WHAT NIGERIANS SHOULD KNOW ABOUT THE PLANNED PRIVATISATION OF PHCN

PRIVATEISATION OF PHCN IS NOT THE SOLUTION!
PUBLICLY RUN AND DEMOCRATICALLY MANAGED PHCN WILL DELIVER UNINTERRUPTED POWER SUPPLY!!

"On Monday, November 14th 2011 the Federal Government of Nigeria ordered the forceful take-over of PHCN facilities across the country in the guise of "security cover". What Nigerians should know is that the massive military occupation of the PHCN facilities went beyond the routine security brief of armed personnel that have maintained security vigilance over the years on public properties beyond that of the PHCN. What actually happened was that the Jonathan Presidency in a fascist manner used the deployed troops to convey foreign profiteers and Bureau of Public Enterprises (BPE) officials to undertake the inventory of the facilities, in view of its plot to illegally transfer these undervalued public assets to their cronies of profiteers, so-called private investors.

JAF decries this unwarranted military occupation, which has been characterized by the maltreatment of workers and security harassment of its leadership across the country, instead of Government implementing the payment of the 50 per cent salary increment due to the PHCN workers since June. We therefore demand the unconditional and immediate withdrawal of the military occupiers from the PHCN facilities" — JAF press conference, November 23rd 2011.

What is clear from President Jonathan Goodluck regime in the past one and half years on Power Sector reform is that the Federal Government has concluded plans to abdicate responsibility for the production, transmission and distribution of electricity and hand these essential services to private interests and profiteers, one of who is the current Minister of Power, Barth Nnajj, who owns (with his wife as the new CEO) Geometrics Power Ltd and Aba Power that had licenses since 2005 and yet to produce a single watt. It is the same individual and his cliques who want to take over the vital part of our national asset, which is not only a basic need of a people, but also an essential ingredient of national security.

The major reason advanced for this plan is that the Power Holding Company of Nigeria (PHCN) has not been able to manage the production, transmission and distribution of electricity production in Nigeria.

- Yes, we in the Joint Action Front (JAF) agree that the state of electricity is abysmal and scandalous; but is it not true that the same incompetent, inefficient and thieving individuals have sabotaged PHCN in order to sell it to themselves and their foreign partners in economic crimes? This is what they have been doing with public property since 2000.

- Who embezzled the $5.6 billion dollars voted during Obasanjo regime - is it PHCN workers or the same corrupt government officials and their cronies? What has happened to over $7 billion dollars also spent by Mr. President Jonathan on NIPP?

- It is now clear to the Nigerian people that the privatization programme imposed by successive regimes is an agenda to rob the Nigerian people of their patrimony. The well known revelations of robbery going on in the name of privatization are a serious indictment of the neo-liberal economic agenda of PRIVATISATION & DEREGULATION adopted by successive regimes since the introduction of Structural Adjustment Programme (SAP) by the Ibrahim Babangida dictatorial regime in 1986. This agenda is unviable and doomed to fail. The Nigerian people should reject and defeat it.

- If the proffered solution by FG to corruption in the Power Sector is privatization, is it not the Presidency that should be held responsible for lacking the political will and patriotism necessary to prosecute past presidents and their cronies of portfolio contractors as a deterrent?

- Should we then advocate that the Presidency be privatized and deregulated for its failure to prosecute the corrupt and greedy FG officials who run the power ministry and the PHCN on the basis of their private selfish interests?
WHY IS PHCN NOT WORKING?

Our study revealed that the installed generating capacity of the 11 power stations (Egbin, Afam, Delta, Ijora, Sapele, Gerugb, Omotosho, Shiroro, Jebba, Kainji, and Olrunso) in Nigeria is about 6,900MW, out of which a generating capacity of about 3,500 MW is available. In other words, PHCN ought to deliver to Nigerians about 6,500MW if its potentials are properly harnessed and adequately funded.

Can we think about this situation: South Africa with a population of 49 million generates 42,000MW of electricity, while Nigeria with a population of 150 million generates 3,500MW? It will therefore be a miracle for PHCN workers to ensure adequate supply of electricity to Nigerians when the country's energy requirement as at December 2010 ought to be 20,000MW as stipulated by the National Planning Commission.

