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NEC/3RD /2019/95TH MEETING

COPY NO:.....

NATIONAL ECONOMIC COUNCIL

**MINUTES AND CONCLUSIONS OF THE INAUGURAL MEETING OF THE NATIONAL
ECONOMIC COUNCIL (2019-2023) HELD IN THE COUNCIL CHAMBER,
STATE HOUSE, ABUJA, ON THURSDAY, 20TH JUNE, 2019**

HIS EXCELLENCY
Muhammadu Buhari, *GCFR*
President, Commander-in-Chief of the
Armed Forces of the Federal Republic of Nigeria

PRESENT

HIS EXCELLENCY
Prof. Yemi Osinbajo, SAN, GCON
Vice-President, Federal Republic of Nigeria (Chairman)

- | | |
|---|--|
| 3. Dr. Okezie Ikpeazu
Governor of Abia State | 4. Alh. Ahmadu Umaru Fintiri
Governor of Adamawa State |
| 5. Chief Willie Obiano
Governor of Anambra State | 6. Hon. H. S. Dickson
Governor of Bayelsa State |
| 7. Prof. Baba-Gana Umara
Governor of Borno State | 8. Engr. David Nweze Umahi, <i>fnse</i>
Governor of Ebonyi State |
| 9. Mr. Godwin N. Obaseki
Governor of Edo State | 10. Dr. Kayode Fayemi
Governor of Ekiti State |
| 11. Alh. Muhammad Inuwa Yahaya
Governor of Gombe State | 12. Alh. Mohammed B. Abubakar, <i>mni, MON</i>
Governor of Jigawa State |

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| 13. Mallam Nasir Ahmad El-Rufai, OFR
Governor of Kaduna State | 14. Dr. Abdullahi Umar Ganduje, OFR
Governor of Kano State |
| 15. Sen. Abubakar Atiku Bagudu
Governor of Kebbi State | 16. Alhaji Yahaya Bello
Governor of Kogi State |
| 17. Alh. Abdulrahman Abdulrasaq
Governor of Kwara State | 18. Mr. Babajide Sanwo-Olu
Governor of Lagos State |
| 19. Alh. Abdullahi Sule
Governor of Nasarawa State | 20. Mr. Abubakar Sani Bello
Governor of Niger State |
| 21. Mr. Dapo Abiodun
Governor of Ogun State | 22. Arakunrin Oluwarotimi O. Akeredolu, SAN
Governor of Ondo State |
| 23. Mr. Adegboyega Oyetola
Governor, State of Osun | 24. Mr. Oluwaseyi Makinde
Governor of Oyo State |
| 25. Rt. Hon. Simon Lalong
Governor of Plateau State | 26. Rt. Hon. Aminu Waziri Tambuwal, CFR
Governor of Sokoto State |
| 27. Alh. Mai Mala Buni
Governor of Yobe State | 28. Mr. Godwin Emefiele, CON
Governor, Central Bank of Nigeria |

DEPUTY GOVERNORS (REPRESENTING THEIR GOVERNORS)

- | | |
|--|---|
| 29. Mr. Moses Frank Ekpo, MFR
Deputy Governor of Akwa Ibom State | 30. Alh. Baba Tela
Deputy Governor of Bauchi State |
| 31. Hon. Cecilia Ezeilo O., (Esq.)
Deputy Governor of Enugu State | 32. Mr. Irona Alphonsus
Deputy Governor of Imo State |
| 33. Alh. Mannir Yakubu
Deputy Governor of Katsina State | 34. Barr. Mahdi Aliyu Moh'd
Deputy Governor of Zamfara State |

ABSENT

- | | | | |
|-----|---|-----|--|
| 35. | Dr. Samuel Ortom
Governor of Benue State | 36. | Prof. (Sen.) Benedict Ayade
Governor of Cross River State |
| 37. | Sen. (Dr.) Ifeanyi Okowa
Governor of Delta State | 38. | Barr. Nyesom Wike
Governor of Rivers State |
| 39. | Arc. Darius Ishaku
Governor of Taraba State | | |

IN ATTENDANCE

- | | | | |
|-----|---|-----|---|
| 40. | Mr. Boss Mustapha
Secretary to the Govt. of the Fed.
OSGF | 41. | Mr. Ade Ipaye
Deputy Chief of Staff to the President
OVP |
| 42. | Dr. Adeyemi Dipeolu
SA to the President on Economics Matters
OVP | 43. | Mr. Laolu Akande
SSA Media
OVP |
| 44. | Dr. Mohammed K. Dikwa, mni
Perm. Secretary (Special Duties)
Federal Ministry of Finance | 45. | Mr. Tunde Lawal
Permanent Secretary
Cabinet Affairs Office, OSGF |
| 46. | Alhaji Ahmed Idris
AGF
OAGF | 47. | Mr. Mark Okoye
Commissioner, Anambra State Min.
of Econ. Plan. Budget & Dev Partners |
| 48. | Mr. Joshua E. Ongore
Commissioner, Bayelsa State
Min. of Budget & Econ. Planning | 49. | Dr. Kingsley Emu
Commissioner, Delta State
Min. of Economic Planning |
| 50. | Mr. Olufemi Ajayi
Commissioner, Ekiti State
Min. of Budget and Planning | 51. | Mr. Paul Z. Maiwada
Commissioner, Kogi State
Min. of Budget and Planning |
| 52. | Pastor Emmanuel Igbasan
Commissioner, Ondo State
Min. of Econ. Plan & Budget | 53. | Prof Olalekan D. Yinusa
Commissioner, Osun State
Min. of Budget & Econ. Plan. |
| 54. | Mr. Geoffrey Garba
Permanent Secretary, Adamawa
State Min. of Finance | 55. | Mr. Yahuza Adamu Haruna
Permanent Secretary, Bauchi State
Min. of Budget & Econ Plan. |
| 56. | Engr. Emat Muhammad Kois
Permanent Secretary, Borno State
Ministry of Finance | 57. | Mr. Akintunde Oyebode
Special Adviser, Ekiti State
Min. of Ind. Trade & Investment |
| 58. | Mr. A. Tayo Oyelowo
Permanent Secretary, Kwara
State Min. of Plan & Econ Dev. | 59. | Mr. Olayanju Cole
SSA Technical
Lagos State Government |

