

MY MANDATE AT THE MINISTRY OF AVIATION

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PRAYER

PROTOCOL

I want to use this medium to present to you the record of my service as the Honourable Minister of Aviation and most especially to respond to your request for memoranda on the N19.5billion Aviation Intervention Fund and other related issues.

When faced with the incessant air crashes that bedevilled the aviation sector between 2005 and 2006, President Olusegun Obasanjo redeployed me as the Honourable Minister from the Ministry of Culture and Tourism to the Ministry of Aviation. My redeployment took place in November 2006. Before my appointment as the

Minister of Aviation, the country had experienced no less than five plane crashes in Nigeria with the attendant loss of approximately 400 lives within a period of one year. This was not only unprecedented in peace time but was also a national tragedy and disgrace and was widely acknowledged as being so.

The plane crashes were, in no particular order, the Bellview crash, the Sosoliso crash, the military plane crash (in which some of our brightest and most distinguished generals were killed), the ADC crash and the crash of a small plane that took place in Kaduna. As if to add a rather sinister twist to the whole saga, virtually all these crashes took place on a weekend. This was a perplexing coincidence and was indeed by a curious and cruel twist of fate. It was clear and obvious to the discerning and

spiritually sensitive that the demons of hell had been invoked and loosed into the Nigerian airspace in that one year.

In all these crashes distinguished Nigerians from virtually every geo-political zone, all age groups and every walk of life lost their lives. The Sultan of Sokoto, his son, Senator Maccido and his grandson were amongst those that were killed. That is three generations of people were lost from just one family alone. Many other wonderful souls perished including some of my personal friends such as Senator Sule Yari Ghandi, Alhaji Mohammed Waziri, General Nuhu Bamali, Pastor Bimbo Odukoya, Mrs. Bimbo Babalola, Chief Omotayo, Chief Igwe and no less than 60 beautiful and talented children from Loyola Jesuit College, Abuja who were on their way home to Port Harcourt for

their holidays. Everybody was affected by these air disasters and that period of utter despondency, sadness and despair was a defining moment in the history of our country. The whole nation was in a state of shock and fear and, of course, the aviation sector itself was in a state of utter trauma. It was in this situation and this volatile atmosphere that I came in. It was indeed our very own “annus horribilis” and many homes and families mourned for their beloved yet lost ones.

President Olusegun Obasanjo told me to go and do a job and that job, principally and primarily, was to ensure that there were no more plane crashes in our airspace. That was the mandate and directive that he gave to me and I set my mind and heart to ensure that this was done with military precision and with a firm hand. There is no

doubt in my mind that what caused this series of crashes was simply the negligence, indiscipline, insensitivity and impugntiy of some malignant and malevolent elements and dark forces within and outside of the aviation sector. These dark forces simply did not care that the lives of innocent Nigerians were being endangered by their daily ritual of cutting corners in order to make a bit of extra money. They did not care that their habitual breaking of the rules and regulations would inevitably lead to a monumental and horrific cycle of blood shed. Not only did they not care but some of them actually enjoyed the prospect: what we were dealing with was a cruel and unconscionable blood cult who derived their power and strength from a frenzied and insatiable lust for blood. Is it not strange that not one person has ever been brought to book or held accountable for any of these crashes? No-one has ever been

sanctioned, indicted or even prosecuted for criminal negligence at the very least. That is how cheap life has become in Nigeria and that is how easily Nigerians forget. The truth is that the questions must still be asked – “What really happened in the Bellview crash?” And now the question that you will ask me is what did I do about it when I was there? The answer is that I tried to bring in the Americans to do an independent enquiry but it was frustrated. It can still be done today. Again the question must be asked – “What really happened in the Sosoliso crash” and why is it that there was no water at the Port Harcourt airport to put out the cruel flames that killed those wonderful people and those innocent children? Was provision not made by FAAN and the Ministry for water at Port Harcourt airport? Of course it was, but it was never supplied. What did I do about it when I was there? I got