Between 1999 and 2007, about N431.9bn ($3.6bn) was allocated to the power sector, which were handled directly by the Ministry of Power with the supervision of the Presidency and not by the PHCN workers. Besides the budgetary allocation, about N1.5billion ($12.6bn) out of the excess crude account was also sunk into the power sector; in addition to the $15billion questionably expended by the Obasanjo regime on building power plants. This ought have produced an additional 16,000MW generated capacity. Yet, nothing tangible came out but scandals of sharp corrupt practices and looting. Therefore, the lack of expansion and state of disrepair of PHCN facilities that were induced by corruption in the high places is the true explanation why it is difficult for PHCN to work to the expectations of Nigerians who need available and affordable electricity. It is this same corrupt people that are making the maneuvers to sell the PHCN to themselves and their international and local accomplices.

IS PRIVATIZATION THE ANSWER TO THE POWER PROBLEM?

There is a thin line between the government and the private investors in the power sector. For instance, Vice President Namadi Sambo and the Minister of Power, Professor Barth Nnaji have vested interests in the power sector through their private companies and yet they are the ones piloting the privatization of the sector. Their companies (Sambo’s Manyatta Engineering Services and Barth Nnaji’s Geometrics Power Ltd) are potential beneficiaries of the privatization and this is the more reason they have been aggressive for the sales of PHCN; with the Minister saying that the reform is irreversible. What this really means is that the same set of people who have entrenched corruption are now determined to sell PHCN to themselves. Their companies, and Farm Electric that belongs to General Obasanjo, are among the 34 private investors that have been issued licenses since 2005 to generate electricity but none has generated a single watt. This is a disaster for our country and for our people.

The so-called private investors are government contractors or fronts of the politicians in power. They are mainly interested in swindling public funds to make huge and quick money at the expense of the national economy. Check out the record of companies that have become comatose after privatization: Osogbo Steel Rolling Mill, Daily Times, Nigeria Airways, Itakpe Iron and Ore, Tafawa Balewa Square, National Arts Theatre, Trade Fair Complex, NAFCON, NITEL, Ajaoekuta Steel. ALSCON, Nigerian Newsprint Manufacturing Company (NNMC), just to mention a few. If we allow the planned privatization engineered by these sharks, the experience of these companies is inevitable. We should resist and stop it.

HAS PRIVATISATION WORKED IN OTHER COUNTRIES?

Developing countries that privatized their power sectors in the past 30 years have experienced disappointing performance, astronomical hike in tariffs, millions of people being cut off from power supply as well as massive job losses.

In Latin America, privatization has been characterized by heavy job losses, failure to deliver promised new investment, absence of competition, performance failure and high cost to government and consumers.

Enron used its political influence with US embassies and the CIA to win a $3 billion contract to build the Dhabol Power Plant, South of Bombay, India, in 1992. This was the largest foreign investment in India. Enron charged so much for electricity that the state government ended its agreement to buy the electricity in June 2001 and the plant was forced to shut down.
However, Nigerians should know that most developing countries such as Brazil, India, Mexico, South Korea, Venezuela, South Africa and Thailand have suspended or reversed plans for the privatization of electricity sector. For example, the Power Generation in Iran and Nigeria twenty (20) years ago were at par. However, Iran has moved to over 60,000 MW. The electricity system in Iran is entirely publicly owned. Even though, there is provision for private power generation in Iran, only 2% of electricity is generated privately.

In the African experience, Cameroon is the only country in sub-Saharan Africa that fully privatized its power utility with one company in charge of generation, transmission and distribution. The company has only raised generation from 817 MW in 2001 to 933 MW at present. The euphoria that greeted the takeover has dissipated as the service has been characterized by frequent blackout, low voltage output, job losses and high tariffs. About 10 years into the takeover, the company provides services only to urban areas, and just for about 588,000 customers, about 15 percent of the population. And the promise to connect millions of Cameroonian has become a mirage.

South Africa, which is Africa’s biggest economy abandoned its plan for unbundling and privatization of electricity Industry in 2004 and retained Eskom as an integrated state owned Electricity Company. The only privatized power station Kelvin was abandoned twice by its multinational owners; first by AES then by Groupe Ely, South Africa generates about 42,000MW of Electricity.

