoc committee chaired by Rep Leo Ogor (PDP, Delta). He said he was involved in the government's review of the 2002 judgment of the International Court of Justice (ICJ) on Bakassi Peninsula.

Similarly, the Minister of Petroleum Resources, Mrs Deziani Allison-Madueke and Minister of State, Finance, Alhaji Yerima Ngama who were in attendance, were unable to provide the committee with position papers on the sale of OPL 245, explaining that the letters written by the committee to request position papers never got to them.

The committee agreed to announce a new date for the investigation as soon as the key ministries, departments and agencies are ready to present the required documents.

**No words still on the Farouk Lawan case:**

One month after its resumption from vacation, the House of Representatives is still to discuss the case involving Rep Farouk Lawan (PDP, Kano) and businessman, Femi Otedola who accused him of corruption.

Otedola claimed he was pressured by Lawan to pay a bribe of \$620,000 to the lawmaker to secure a clean bill from the House on an alleged involvement in petroleum subsidy scam while Lawan said he only collected the money (on Otedola's insistence) in order to expose the businessman for corruption.

As at the time of going on recess, the matter was stalemated because, after a committee of the House questioned Lawan in private, Otedola refused to have a private session with the committee, insisting on a public hearing.

Many citizens look forward to a speedy conclusion of this matter, but that doesn't seem feasible now, even as there is no information that security and the law enforcement agencies are doing anything about the matter.