approval from President Obasanjo to carry out a public enquiry but again it was frustrated and could not kick off before I left office. It can still be done today. Why is it that up until now, except for the case of Bellview airline, not all the families that lost their loved ones in these crashes have had their insurance claims and entitlements paid to them? Why is that it is only in Nigeria that when a plane crashes that no one in Government resigns or is punished? Why is that the parents of the children that died in the Sosoliso crash were treated with such insensitivity and indignity by everyone including the parastatals and the Ministry before I got there? Why would no one in the Ministry see them let alone offer them any apology until I got there? I believed then and I still believe now that there should be a public enquiry into all those crashes and perhaps the Senate or House Committee on Aviation should take up that

challenge. But whatever anyone says or thinks about this suggestion you can all be rest assured of one thing: as long as we do not find out what really happened and bring those culpable to book, we face the danger of it happening all over again. Besides which the blood of those innocent people and particularly that of the children, cries to God in heaven for vengeance and justice and will continue to do so until justice is done. Again let us get one thing clear: these horrific tragedies were not acts of God because God is ever-loving, ever-kind and ever so compassionate. He simply does not indulge in evil. The fact of the matter is that we cannot just put all these ugly events behind us and forget about them but rather we should work hard, pray hard and fight hard to ensure that they never happen again and this process will only begin when we find out what

really happened and when we punish those that are found wanting.

My primary objective at aviation was to take on these dark forces and their agents and to restore discipline, accountability, sensitivity, responsibility and a full compliance and no-nonsense approach to safety and security issues within the sector. For me, life and the protection of the lives and welfare of the Nigerian flying public was more important than anything else. It was my job to protect these lives for the seven (7) months that I was at the aviation ministry. We thank God that in that primary assignment, by His grace, we were successful and the cycle of plane crashes stopped throughout the period that I was Minister of Aviation. For this and so much more we say “to God alone be the glory.”

A GENERAL BACKGROUND ON THE INTERVENTION FUND

When I assumed duty at the Federal Ministry of Aviation, we discovered that the Paul Dike Committee Report which was submitted to Mr. President by Air Vice Marshal Paul Dike had made certain recommendations in order to assist and to ensure that the aviation sector would improve. One of the recommendations of that report was that N48billion should be released to the aviation sector in order to take care of the infrastructures of the four international airports located in Abuja, Lagos, Port Harcourt and Kano. That was the specific mandate and that was the recommendation. President Obasanjo and the Federal Executive Council approved N19.5billion out of the N48billion recommended for application. That was the money that constituted the Aviation Intervention Fund.

What must be clearly understood is that not all this money was made available to me when I got there. What happened was that before I got into that office, a substantial part of that money had been sourced and had been spent by my predecessor in office Professor Babalola Borishade. Consequently a total sum of N8.5billion had been sourced and approximately N8.4billion had been spent from that sum before I came into that office. When I assumed my duties as the Minister in November 2006, the sum of N11billion (which was the balance of the intervention fund) was now released to me from the National Resource Development Account by President Obasanjo for application. Apart from that, I should mention here that there was a further N2billion which was essentially not part of the intervention fund but it was also jointly administered by the Ministry and the Federal

Airports Authority of Nigeria (FAAN). This money was a soft loan from the Rivers State Government and it was given to FAAN directly and specifically for the rehabilitation of the Runway of Port Harcourt Airport well before I assumed duties as Minister of Aviation. Out of this N2billion, approximately N350million had already been spent on other things outside the Port Harcourt Runway before I came to the Ministry. Therefore when I got to the Ministry, I was given the responsibility of administering N11billion (Intervention Fund) plus a further N1,633,000,000 (Soft Loan from Rivers State Government for Port Harcourt Airport Runway). The records will show that out of the N11billion (Intervention Fund) that I was asked to administer, I only released approximately N3.8billion and out of the N1,633,000,000 (Rivers State Government loan) I only released N1.5billion. The records

show that consequently by the time I left the Ministry approximately N7.2billion was left in the intervention fund account and a further N133million was left out of the N1,633,000,000 that I was given for the Port Harcourt Airport Runway (doc. attached).