Ghana allowed private participation in the electricity sector in the form of independent power producers, but did not sell the publicly owned Volta River Authority, which generates most of the country’s electricity, as well as the Electric Company of Ghana and Northern Electrification Department responsible for distribution at different regions of the country.

**SO-CALLED SUCCESS STORIES OF GSM NOT THE RESULT OF PRIVATISATION!**

One of the biggest lie repeatedly parroted by Government to hoodwink the people on its planned handover of PHCN to private interests is that improved telecommunications services in Nigeria was a result of privatization! But NITEL was not sold to MTN, Zain, Etisalat, Visafone or Glo before there was improvement in the telecommunication sector. The entrance of these private firms is a result of the looting of NITEL for years before it was cheaply sold off. But the privatized NITEL has now been left in a much worse condition.

Yes, there is improvement in telecommunication with the advent of GSM providers compared with the era of monopoly of NITEL when telephone was only meant for the rich. GSM technology is today far cheaper than the technology previously used by NITEL and that explains why the GSM companies did not come in the 1980s. Despite that, the service is poor and tariffs are outrageous.

Besides, electricity supply is fundamentally different from telecommunication. First, the power sector plays a more vital role in the economy than the telecom sector and is more capital intensive. As a matter of fact, the telecom industry needs electricity to operate; and once the cost of electricity is hiked by policy of privatization; costs of other services including GSM will definitely increase. Electricity is so vital for the security of the country that whoever controls the electricity supply can deliberately plunge the country into darkness for private subversive reasons. It is, therefore, imperative for Nigerian people to prevent profit seekers from endangering our national security.

**WHAT WILL HAPPEN IF PHCN IS PRIVATISED?**

- PHCN tariff/charges will be increased astronomically and a vast number of people will be disconnected because they will not be able to afford electricity!
- Most of the PHCN properties/equipments will be sold in order to make quick money or will be dashed to private investors. Such was the case in the Aviation Industry where Arik Airline inherited all the property of the Nigerian Airways worth billions of Naira without paying a kobo till date.
- Corruption will still be on the high side, if not higher.
- Private investors will make huge profit at the expense of the energy needs of Nigerians.
- Many Workers will lose their jobs thereby increasing the unemployment rate.
- National security will be in jeopardy.
- The looters of our national wealth will be emboldened to accomplish more looting.
WAY FORWARD: OUR ALTERNATIVE TO PRIVATISATION

Preliminary studies carried out on hydro projects suggest that if the existing power potentials are developed, Mambilla, Zungeru, Katsina-Ala, Ikom and Manya have capacities to generate 2,600 MW, 950 MW, 750 MW, 800 MW and 458 MW respectively. In effect, the existing hydro plants have capacity of over 5,000 MW.

Also, there are abundant coal deposits in Enugu that could sustain the revival of Oji River that could generate up to 1,000 MW. Besides, there are coal deposits in Kogi and Benue States, which could necessitate citing of power stations in the states. With deployment of required technology the impact of coal-powered generation on environment could be reduced. A combination of these sources, according to experts, would guarantee production of about 15,000 MW in the next five years. All this is in addition to the potential to expand the existing capacity of the current power stations from 3,500 MW to 6,900 MW.

There is the importance issue of the ever growing debt profile of the Federal, state and local governments as well as the government agencies like police and military that pay the bills to PHCN. These debts were over N98bn as at July 2009. Should the debts be paid and judiciously invested, the funds collected will improve the power generation and distribution SIGNIFICANTLY.

Power sector is capital intensive and public investment is the best method to deliver uninterrupted and affordable supply of electricity to the people. Hence, JAF holds strongly that PHCN can be made efficient if it is kept public and placed under the democratic control and management of elected committees of workers, consumers and representatives of the government in order to ensure that public resources spent to improve the power sector are not mismanaged or looted as has happened in the previous regimes.