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| 60. | Mr. Ngalbamg Damborno
Director Planning
Gombe State | 61. | Dr. Domic A. Bako
Special Adviser, Nasarawa
State Ministry of Finance |
| 62. | Mrs. Mofoluke Adebisi
Permanent Secretary
Oyo State Planning Commission | 63. | Mr. James D. Dalyop
Permanent Secretary, Plateau
State Min. of Budget & Econ. Plan |
| 64. | Mohammed Abatoha Geidam, mni
Permanent Secretary
Yobe State Min. of Finance | 65. | Mr. Shedrach Golen
Permanent Member
Plateau State Planning Commission |
| 66. | Major Gen. (Rtd) Babagana Monguno
National Security Adviser
ONSA | 67. | Mr. M. A. Adamu, mni
Inspector General of Police
NPF, Abuja |
| 68. | Maj. Gen. A. A. Nani
COPP (A)
Nigerian Army | 69. | Mrs. Yosola Akinbi
Snr. Technical Adviser
OVP |
| 70. | Mrs. Foluso Idumu
SSA Admin VP
OVP | 71. | Mr. Donald Benibo Wokoma
SA to VP on NEC
OVP |
| 72. | Mrs. Balkisu Saidu
SSAP Legal
OVP | 73. | Mrs. Victoria A. Agba-Attah
Director (Information)
MBNP |
| 74. | Mr. M. K. Usman
Director (Fund)
OAGF | 75. | Mr. Sabo Mohammed
Director (Federation Accounts)
OAGF |
| 76. | Dr. Israel Igwe
Director (ERPM)
FMF | 77. | Mr. Okon E. Udo
Director (Home Finance)
FMF |
| 78. | Mr. Dare Richad Olu
Deputy Director
OVP | 79. | A. B. Okauru, Esq.
Director-General
NGF Secretariat |
| 80. | Mr. Salisu B. Haiba
Assistant Director | 81. | Mr. David Nabena
Economist |

MBNP

82. Mr. Tijani Yusuf
SA (GD) Press
OVP

84. Mr. Wole Sanni
TA
OVP

NGF

83. Mr. Aiyegbayo Seun
PS to the VP
OVP

SECRETARIAT

Secretary to Council

85. Ernest A. Umakhihe, *fca, fnim*

Assistants

86. A. B. Sa'adu

87. Mr. Olukayode Adeniran

88. Mr. Samuel U. Nwozuzu

89. Mrs. Gloria Ahmed

90. Dr. Paul Nwabisi

91. Mrs. Mercy Idiong

92. Mrs. Oluwakemi Ogunjobi

93. Mr. Issa Abubakar

94. Mrs. Nafisat Adams Ibrahim

95. Mr. Daniel Ikara

96. Mrs. A. O. Durogbola

97. Mr. Moses C. Onwuanishia

98. Mr. Samuel Ekundayo

S/N	Discussions/Decisions	Action by
<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p>	<p>OPENING</p> <p>The inauguration of the National Economic Council (NEC) 2019-2023 set was performed by His Excellency, President Muhammadu Buhari, GCFR, Commander-in-Chief of the Armed Forces, Federal Republic of Nigeria on Thursday, 20th June, 2019. The event commenced at 1:58 p.m. on arrival of the President, in company of the Vice President, Prof. Yemi Osinbajo, SAN, GCON. This was followed by the singing of the first stanza of the National Anthem. The opening prayers were led by the Governors of the States of Osun and Plateau State respectively.</p> <p>An official of the State House welcomed members to the Council Chamber, and informed Mr. President of the presence of the NEC members for the inauguration of the Council. Thereafter, Mr. President was invited to inaugurate the 2019-2023 set meeting of NEC.</p>	
<p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> <p>26</p> <p>27</p> <p>28</p> <p>29</p> <p>30</p> <p>31</p>	<p>INAUGURATION OF THE NATIONAL ECONOMIC COUNCIL (NEC) BY MR. PRESIDENT</p> <p>Mr. President, in his inaugural speech, welcomed the newly elected Governors to the occasion and recalled that the NEC was established by a provision of the Constitution of the Federal Republic of Nigeria (1999), Third Schedule, Part I Section 153: Sub Section (18 & 19), as amended. The President noted that as one of the Federal Executive bodies, the Council has the mandate to advise the President on the economic affairs of the nation and in particular, measures necessary for the co-ordination of the economic planning efforts and/or economic programmes of the various Governments of the Federation.</p> <p>He opined that regular meetings of the NEC has remained the foremost economic platform for dialogue among the thirty six (36) State Governors, the Governor of Central Bank of Nigeria and other co-opted members, chaired by the Vice-President, where issues and challenges facing the development of the country at national and sub-national levels are discussed with a view to developing and harmonizing strategies for addressing them.</p> <p>Continuing, Mr. President used the opportunity to charge the Federal and State Governments to deepen collaboration on Security, Education, Health and Agriculture in order to make a difference in the lives of Nigerians. According to</p>	

32 him, the success in these four sectors, would lift the people out of poverty and
33 secure their future for sustainable growth and development.

34 In the same vein, he called on every Governor to rally their Local Government
35 Area Chairmen towards ensuring that schools were offered the right opportunities
36 and provided the needed materials and teachers for basic education. He
37 disclosed that the Federal Government (FG) would continue to invest in the
38 Home-Grown School Feeding Programme and assured that it would be extended
39 to all the States of the Federation. He added that FG would also assist the States
40 in accessing the counterpart funding provided by UBEC for the development of
41 basic education.

42 On the health issue, Mr. President noted that it will be of a collective interest that
43 each and every citizen got at least, a minimal access to healthcare, including
44 primary, preventive and emergency care. He stated that the FG was implementing
45 the Basic Healthcare Provision Fund and maintained that its sustained
46 implementation will help to increase the share of Nigeria's population covered by
47 primary healthcare, from the current 12.6 percent to 65 percent by year 2023.

