



FOR IMMEDIATE RELEASE

+234 (0) 708 778 4788

Red Media -

Commitment to the Rule of Law Starts Here and Now

April 23, 2012. Lagos, Nigeria.

In October 2011 when we started engaging various stakeholders on the Fuel Subsidy Scheme, it was clear to us at Enough is Enough Nigeria (EiE), that the fraud in the scheme could be exposed and eliminated in other ways without the removal of fuel subsidy.

On Wednesday, April 18 2012, the ***Ad-Hoc Committee to Verify and Determine the Actual Subsidy Requirements and Monitor the Implementation of the Subsidy Regime in Nigeria*** presented its report before the National Assembly after two months of investigation. The committee met from January 16 – February 9 2012, and will debate the contents of its report on the floor of the house on Tuesday, April 24th.

Some Highlights

1. N245.96bn was budgeted for subsidy payments in 2011, however the initial official figure of payments was N1.3 trillion; the Accountant-General of the Federation put forward N1.6 trillion; and the Central Bank had N1.7 trillion. The Committee established payments of N2,587.087 trillion as at December 31, 2011, which is over 10 times the amount budgeted. There is also N500 billion in outstanding claims for 2011.
2. A Presidential Directive removed kerosene subsidies in 2009. However in 2011, NNPC paid N310.4 billion in ‘arrears’ on kerosene subsidy for 2009-2011.
3. In 2009, Ibrahim Hassam Dankwambo, the Accountant-General (now Governor of Gombe State), authorized 128 payments of N999 million each, in equal installments within a 24 hour period (12th - 13th January 2009), totaling N127.872 billion. During the period in question, there were only 36 marketers under the PSF Scheme.
4. Nigerians consume about 31.5 million litres of PMS per day. With 445,000 barrels per day (bpd) of crude assigned to NNPC, local refining and offshore swaps (crude for PMS) is SUFFICIENT to meet our local demands, so there’s no reason to have 3rd party marketers.
5. 45 of the marketers are tax defaulters including Acorn Plc, ASCON Plc, Capital Oil and Gas (under FIRS investigation), Eterna Oil, and Honeywell Oil & Gas Ltd.
6. 3 marketers did not make first application to PPPRA before they got their 1st allocation.
7. 4 marketers, including Conoil, **NEVER** applied to PPPRA but were given allocation to supply products.



For us, four things are clear:

1. If the 445,000 bpd allocated to NNPC is sufficient to meet our local needs, what exactly should the price of PMS per litre be? Without this, we would never know the real cost of subsidizing PMS for Nigerians.
2. Of the 4 Committees and Taskforces set up, the Petroleum Industry Bill (PIB) Special Task Force and that on Governance and Controls in the NNPC and other Parastatals have missed their deadlines- February 29th and March 2nd respectively. We had initially acknowledged that it would be difficult, if not impossible, to oversee/supervise the investigation of allegations in which the Ministry features prominently, and asked that the Minister step aside. Given the depth of fraud uncovered by the Committee and for flouting a Presidential Directive, the “Honourable” Minister should be removed from office.
3. All officers that have been implicated in the report, including Olusegun Aganga (then Minister of Finance) and Augustine Oniwon, GMD, NNPC should step aside until the criminal investigations are concluded. The EFCC has to immediately follow up on the findings of the report and prosecute all those found guilty.
4. Before, during and after the protests in January, the Federal Government denied the facts that have now been documented by the Committee. It is imperative that all three arms of government – legislative, executive and judiciary – play their respective roles to ensure that the findings of the report are fully adopted and enforced. It is imperative that a proper framework for deregulating the sector is provided by passing the PIB into law.

We remind all elected and appointed officials of the Federal Republic of Nigeria that they are employees of Nigerian citizens and we will continue to ask questions and hold them accountable for OUR common wealth.

God bless the Federal Republic of Nigeria.

###

EnoughisEnough Nigeria (www.eienigeria.org) is a coalition of individuals and youth-led organizations committed to instituting a culture of good governance and public accountability in Nigeria through advocacy, activism and the mobilization of the youth population as responsible citizens. The coalition includes The Future Project; Paradigm Initiative Nigeria; Education as a Vaccine (EVA); Kudirat Initiative for Democracy (KIND); RISE Networks; Chocolate City Group and EME.

EiE Nigeria created the RSVP (Register|Select|Vote|Protect) Campaign to leverage technology, especially social media to mobilize significant participation from citizens in the 18-35 age bloc in the 2011 elections and beyond.