What this means is that instead of few bureaucrats appointed by the government dictating the workings of public enterprises, decisions must be taken by workers, consumers and technical experts elected into management committees at communities, state and national levels with the mandate to oversee the affairs of the power sector in compliance with the needs of the people. With this kind of management, the primary aim of running PHCN will be to expand infrastructure to meet the needs of all as against the profit of a few.

LETTER FROM PUBLIC SERVICES INTERNATIONAL (PSI)

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17 November 2011

Dear Mr. President,

It is with alarm that we note the military occupation of power stations throughout the country. This occupation comes under the guise of protecting the facilities and workers against possible threats from Boko Haram. However, we see another purpose, which is to intimidate the workers and their union leaders in order to have them cease and divert their opposition to privatization of the energy sector system. This military occupation was used not less than four months ago to stop an industrial dispute.

We are aware of the politicizing the electricity sector where certain parties, including in your government, have personal interests to run down the sector in order to use the opportunity to privatize under the guise that the public sector has failed.

NUEE's opposition to privatization is based on the more than 20 years of experience in many countries with energy privatization. The impact of these privatizations has been almost uniformly negative. Your policy makers should study these experiences in greater detail, and give you less biased advice on the greatest good for all of Nigeria and Nigerians.

The NUEE has not been confrontational to your Government and recently engaged in dialogue as a partner so that our views can be heard and taken on board. The continued arrests and intimidation of NUEE members is a negation to civilized ways of resolving conflicts in our modern society which guarantees freedom of association and right to expression of opinion.

The union believes strongly that the aggressive move to privatize the energy sector is a huge mistake, driven by personal interests and not by the best interests of all Nigerians. We support a strengthened PHCN in public hands, with much improved transparency, accountability and participation in decision-making process. The country has sufficient funds to provide modern, reliable and affordable electricity to all Nigerians, which will provide key support to job creation and poverty reduction. We have provided policy suggestions to your Government and stand ready to support your decision-making. Our unions in Nigeria are committed to ongoing open dialogue with all stakeholders to improve the quality public services upon which we all depend.

Finally, we urge the Government to restrain itself from the use of agencies such as EFCC, SSS, police and military to intimidate the union and workers of PHCN.

PETER WALDORFF, PSI General Secretary

DR. DIPO FASHINA (Chairperson) Comrade ABIODUN AREMU (Secretary)
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DAYLIGHT ROBBERY FOR DARKNESS IN NIGERIA: THE MASSIVE FRAUDS IN THE POWER SECTOR UNDER THE OBASANJO REGIME

Introduction
Once again, the probe of the power sector by the National Assembly has revealed that over $16 billion of our money was stolen in the name of projects in the power sector. The projects were meant to increase the supply of electricity to the country but instead and because of the massive robbery, they brought more darkness on the land. When Obasanjo was forced on the country in 1999, the country generated about 3600 mega watts of electricity. Eight years later with USD 16 billion stolen in the name of more power, the country generated less than 2000 mega watts. Indeed, the situation became so bad that by May Day, 2008, the country had only about 810 mega watts. The story of the power projects is the story of looting and bringing darkness to a country by those who pledged when they took office that the power problems of the country would be over in 18 months.

How the looting was done
The probe of the power sector shows that the looting was done in the most scandalous, irresponsible and despicable manner. The looters simply looted and looted and looted as if there would be no day of reckoning.

- They set about a privatization exercise of NEPA (now PHCN) with a $100 million credit facility from the World Bank. This money was to be used to upgrade transmission lines across the country. But this never happened!
- They told the country they would reactivate and repair different generating units of the existing power stations across the country. They never fulfilled this promise!
- They said they would establish new power stations within the National Integrated Power Projects (NIPP) framework in different parts of the country such as the Mambilla Power Station in Taraba State. All these were to raise the power generating capacity of the country to about 10,000MW. But this too, never happened!
- Publicly, they shouted due process; privately they tore and threw away the paper on which due process was written. They used naked, raw power to distribute money and contracts to themselves and their friends.
- The former Finance Minister, Dr. Ngozi Okonjo-Iweala has said categorically that no due process was observed in the award of the power contracts. Instead, Obasanjo, who was preaching anti-corruption and insisting on diligent observance of due process, personally directed that the NIPP contracts be exempted from the due process certification exercise. This allowed the projects to be awarded to companies with dubious capacity to meet required performance. It has now also come to public knowledge that many of these companies are fronts of key government officials. For example, a Chinese company which got the contract for pre-paid meters from the PHCN is alleged to be a business front for Obasanjo, the former President.
The companies were paid huge sums of money but most of them failed to execute the contracts. For example Siemens, which was given the contract for the 132KVA transmission line from Akure to Ado Ekiti in 2001 has not executed the work even though it has collected more than 60% of the contract sums.