48 Mr. President further stated that while FG has the primary responsibility for
49 security, there must be collective and deliberate efforts by all to improve the
50 security of lives and properties across the country. He therefore enjoined States to
51 play critical roles by assisting and cooperating with the security agencies. On the
52 diversification of the economy, Mr. President added that it had become imperative
53 to do more on diversifying the economy through the sustenance and acceleration
54 of the agricultural revolution, which was already firmly rooted in some States.

55 He noted that there were huge potentials for both the domestic and international
56 markets where mechanization of agro-allied industry still remained largely
57 untapped and awaiting investment by both governments and the private sector
58 operators. Governors were therefore urged to take agriculture most seriously as a
59 very viable developmental enterprise.

60 In his concluding remarks, Mr. President enjoined members to join hands with the
61 Federal Government, irrespective of political affiliations and primordial loyalties
62 and thereafter, charged the State Governors and Governments to keenly pursue
63 policies and programmes that would help forestall communal, tribal and religious

64	conflicts; and indulge in promoting programmes that will encourage unity,	
65	education, information, dispute resolution, vocational training and youth	
66	employment. He thereafter, inaugurated the 2019 - 2023 National Economic	
67	Council (NEC), and wished members success in this all-important national	
68	assignment.	
69	Thereafter, a group photograph of the Council members with Mr. President was	
70	taken after which the president departed.	
71	RESPONSE BY THE VICE PRESIDENT AND CHAIRMAN, NATIONAL	
72	ECONOMIC COUNCIL	
73	Earlier in his welcome remarks, the Vice-President and Chairman of the Council,	
74	welcomed the President and other Government officials present at the inaugural	
75	meeting of the 2019 - 2023 National Economic Council (NEC), and the 95 th	
76	meeting of the Council.	
77	The Chairman gave a brief composition of NEC, informing Mr. President that the	
78	Council was made up of the 36 State Governors and the Governor of the Central	
79	Bank of Nigeria (CBN) as outlined in the 1999 Constitution as amended. He	
80	further listed other members required to be in attendance to include the	
81	Honourable Ministers of Finance (HMoF), Budget & National Planning (HMBNP),	
82	Agriculture and Rural Development (HMARD), the Federal Capital Territory	
83	(HMFCT) and the Minister of State for Petroleum Resources (HMSPR). While the	
84	Vice-President of Nigeria chairs the meeting, the Permanent Secretary, Ministry of	
85	Budget and National Planning serves as the Secretary to the Council. He also	
86	read out the primary mandate of NEC which includes, advising the President on,	
87	and in some cases, implementation of economic and social policies that affect the	
88	overall welfare of Nigerians.	
89	The Chairman recalled that Mr. President had directed at a previous meeting held	
90	with the Governors on Friday, June 7, 2019, that the inaugural meeting should	
91	focus on crucial economic issues and national security. On this note, he assured	
92	the President that the outcomes of Council deliberations would be forwarded to	
93	him as soon as possible.	
94	Summarizing, he congratulated the twelve (12) new Governors from Adamawa,	
95	Bauchi, Borno, Gombe, Imo, Kwara, Lagos, Nasarawa, Ogun, Oyo, Yobe and	
96	Zamfara States that were in attendance, along with the other 24 who were either	

97	re-elected or already serving. The Chairman, on behalf of other members of the	
98	Council, thanked the President for making time to inaugurate the Council.	
99	CONSIDERATION AND ADOPTION OF THE MINUTES OF THE SPECIAL	
100	VALEDICTORY MEETING, WHICH WAS THE 94TH (2ND IN 2019), NATIONAL	
101	ECONOMIC COUNCIL (NEC) MEETING HELD ON THURSDAY, 23RD MAY,	
102	2019	
103	The minutes of the 94 th (2 nd in 2019) NEC meeting was considered with the	
104	following amendments:	
105	i) Page 8, line 22: "... the Allocation of the Monthly Excess Crude/Royalty..."	
106	Should be corrected to read "...allocation ...";	
107	ii) Page 9, line 32: "...for Breaking of Investments which..." should be	
108	corrected to read " ...breaking of investment...";	
109	iii) Page 10, line 66, item number 5: "16 Resolutions" should be put in a	
110	bracket;	
111	iv) Page 10, line 75: the article "the" should be inserted in the statement to	
112	read "...of keen interest to the National Economic Council;";	
113	v) Page 11, line 113: zone should be written in plural to read "zones";	
114	vi) Page 13, line 149: "Nigeria economy" should be corrected to read "Nigerian	
115	economy"; and	
116	vii) Page 14, line 196: "...almost ₦500 USD..." should be corrected to read	
117	"...almost N500 to the USD...";	
118	The motion for the adoption of the minutes as amended was moved by the	
119	Governor of Ondo State and seconded by the Governor of Niger State.	
120	MATTERS ARISING FROM THE MINUTES OF THE 94TH (2ND IN 2019)	
121	SPECIAL VALEDICTORY NATIONAL ECONOMIC COUNCIL MEETING HELD	
122	ON 23RD MAY, 2019	
123	Report on Excess Crude Account (ECA) by Honourable Minister of Finance	
124	On behalf of the Honourable Minister of Finance, the Permanent Secretary,	
125	Special Duties (SD) Federal Ministry of Finance (FMF), reported that the opening	
126	balance in the ECA as at June 2019 was USD143,930,688.59 . He however,	
127	disclosed that an inflow of interest rate amounting to the sum of USD79,279.15	
128	accrued into the Account which brought the total balance in the ECA to	
129	USD144,099,967.74.	