I cannot be held responsible for the N8.4billion that was spent before I came in or for what happened to or what was spent out of the approximately N7.2billion that I left behind. I can only be held responsible and accountable for the approximately N3.8billion intervention fund and N1.5billion Rivers State Government Soft Loan that I administered on clearly identifiable projects and items which were highlighted as projects to be funded by the intervention fund well before I got there. I want to reiterate that for every contract that I awarded the balance of the

money was left in the account of the intervention fund for those contracts to be fully paid for upon completion. I also want to repeat that every contract and every penny that we spent went through due process.

CONTRACTS/PROJECTS EXECUTED

Before I list my own projects let me mention what was done with the N8.4billion of the intervention fund that had been spent before I came in. N6.4billion was spent on the safe tower project and a further N2billion was spent on laying off staff at FAAN by my predecessor in office.

When I got in I was a little bit concerned because of the huge amount of money that had been spent, particularly on the safe tower project. It was clear to me that the contractor did not appear to have delivered the goods considering the amount of money he had already been paid (N6.4billion). My first concern was that with all this money that had been spent, we had to ensure that something was done. I immediately directed my staff to scrutinize the execution of the contract and to push the

contractor, AVSATEL, Vienna and Abuja to do what it had been paid to do. This contract which had been signed on June 2006 was meant for the refurbishment of four airport towers, namely, Abuja, Lagos, Port Harcourt and Kano. It is interesting to note that a significant amount of equipment was brought in by the company only after we pushed them to do so. We did this successfully after compelling the contractor to honour his obligations. We did all that we could before we left to pressurize the company to fast-track the importation of the equipment and the completion of the contract. By the time we left at least two of the four control towers that had been previously paid for were fully equipped, completed, installed and commissioned. Whilst fast-tracking the project I still had some deep concerns about some aspects of the contract and its funding. This informed my setting up a technical committee headed by

Captain Shehu Iyal (Senior Special Assistant to Mr. President on Aviation) to look into the details of the contract, its funding and the execution of the project itself. The committee had very clear terms of reference. A number of controversial issues were raised and disturbing revelations were made in the final report of that committee (doc. attached). Despite this the committee clearly recommended that the project should be continued because so much money had been spent on it already (N6.4billion) and this was a vital project for Nigeria's aviation sector. I then forwarded the committee report to President Olusegun Obasanjo, who took further action by directing that it should be sent to the National Security Adviser.

When I came in and the N11billion was released to me plus the N1,633,000,000 (Rivers State Government soft loan) the following graphically reflects how I administered and applied the money. Let me emphasize the fact that every contract that was awarded by me was listed as a priority project and costed before I went to the Ministry of Aviation. These are the contracts that I awarded:

- i) Asphalt Concrete Resurfacing of Port Harcourt International Airport Runway 03/21. This contract was won by Julius Berger, I took the memo to the Federal Executive Council (FEC), followed by ratification (doc. attached), the contract was awarded at N3billion. I released 50% of the money

(N1.5billion) for the contract to Julius Berger (doc. attached) and the contract has since been completed.

The balance of N1.5billion for this contract was left in the intervention fund account. Let me again make it clear that the funding of the first half of this particular contract (the initial payment of N1.5billion) actually came from the soft loan provided by the Rivers State Government.

On the issue of the N2billion soft loan, let me also say this: the money that had been spent out of that N2billion before I came into office can be accounted for by my predecessor. I only got N1,633,000,000 out of that money. The balance of N350million was applied by my predecessor before I came in. I applied

N1.5billion of it and I left approximately N133million in the account (doc. attached).