The PHCN itself has been ordered to refund about $142 million said to have been used in bogus and phoney rehabilitation contracts. Thus today none of the new power stations has been completed, neither are the old ones fully rehabilitated.

No evaluation was undertaken to determine the capability of the companies to undertake the contracts. Most of the companies (32 of them) were not even registered by the Corporate Affairs Commission.

In one particular case, a company that has been blacklisted by the World Bank, Lahmeyer, was awarded the contract for the feasibility study for the proposed Mambilla Power Station. As it turned out the company collected the sum of N369 million for the work and the only thing it delivered was the soil breaking ceremony and a flat erected at the site.

In another case, Paym Bargh and Carpalk Engineering Services, which was given the contract for the construction of the New-Haven-Itot-Ekpene 330KVA Switching Sub-station at the cost of N5.9 billion with a completion date of December 2007 absconded from the site after only undertaking some fencing work in 2006 and only returned to the site late March 2008. It had already been paid N4.5 billion for the project.

Another company, Energo Nig. Ltd which is said to be owned by a former military head of state was awarded the contract for transmission lines at N18.5 billion and is yet to complete the contract because according to the company, there was a “delay by the authorities in paying compensation to some of the land owners at the site”.

The defence of the looters
One commentator said that, “$16 billion was spent without even one megawatt generated, and instead all we get are megawatts of excuses”. In an attempt to sidetrack the issues of massive corruption, large scale looting of public funds, lack of performance and accountability, those involved have been trying to reduce the issues to a dispute over the actual amount stolen. Obasanjo has said that only $10 billion was involved; the CBN and the Office of the Accountant General have said only $3 billion to $6 billion was involved. This deliberate confusion must also be seen for what it is: the lack of accountability, transparency and record keeping in public expenditure in Nigeria. Or else how could different government bodies fail to arrive at the same figure as to what had been looted? It also shows that there was no due process in the disbursement and management of public funds by the government and its officials.
Whatever amount they may want to claim was looted or not looted, the Speaker of the National Assembly has insisted that the actual figure is $16 billion. And, whatever the excuses for the looting, the fact is that this criminal looting of power sector funds has had and will continue to have devastating consequences for the people and the country.

Consequences
The massive looting of public funds under the Obasanjo regime directly by Obasanjo, his family members, business associates both within and outside the country and other top officials of the regime is a crime against the people of Nigeria. This crime has once again brought to the fore the issues of governance, development and corruption in the country. As it is well known, industrialization today is an essential requirement for the health, growth and development of any nation. However, no industrialization can take place in the context of acute shortage of power supply. The lack of sufficient power supply has been a major bane of our development efforts. Instead of generating more power with the USD 16 billion, our rulers simply stole this money and increased darkness on Nigeria, this is an unpardonable crime against the Nation. As a result of this crime:

- Power generation is at its lowest ebb today in Nigeria's history. Official statistics show that the current installed power generation capacity of Nigeria which has a population of more than 140 million people is less than 4000MW. South Africa with a population of about 50 million people has an installed power generating capacity of 40,000MW. Even this has fallen far short of South Africa's development needs and a national emergency has been declared to upgrade power generation.

- As of today, Nigeria needs to generate 80,000 MW of power to meet the needs of the people. However, actual power generation is in the rage of 2000 3000MW. A few weeks ago, power generation dropped to 810 MW and the entire country was plunged into darkness.

- Nigeria is now a generator run economy. Nigeria does not manufacture generators. Nigeria is now the highest importer of generators in the whole world. The importation of generators is a huge drain on the national economy. Generators constitute a hazard in terms of noise and environmental pollution. Generators are operated on fuels which are now also imported. All these impose high costs on manufacturing and production activities. Small businesses and families are spending fortunes on fuels for generators. The Consequence is that our industrial capacity is operated at less than 25per cent of capacity utilization due to power outages.