130	The analysis of Foreign Excess Crude Account sheet that was circulated at the
131	meeting by FMF showed that the sums of USD53,300,291.22, USD52,244,084.53
132	and USD304,808.06 were for "Transfer from Good and Valuable Consideration",
133	"Transfer from Forex Equalization April 2019 Allocation" and "Charges for
134	Breaking of Investments" respectively. These narrations occurred on the account
135	in the month of May, 2019.
136	Report on Stabilization Fund Account
137	The PS-SD (FMF) also reported that the balance in the Stabilization Account as at
138	17 th May, 2019 was ₦21, 889,026,329.21 . Explaining details of the account, he
139	stated that the account witness an inflow of ₦2,306,909,939.08 which increased
140	the sub-total to ₦24,195,936,268.29 , while an outflow of ₦6,528,157,406.30 also
141	occurred on the account during the period respectively. Consequently the total
142	balance in the account as at 19 th June, 2019. was ₦17, 667,778,861.99
143	Report on National Resources Development Account (NRDA)
144	The PS SD (FMF) reported that the balance in the NRDA account as at 17 th May,
145	2019 was ₦72, 870,652,208.77 ; it had an inflow of ₦7,864,833,022.42 which
146	increased the sub-total to ₦80,735,485,231.19 . However, there was an outflow of
147	₦3,000,000,000.00 which brought the net total balance to ₦77,735,485,231.19 as
148	at 19 th June, 2019.
149	Update on Budget Support Loan Facility (BSLF)
150	On BSLF, the PS SD (FMF) informed the meeting that all the States that applied
151	for the loan had been paid. He disclosed that each of the States received a total
152	sum of ₦17.5 billion . He added that the Paris Club refund was also paid to thirty-
153	five (35) States with the exception of Ebonyi State, which would be paid the
154	balance due by the following week, when reconciliation would have been
155	concluded.
156	Comments/Observations
157	The following are the summary of members' comments:
158	a. A member requested for the details of the narrations and explanations on
159	the " <i>Transfer from Good and Valuable Consideration</i> ", " <i>Transfer from</i>
160	<i>Forex Equalization (April, 2019 Allocation)</i> " and " <i>Charges for Breaking of</i>
161	<i>Investments</i> " (i.e. items 7, 8 & 13 of the Analysis of Foreign Excess
162	Crude Account sheet distributed at the meeting);

- 163 b. Details of beneficiaries of the fund disbursed from both the Stabilization
 164 and Natural Resources Development Accounts were sought;
- 165 c. A member recalled that there was an argument in the past about how the
 166 funds given out to the States as loans belonged to the States and also
 167 observed that some deductions from the States' allocations indicated that
 168 repayment of the loan had commenced, without any corresponding
 169 increase in the Federation Accounts to show that the funds were being
 170 paid back. Hence, he sought further clarifications as to where the loans
 171 were sourced;
- 172 d. A member sought for details of the most recent recoveries from the late
 173 Abacha Loot and MTN Nigeria and the argument about which accounts the
 174 funds ought to be deposited in;
- 175 e. A member sought for records of disbursement from ECA, starting from
 176 when the USD1 billion approved for military hardware procurement was
 177 disbursed to date;
- 178 f. The need to have a clear policy in place to secure the 13% derivation for
 179 the Oil Producing States as stated in the Nigerian Constitution was re-
 180 emphasized by a member from the Zone;
- 181 g. A member maintained that States and Local Government Areas (LGAs)
 182 were entitled to 48% of the funds used for the payment of the Paris Club
 183 Refund. He also alleged that the funds were pulled together from both ECA
 184 and Nigeria Liquefied Natural Gas (NLNG) dividends; and
- 185 h. A member sought for the understanding of the CBN Governor and the
 186 need for him to halt the second leg of deductions of loans from States
 187 allocations planned for July, 2019 until all reconciliations were concluded.

188 **Responses**

189 Responding to the narrations (i.e items 7,8 &13), on the **Analysis of Foreign**
 190 **Excess Crude Account** sheet distributed at the meeting, the Accountant-General
 191 of the Federation (AGF) explained that **item 7** (USD53,300,291.22) was a credit
 192 and a recovery by the Department of Petroleum Resources (DPR) from Nigeria
 193 Petroleum Development Company (NPDC). He added that it was Federation
 194 funds and was part of the USD144, 213,245.16 utilised for Paris Club refunds to
 195 the States after consulting with then NGF Chairman and former Governor of
 196 Zamfara State. The AGF also explained that **item 8** (i.e USD52, 244,084.53) was
 197 the account that received Foreign Exchange (FX) gains. According to him, it was
 198 an attempt to aggregate enough funds to meet the expenditure of item 11 (Paris

199 Club Refund to States). The AGF further disclosed that funds were sourced from
200 both **items 7 & 8** while **item 13** (USD304, 808.06) was a penalty slammed on
201 ECA for breaking an investment in the past; and it was tagged "Charges for
202 Breaking of Investments".

203 In his comment, the PS Special Duties (SD) (FMF) explained that the details of the
204 accounts were always shared with all the State Commissioners of Finance at the
205 monthly Federation Accounts Allocation Committee (FAAC) meetings for the
206 purpose of transparency and accountability.

207 With respect to the request to provide the details of the beneficiaries of
208 disbursements from the Stabilization and Natural Resources Development
209 Account, the Chairman of Council recalled that a Committee set up by Council and
210 Chaired by the former Governor of Lagos State was mandated to engage FMF for
211 information on behalf of NEC.

212 Responding to why there was no identifiable significant increase in the Federation
213 Account to show that States were repaying the loans; the Governor of CBN
214 recalled that in 2015, majority of the States benefitted from some
215 disbursements/loans when most of the States could not pay workers' salaries.
216 According to him the first loan advanced to States by the CBN was the ₦400b
217 Salary Bailout which repayment was made directly to CBN intervention account
218 where the funds for the loan were initially sourced from. He clarified that the fund
219 was not sources from the Federation Account.

220 Also, the CBN Governor opined that the second loan was the ₦350 billion from the
221 Excess Crude Account which was given out to 35 States, from which each State
222 received the sum of ₦10 billion. The third loan is the sum of ₦650 billion from
223 which each State got ₦17 billion.