- There have been huge job losses and factory closures across the country. Many factories are operating at a small fraction of their installed capacity. Many small businesses have collapsed. All these have increased the already high rate of poverty and unemployment in the country. They have also resulted in scarcity of industrial goods, hyperinflation and loss of billions of naira in foreign exchange due to importation of virtually every need of the country.
• New jobs cannot be generated now because the nation has been plunged into darkness by the looters of the power sector project funds.

• As a direct fall-out, the level of insecurity of lives and properties has lightened with jobless youths resorting to all kinds of social vices including armed robbery and prostitution.

• Every social sector education, health, communication is virtually grounding to a halt due to power outages. Individual families are groaning in darkness. Villages and remote areas which have never been connected to electricity since independence in 1960 are now being joined by even the most modern urban cities like Abuja as they face the consequences of the massive looting of the power sector funds by criminals in power.

Matters Arising from the looting of power sector USD16 billion funds
The probe of the power sector has thrown up a number of issues.

• First, given the conflicting figures given by different government officials and departments, it is clear that in recent years no one cared to keep records of government spending. This in itself is clear evidence of the impunity and plunder that is taking place at all levels of government in Nigeria.

• Secondly there were so many irregularities in the awards of the contracts. For example, the former Minister of Finance admitted that the former President waived away the due process in the awards and disbursement of funds for these power project contracts. Also as several witnesses have said some of the companies were not even registered with the Corporate Affairs Commission (CAC). Public money was simply and outrightly shared with utter disregard to public interest and the laws of the land.

• A third issue is the insensitive manner, almost bordering on impunity, with which government officials involved in the looting have been responding to the concerns expressed by the public. Both Governors Iroke and Agagu, who at various times, were the Ministers responsible for power, are angry at the public for asking questions. They shamelessly maintain that the money in fact was too little to expect anything. Can USD16 billion be said to be too little? Even if we are to concede to them that USD16 billion was little, was the money meant to be looted? Is stealing now a practice for which the public is expected to clap? Is the crime involved in stealing public funds defined by the amount of money stolen? Do people who supervised the monumental looting of trillions of public funds have the right to ask the people to go to hell because they believe they cannot be touched? Yet for Nigerians to get the real magnitude of the sums looted in the power sector, just multiply $16 billion by N119, which is the current value of the dollar to Naira. We are therefore talking of N1.904 trillion or N1,904,000,000,000.00! If this money was shared to the entire population of 140 million Nigerians, every citizen, child or adult, would have gone home with N13,600 each. A few people stole this money!
A fourth issue emerging from the looting of the NIPP funds is that the projects were financed with unbudgeted excess crude oil funds. This means that the funds did not belong to the Federal Government and that they were therefore not properly appropriated. The use of the money was therefore illegal. In fact Yar’adua himself has noted that there was no legal instrument for the use of the money. State governments are now complaining about the deduction, which clearly was done without their express consent.

A fifth issue is that the Presidency itself presided over the massive looting that took place. The NIPP coordination structure was entirely that of the federal government with the Minister of Power and Steel as the Chief Accounting Officer, reporting to the President. Indeed the Permanent Secretary of the Ministry of Power and Steel has said that the NIPP staff were not under the normal supervision of the Ministry. Instead, the NIPP staff were directly responsible to the Minister and therefore bypassed the normal Ministry procedure of going through the Permanent Secretary. This was done to facilitate and cover up the massive frauds and irregularities that have now been uncovered. The Presidency designed a programme to plunder the country.

A sixth issue that is the most troubling is that the government approached the power sector problem with little or no concern for the seriousness of the problem of power supply in the country. It simply looks as if the government was involved in playing an expensive joke on the country. For example, Mr. Segun Agagu in his testimony at the Panel said that three of the new power stations at Papalanto, Omotosho and Geregu which should have been completed in 2005 are not contributing anything to the national grid. This is because the gas pipeline network to deliver gas to these gas-fired stations has not been completed. Mr. Imoke also made the same point that the gas turbines for some of the NIPP power stations have been in the ports and could not be installed because of some problems, including lack of gas to the sites. Although Mr. Imoke did not elaborate on the problems that made it not possible to install some of the turbines, some of the companies handling the contracts blamed co-contractors engaged in the civil engineering works who could not complete their own contracts in time. Yet, none of them had made formal complaint about their inability to proceed due to the failure of others to complete their own part. What emerged from this is that the power project contracts had no effective machinery for supervision, that the government was never serious about solving the power problem and that the projects were simply a ruse to loot public funds. It is widely suspected that part of the N50million and N40million each shared to every senator and member of the House of Representatives to support the tenure extension of former President Obasanjo came from the looted funds in the power sector!

In the end what comes out is that there is deep-seated corruption in the governance of the country. The looting of the power sector funds took place at the same time that Obasanjo, the former President was boasting about fighting corruption and busy using the EFCC to fight personal political battles. The double standards exhibited by the leadership both at the level of tolerance of corruption and in evading due process that the regime on its own instituted, are weighty crimes against the nation that cannot be condoned. The level of corruption that has taken place is so staggering that it cannot be accidental; it is a deliberate and planned one.
Such magnitude of corruption cannot allow for a healthy environment for the economy to grow. It also reveals that the campaign to attract foreign investment is merely a self-serving attempt to use foreign companies as fronts to siphon money out of the country by a political class that has no commitment to the country, and leaders who think nationalism and patriotism have gone out of fashion. Although government had been considering the Local Content Bill (admittedly focusing on the oil sector), it paid very little attention to local content in contracting for other sectors of the economy. Thus for the NIPP, all activities from procurement to contracting as well as materials were all foreign in content. This was partly responsible for the delays in addition to the huge drain in foreign exchange. It is also implicated in the inability to keep to contractual schedules and provide effective supervision for the timely execution of these contracts. This is clear because the government never intended the projects to be executed. The NIPP was a scam to plunder the country!

The Way Forward
The power sector probe confirms that our economy has suffered and endured massive corruption especially in recent years. The NLC insists that the country cannot continue like this. The Yar’adua regime is at a cross road. It has the option either to rebuild public confidence and engender the conditions for citizens to trust it or to continue to pay lip service to public interest. The NLC believes that rebuilding the confidence of the people and sending a clear message to Nigerians that it seeks to halt the plunder of the nation will require at least the following measures:

- First, there should be a comprehensive probe not only of the power sector looting but all sectors where corruption is suspected in the activities of the previous regime. There should be no sacred cows in this. Given the conflicting figures being banded by different government officials about the spending with respect to the power sector, it is imperative that the Auditor General carry out a comprehensive audit of both the Ministry of Power and the relevant parastatals (i.e. NEPA/PHCN and NIPP) from 1999 to 2007.

- Second, all the people found to have been corrupt in the power sector must be publicly brought to book for their crimes. There should be no cover up or behind the scene negotiations. All those found guilty should be made to face the law. The existing law should be amended to make the crime of corruption a capital offence or one that carries a life sentence.

- Third, there must be an audit of all the power sector contracts. The President must ensure that all contracts that were found to be given in violation of due process should be terminated and those involved made to refund money already paid. All those also who failed or are not capable of meeting their contractual terms should be terminated and liabilities settled in accordance with the laws governing contract execution in the country.

- Fourth, now that the government has understood that huge sums of money had been spent without anything to show for it in the power sector, it must come up with a transparent and realistic plan for its emergency plan in the power sector. This plan must be able to achieve the 10,000MW short term target within the next couple of years.
By way of conclusion, we note the statement credited to the Special Adviser to the President on Economic Matters that the country will need about $40 billion to solve the power problems of the country in the next four years. This is far more the disputed $16 billion under probe. Nigerians are tired of projections; what they want to see are results. They want electricity in their houses; they want electricity to power factories, hospitals, small businesses and every social sector. The government should come up with a transparent plan through public consultations which would carry with it quarterly targets of what additional capacity will be injected. This should be religiously followed through an effective mechanism for monitoring and evaluation that will incorporate all stakeholders, including civil society.