224 He added that the three (3) loans were due for repayment and reminded Council
225 members that in 2018 when the 1-year moratorium elapsed, he notified Council
226 about it and most members sought for an extension which had also expired.
227 Thereafter, he notified the Council that a letter had been communicated to FMF to
228 commence deductions in July, 2019.

229 The CBN Governor further clarified that the Paris Club refund to the States that

230 were sourced from both ECA and NLNG dividends was not a loan. He said that
231 there was no 48% due to States as claimed by a member. It was further argued by
232 another member of Council that FG borrowed funds from Federation Account to
233 pay States of which States are entitled to 48% of the same funds borrowed by FG.
234 In order to obtain a clear perspective of the matter, the Chairman, NGF eventually
235 proposed that an Ad-Hoc Committee comprising officials from NNPC, AGF, FMF
236 and NGF be constituted for accounts reconciliation purposes.

237 On the recovered funds from MTN Nigeria Limited, the CBN Governor explained
238 that it was a case of bank transactions between CBN and some commercial banks
239 and not recovery by FG. He stated that it was not a case of recovered funds that
240 required credit into the Federation Account. He added that the Economic and
241 Financial Crimes Commission (EFCC) should be invited to NEC to provide details
242 of recoveries, including the Abacha Loot at the next meeting. The CBN Governor
243 further informed Council members that the deductions had to commence as soon
244 as possible because CBN accounting records must be properly kept for Auditors
245 report. He recalled that the recent video that went viral about him sometimes back
246 was a conversation about these loans.

247 The PS-SD (FMF) also added that the recoveries from EFCC depended on the
248 source(s) from where the funds were stolen from. According to him, Monies are
249 usually returned to the State Governments' Account, Federal Government
250 Account or Federation Account as the case may be, after securing a Court
251 approval or where the Court granted forfeiture of the funds.

252 On inquiry about records of disbursements from the ECA from where USD1 billion
253 meant for procurement of Military hardware was sourced and how it was
254 disbursed to date, the Chairman of Council urged the members to patiently await
255 the outcome of the engagement with the FMF for further insight and clarification.

256 **Decision**

257 Council approved the constitution of an Ad-Hoc Committee comprising the
258 Governors of Edo, Kaduna, Jigawa and Ebonyi States to engage with CBN, FMF,
259 OAGF and NNPC for the reconciliation of Accounts as regard the beneficiaries of
260 the disbursement from both the Stabilization Fund and Natural Resources Fund
261 Accounts.

262	REVIEW OF THE SECURITY SITUATION IN THE COUNTRY:
263	Presentation by the National Security Adviser (NSA)
264	By leave of the Chairman of Council, the National Security Adviser (NSA),
265	provided a review of the security situation in the country. Introducing the subject,
266	he quoted late Kofi Annan who stated in 2005 that “there can be no security
267	without development and no development without security”. He said that progress
268	towards human development would be impossible with political instability and poor
269	governance”.
270	In his presentation, the NSA recalled that, persistent security issues in the North-
271	East, particularly the activities of Boko Haram insurgents had remained a delicate
272	challenge.
273	According to him, between January and June, 2019, the Boko Haram insurgents
274	carried out a total of 258 attacks on both military and civilians targets, leading to
275	the death of over 300 and the abduction of about 100 civilians. He identified four
276	areas that were commonly affected in the attack to include: the Nigeria - Niger
277	Republic border (Komadougou – Yobe River); Maiduguri and its environs;
278	Mandara Mountains; and the Lake Chad area. He added that Nigeria and other
279	member countries of the Lake Chad Basin Commission (LCBC) were also
280	conducting ground/air offensive operations in the Lake Chad area to neutralize
281	elements of the Islamic State of West Africa Province (ISWAP).
282	He observed that, incidents of terrorism takes time to eradicate, and noting that
283	the attacks on troops of Operation “Lafiya Dole” at Kareto and the suicide bomb
284	attacks on civilians in Konduga in the last few days exemplified the resilience of
285	the terrorists in the face of military operations.
286	The NSA further disclosed that the security brief revealed that, the six geopolitical
287	zones of the country were affected by commercial kidnapping, which had recorded
288	a total of 1,424 kidnap incidents and 3,170 kidnapped victims between 1 st January
289	and 17 th June, 2019 with most of the incidents occurring in the North-West, North-
290	Central and South-South geo-political zones. He also reported that the Security
291	forces were trying their best to ensure that kidnapping was brought under control
292	and this has resulted in the arrest of 424 kidnapers.
293	On the menace of banditry, the NSA informed Council that armed banditry was

294	fast displacing terrorism as the major threat to national security in Nigeria. He
295	noted that during the period from January – June, 2019, about 288 attacks by
296	bandits were recorded, which resulted in the deaths of about 1,214 civilians with
297	most of the attacks recorded along the Sokoto – Zamfara – Kaduna - Katsina
298	corridors and these attacks have exacerbated food crisis in the country.
299	He also disclosed that the Farmers/Herders crisis had recorded a total of 79
300	incidents leading to about 312 deaths in 16 States of the country between January
301	and June, 2019; with most of the crisis concentrated in the North-Central
302	geopolitical zone of the country. He, however, noted that, there had been a
303	decrease on the Farmers/Headers crisis since 2019 compared to year 2018.
304	The Presentation also contained a brief on the security threat arising from crude
305	oil theft, illegal bunkering, pipelines vandalism and piracy within the oil producing
306	States of the country with a total of 256 suspects arrested, while 54 vehicles, 216
307	pumping machines and 7 barges were recovered. Also 373 illegal refineries
308	together with about 36,000 MT of illegal petroleum products were destroyed
309	between January and June, 2019. He, however, submitted that there had been a
310	major reduction in pipelines vandalism and other related activities due to the
311	Federal Government's intervention in the Oil Producing States.
312	The NSA also gave an Overview of the Drivers and Enablers of Insecurity and
313	enumerated some of the factors that were responsible for the insecurity to include:
314	unemployment and under-employment; poverty; drug abuse; rising population;
315	illiteracy; ineffective policing and lack of Primary Health Care.
316	He further outlined the corresponding solutions to the causes of insecurity to
317	include: Creating opportunities for employment; reducing poverty; ending the
318	culture of impunity; provision of affordable education; police reforms and provision
319	of infrastructure.
320	In his final submission, the NSA noted that the poor distribution of wealth,
321	insufficient economic opportunities, jobs and limited freedom, particularly for a
322	large young population had significantly increased the risk of instability. He
323	underscored the need for the military, paramilitary and the citizens to work
324	together and cooperatively in fighting in-security in the country and then called for
325	the control of the activities of the Almajiris.

326 **PRESENTATION ON THE REVIEW OF THE SECURITY SITUATION IN THE**
327 **COUNTRY BY THE INSPECTOR GENERAL OF POLICE, MR. M. A. ADAMU,**
328 *mni*

329 By leave of the Chairman, the Inspector General of Police (IGP) reviewed the
330 security situation in the country covering the period January to June, 2019. In his
331 presentation, the IGP informed Council of the various policies that have been put
332 in place by the Nigeria Police Force (NPF) that were aimed at mitigating the
333 security challenges.

334 The IGP noted that a broad analysis of the insecurity showed that kidnapping was
335 more prevalent in the country, especially in the North - West, followed by
336 insurgency which had the highest incidence in the North – East. He disclosed that
337 cultism was another worrisome trend in the country, especially in the South -
338 South, South - East and South – West geo-political zones. The Police Chief
339 attributed the causes of these security threats to socio-economic factors. He
340 therefore charged the Governors to put in place policies that would complement
341 social-economic development programmes with a view to ensuring equity in the
342 distribution of wealth.

343 **Policies and Principles by the NPF to Curb Crime**

344 The main thrust of policies and principles being pursued by the NPF in her efforts
345 to curb crimes nationwide were as follows:

- 346 ❖ Reorientation of the Police and close rank with the citizens to prevent and
347 control crime;
- 348 ❖ Partnering with the State Governments to make crime unattractive;
- 349 ❖ Engagement and partnership with leaders and community policing;
- 350 ❖ Establishment of Police operations e.g. Operation Fupoda;
- 351 ❖ Positioning of a Superhighway and Monitoring Patrol Team;
- 352 ❖ Establishment of a new Police Conference base;
- 353 ❖ Reorganization of Police Monitoring Team and establishment of Police
354 Cyber Crime monitoring;
- 355 ❖ Technology-driven policing with cutting edge technologies;
- 356 ❖ Acquisition of less lethal weapons for non-risk operations and to control the
357 use of arms by the Police;
- 358 ❖ Reorientation, Reorganization and Re-equipping the various Units of the
359 NPF and making it technology driven; and

360 ❖ Independence of the Force Intelligence Bureau.

361 He further highlighted the Achievements of the Nigeria Police Force under the
362 current Leadership as follows:

- 363 ❖ Narrowing the trust gap between the citizens and the Police;
- 364 ❖ Frustration of several criminal networks and plans;
- 365 ❖ Apprehension of 869 kidnappers in various parts of the country, especially
366 in Kaduna State between January to June, 2019;
- 367 ❖ Recovery of weapons and ammunitions: 935 firearms, 11,300
368 ammunitions and 114 vehicles recovered;
- 369 ❖ Arrest of 587 cultists in some parts of the country; and
- 370 ❖ Arrest of 188 armed robbers

371 **Challenges**

372 The Inspector-General of Police disclosed that the greatest challenge of the NPF
373 was poor funding and inadequate Police personnel. Summarizing, the IGP
374 informed Council that he was determined to continually render his professional
375 experience towards ending the various security challenges confronting the
376 country.

377 **PRESENTATION ON THE REVIEW OF THE SECURITY SITUATION IN THE** 378 **COUNTRY BY THE REPRESENTATIVE OF THE CHIEF OF ARMY STAFF,** 379 **MAJ. GEN. ALI A. NANI, (CHIEF OF POLICY AND PLANS), NIGERIAN ARMY**

380 The Chief of Army Staff (CoAS), Lt. Gen. Tukur Buratai who was represented by
381 the Chief of Policy and Plans (COPP) of the Nigerian Army, made a presentation
382 on the security situation and various operations of the Nigerian Army across the
383 country.

384 The CoAS recalled that, the security threat by Boko Haram in the North-East was
385 the most worrisome in the country and disclosed that the Nigerian Army was
386 collaborating with the Defence Headquarters and other Para-military Agencies to
387 tackle Boko Haram and other forms of insecurity in the country. He informed
388 Council that, the Tactical Unit of the Nigerian Army has been relocated to the
389 North-East to effectively fight insurgency.

390 In addition, he added that the Nigerian Army was working with Community leaders
391 and other non-state actors on intelligence gathering, which he noted had been

392	very helpful in the fight against insurgency and other criminalities.
393	He also apprised NEC of the military's efforts in protecting the territorial integrity of
394	the country and said that the Nigerian Army still maintained aggressive patrols in
395	most of its area of operations, while the "Super Calm System" was used in other
396	areas. He disclosed that some parts of the North-East were inaccessible and that
397	aerial surveillance were used to patrol such places, and that the Nigerian Army
398	was planning to procure Jammers to track illegal drones operating in the Country.
399	Challenges
400	The CoAS highlighted most of the challenges confronting the Nigerian Army to
401	include: Insufficient manpower; obsolete equipment; lack of spare parts and delay
402	in procurement of military equipment. In his final submission, the CoAS charged
403	the various State Governors to continue to support the different operations of the
404	Nigerian Army in their States and assured them of the continued collaboration of
405	the Army in the protection of the territorial integrity of the nation while providing
406	security.
407	Comments/Observations
408	The Chairman, NGF thanked the Chairman of Council for including the item in the
409	agenda despite short notice. According to him, Governors spent much of their time
410	during their meetings deliberating on the security situation across the country. He
411	also thanked the Security chiefs who made the presentations.
412	The following are the summary of members' comments:
413	❖ The need to resume meetings of the NEC Ad-Hoc Committee on Security &
414	Policing with the Security Chiefs as members. The Committee which used to be
415	chaired by the former NGF chairman, the former Governor of Zamfara State
416	would be expected to work out mechanisms (policy measures) in response to
417	the numerous security challenges across the country;
418	❖ The need to resume Zonal meetings of Governors to encourage regional co-
419	operation in the fight against crimes because many of the crimes committed
420	were inter-State. The meetings was expected to facilitate the development of
421	an effective framework to confront the challenges in the zones;
422	❖ The need to set up a Sustainable National Security Trust Fund (STF) modeled
423	after the one operating in Lagos State with a view to addressing the funding

424	challenge hindering the fight against crime and insecurity;
425	❖ The need to encourage partnership with non-State actors in the fight against
426	crimes, such as local vigilantes to assist in policing;
427	❖ Challenges in the education, health and other sectors are responsible for
428	unemployment and under-employment which had contributed to crimes. Hence,
429	the need to accelerate work on Human Capital Development framework for the
430	country;
431	❖ The need for effective inter-service collaboration among security agencies for
432	the purpose of intelligence sharing;
433	❖ The CBN Governor informed NEC that unemployment was a major driver of
434	insecurity in the country and that the bank can help States to create jobs
435	through the Accelerated Agricultural Development Scheme (AADS);
436	❖ Through the AADS scheme, each State Governor can access up to N1.5 billion
437	as a loan towards land clearing, partitioning them into hectares, and products
438	off-taken by investors;
439	❖ The CBN Governor also said that State Governors can partner with the private
440	sector for large scale agricultural production by providing them lands among
441	other incentives;
442	❖ He disclosed that the Chairman of Dangote Group, had offered to mobilize the
443	private sector to pull together resources to complement FG's efforts in the fight
444	against crimes during their meeting with the President recently;
445	❖ The need to invest in the right technology to monitor the forest along Kaduna,
446	Niger and Zamfara States, as several eye witnesses have testified that private
447	helicopters do fly the bandits that perpetrate crimes along the axis;
448	❖ The need for the Office of the NSA to establish communication channels with
449	State Governors, being the Chief Security Officers in their respective States
450	was emphasized;
451	❖ The need for Council to co-opt the IGP and NSA as members to provide
452	monthly security updates to Council;
453	❖ The need to put in place strict regulations that will curb the activities of the Al-
454	majiris;
455	❖ The need to stop the politicization of security as alleged by a member that more
456	than 10 Police Commissioners had been posted to his State within a period of 6
457	months;
458	❖ The need for coordination between Intelligence Agencies and prosecuting
459	Agencies for proper profiling of criminals was emphasized;
460	❖ The need to sustain mobile phone sim cards registration process(es) to curb

- 461 the menace of kidnapping;
- 462 ❖ The need for FG to ban nomadic migration of herdsmen from one State to
- 463 another and also replace same with resettlement centers;
- 464 ❖ The urgent need to regulate the use of social media because it had been
- 465 identified to be the quickest medium used for spreading fake news and
- 466 statements capable of inciting inter-communal conflicts;
- 467 ❖ The need to collaborate with the National Drug Law Enforcement Agency
- 468 (NDLEA) in curbing drug abuses, which had been responsible for high crime
- 469 rate;
- 470 ❖ The need to deploy the right technology, such as telephone trackers to combat
- 471 kidnapping;
- 472 ❖ The need for an effective criminal justice system to ensure that convicted
- 473 criminals are not recycled in the society;
- 474 ❖ The need to sustain the fight against corruption in order to ensure that funds
- 475 budgeted for security are judiciously utilized;
- 476 ❖ The need to have specially trained motorbike strike force that would be capable
- 477 of confronting the criminals and kidnappers in the bush tracks and mountains;
- 478 ❖ It was suggested that Commissioners of Police should be posted to their States
- 479 of Origin. This would make their work easier because they speak the local
- 480 dialects and are also familiar with the terrain;
- 481 ❖ The Nigeria Police to put in place a data base of crime suspects/convicts for
- 482 ease of tracking of criminals so that they are not recycled back to the society;
- 483 ❖ The States need to put in place early warning systems and if possible, a Peace
- 484 Building Agency to stem communal crisis;
- 485 ❖ The need to tackle the menace of cultism in our society; and
- 486 ❖ The need to find a sustainable solution to oil subsidy payment because the
- 487 money can be utilized to address unemployment.

488 **A. Response by NSA**

- 489 ❖ In his response to the need for the establishment of communication channel
- 490 with Chief Security Officer in the States, the NSA informed the meeting that
- 491 ONSA has presence in every State. He also noted that the NPF and the DSS
- 492 have offices nationwide with their primary link in the States, not excluding his
- 493 interpersonal relationships with Governors who had contacted him on phone in
- 494 the past and are still contacting him. He further said that he would welcome any
- 495 Governor who wished to contact him over any matter, while he informed NEC
- 496 that the Governors of Kaduna and Bayelsa States had regular contacts with his

497	office. He however, promised to set-up a desk in ONSA for communications
498	with the State Governors;
499	❖ For private helicopters which was alleged to be flying freely and causing
500	mayhem in flashpoints, the NSA said he was not aware nor received any such
501	information. However, he disclosed that some businessmen had been
502	employing new technology in the operation of their businesses by acquiring and
503	deploying drones and other gadgets without any regulations. These include
504	bullet proof cars among other which were hitherto, restricted to private
505	individuals. He also stated that some farmers even used drones to spray
506	insecticides over their farms from the air. However, he stated that the situation
507	called for urgent attention;
508	❖ On the challenge of Al-majiris, the NSA agreed that some urgent measures
509	must be put in place to curb them. He stated that, the increase in population
510	every year had posed a danger to national security as the Al-majiris are the
511	ones mostly used for Boko Haram activities. The NSA underscored the need for
512	collaboration with the legislatures to address the many insecurity issues,
513	especially the issue of the Nigeria Peace Corps presently before the judiciary.
514	He added that the nation's judicial system was weak and recalled how a
515	criminal, arrested in Plateau State, with all relevant evidences to convict him in
516	court, eventually evaded conviction. He remarked that there was need to
517	strengthen the judiciary which was very important;
518	❖ The NSA also complained about the issue of funding. He said that the ONSA
519	cannot secure much without proper funding. He decried the fact that his office
520	had incurred a huge debt in the last one year. He disclosed that since January
521	2017 NIGCOMSAT became the primarily source for secured communications
522	with Government after services from the other facilities were terminated due to
523	their high satellite subscription fees. He stated that security was very important
524	and it required proper funding;
525	❖ Investment in and deployment of modern technology to combat crime was the
526	right way to go;
527	❖ On regulating social media usage, the NSA revealed that the hub for counter-
528	terrorism and cybercrime was the Office of the National Security Adviser where

529 a platform to deal with such issues was set up. However, the Cyber-security
530 Trust Fund that was created to address such issues was still inactive. He
531 informed NEC that he consulted with CBN Governor several times to activate
532 the account, but unfortunately the account still remained inactive. He urged the
533 CBN Governor to activate the account, including the agency's Counter-
534 terrorism Fund.

535 ❖ To procure equipment for the security Agencies, the NSA agreed that it was
536 necessary. While commending the President, he revealed that since the return
537 to democracy, this administration had invested much funds in procuring Military
538 equipment. However, the due process required normally takes longer time for
539 delivery. This is more so, because the President had insisted on strict
540 compliance with due process on Defence Arms Procurement;

541 ❖ On the call to ban nomadism, a member reminded Council that Nigeria
542 supported the United Nations Charter that allows free movement within
543 member States. He noted that climate change had limited the nomads' access
544 to land. Lack of access to water and land are reasons for nomadic movement.
545 He then suggested that the nomads be offered Right to Land in the States in
546 order for them to settle and run their businesses. A similar situation operates in
547 Kwara State where the Fulanis co-existed with the people of the State for more
548 than 40 years;

549 ❖ The Chairman of Council told members that a NEC Committee on
550 Herdsmen/Farmers clashes led by the Governor of Ebonyi State had worked
551 and consulted with stakeholders in the affected States to put an end to the
552 menace. He further noted that the Committee had developed a template
553 awaiting implementation. He advised that it was best to stick to the Committee's
554 plan in order not to derail from achieving the overall goal of putting an end to
555 farmers/herders clashes;

556 In the same vein, the NSA commended the work of the Committee headed by the
557 Governor of Ebonyi State. He disclosed that ONSA had an existing blueprint
558 similar to theirs and promised to share the template with NEC. He also talked
559 about existence of illegal aliens in various States and advised the State Governors
560 to root out these aliens to prevent them from causing problems and hence the
561 need for human intelligence at the local level. He commended IGP for activating
562 Community Policing.

563 The NSA in his final submission, urged the Governors to address the issue of
564 Prison inmates on death row. He revealed that there were almost 2,000 in-mates
565 on death-row which he advised the Governors to consult with their legislature so
566 that their sentences can either be carried out or their release secured. He thanked
567 the Governors for their time and assured them that ONSA will continue to work
568 with them.

569 **B. Response by IGP**

570 The IGP, acceded to the fact that everything that was said during deliberations if
571 effectively implemented would complement the efforts of his officers and men. He
572 assured that the NPF was ready to key into the implementation plan of NEC and
573 stated that the Committee on Community Policing had concluded its work and the
574 report would be submitted on the 24th of June, 2019. He opined that
575 implementation of the report will commence as soon as the Vice-President gave
576 the order because he is supervising the activities of the Committee. He informed
577 the State Governors that visits to the States would commence soon while working
578 out the operational modalities for the implementation of Community Policing in
579 their various States.

580 **C. Response by the Rep. of COAS**

581 Responding, the representative of COAS, rejected the idea that Boko Haram was
582 more equipped than the Nigerian Army (NA). He informed NEC that the army
583 changed strategy because of the change in weather. He disclosed that movement
584 within the North-Eastern part of the country was more difficult during rainy season,
585 hence, the need to re-strategize. For civilian drones flying freely, he acknowledged
586 that the NA was aware of the threat the drones posed and that Nigeria Army was
587 in the process of procuring Drone Jammers that was capable of detecting and
588 jamming the drones and bring them down.

589 **D. Comment(s) by Chairman of Council**

590 Commenting on the subject, the Chairman of Council suggested to members that
591 the clearest way to present all the recommendations was to summarize them and
592 submit to the Security and Policing Committee of NEC.

593 **Decisions**

594 Council approved the following:

20th June, 2019.

NATIONAL ECONOMIC COUNCIL SECRETARIAT,
 MINISTRY OF BUDGET & NATIONAL PLANNING,
 ABUJA.

615	The meeting adjourned at 6:06 hours.
614	Closing
613	along with the NSA and IGP to brief the press.
612	The Chairman nominated the Governors of Ondo, Anambra and Adamawa States
611	Nomination for Press Briefing
610	the Federal authorities.
609	meet more frequently both at the States and Zonal levels, including meetings with
608	underscored that security was a cross cutting issue and urged the Governors to
607	The Chairman thanked the members for their time and fruitful contributions,
606	Chairman's Closing Remarks
605	be co-opted into the Security and Policing Committee of NEC.
604	b. The NSA, IGP and the representative of the Chief of Defense Staff (CDS) to
603	▪ Governor of Borno State
602	▪ Governor of Kogi State
601	▪ Governor of Lagos State
600	▪ Governor of Bayelsa State
599	▪ Governor of Ebonyi State
598	▪ Governor of Katsina State
597	▪ Governor of Ekiti State
596	members:
595	a. Resumption of the Security and Policing Committee of NEC with the following
	Chairman
	Representing North-West;
	Representing South-East;
	Representing South-South;
	Representing South-West;
	Representing North-Central; and
	Representing North-East.