- ii) The second contract was the Extension and Asphalt Resurfacing of Runway 18L/36R of Murtala Muhammed International Airport, Ikeja (the Domestic Runway). We awarded the contract at N3.5billion after approval by the Federal Executive Council was granted. After the Council approval (doc. attached), FAAN wrote to us and made an application for 50% payment immediately so as to ensure that the contract was finished quickly because the raining season was coming amongst other things. We approved that application and consequently we paid 50% of the cost (approximately N1.8billion) to Messrs. P.W. Nigeria Limited. This contract has also almost

been completed (75%) and the balance of the price (N1.7billion) was also left in the intervention fund account for payment to the contractor upon completion of the contract.

- iii) The third contract that I awarded was the Cargo Apron Expansion at Muritala Muhammed International Airport won by Messrs FIAT International Limited at approximately N850million. This contract went to Council, it was approved and all due process was followed (doc. attached). Again FAAN wrote to us asking for 50% upfront payment, this amounted to N426,278,697.34 on the grounds that the project should begin before raining season started so that it could be concluded quickly. The request was granted and the 50% was paid to the company by FAAN. The

contract is still on-going and the contractor is still on site. The balance of the money (N426million) was left in the intervention fund account and it should be released to the contractor upon the completion of the contract.

- iv) The fourth expenditure was not a contract but a refund for contracts that FAAN already executed and paid for with their own money before I came into the Ministry and in respect of the ICAO Audit 2006. ICAO is a specialized agency of the United Nations which was created to promote safety and orderly development of the International Civil Aviation throughout the world. It sets standards and regulations necessary for aviation safety, security, efficiency and protection of the aviation environment throughout the world.

The ICAO Safety Oversight Audit 2006 was one of the main reasons that the Aviation Intervention Fund was set up (doc. attached). The intervention fund was approved by Mr. President for (amongst other things) the funding associated with the preparations for ICAO and to enable FAAN carry out all the required critical projects associated with and in preparation for the audit. Unfortunately, the intervention fund was not released on time for the audit. As a result of the delay in releasing the expected Intervention Fund, FAAN under the supervision of my predecessor in office, Professor Babalola Borishade, decided to utilize its own funds which were meant for other projects, staff welfare and pensions for ICAO critical projects. As a consequence of this initiative taken by FAAN and as a consequence

of their sacrifice, Nigeria scored 90% in the ICAO audit. This was very encouraging and was a great success and morale booster for the Aviation sector in Nigeria and the nation as a whole. According to FAAN, the projects executed totalled ₦1,315,526,526.74 (doc. attached) out of which the sum of ₦772,725,096.12 was paid by FAAN leaving a balance of ₦543,801,430.62 to be paid to the contractors (doc. attached). It is pertinent to note that all the contracts (ICAO critical projects) were all awarded and executed by FAAN before I came in as the Minister of Aviation and before the ICAO audit took place. Consequently these contracts would have got the relevant approvals from the Board of Directors of FAAN and the Ministerial Tenders Board.

On the 4th of January 2007, FAAN wrote to me requesting for a refund of ~~₦~~772,225,096.12 which was paid to the contractors and a balance of ~~₦~~543,801,430.62 which was yet to be paid to the contractors who executed the ICAO critical projects and also a sum of ~~₦~~144,000,000.00 for the outstanding payments to Julius Berger for the maintenance of the NAIA Abuja (doc. attached) from the intervention fund.

A follow-up request was made on the 17th of April, 2007. The Managing Director of FAAN and his Director of Finance came to the Implementation Committee and told us clearly and categorically that if this money was not refunded immediately the whole parastatal and aviation sector will come to a standstill

because it could no longer pay staff salaries (which almost resulted in a strike), they could no longer maintain their airports, they could no longer execute safety critical projects at FAAN (such as the water improvement of MMA Lagos, replacement of 2.33KV PHCN feeders to the airport etc.) and they could no longer honour their obligations to contractors that were offering critical and daily services to them.

This critical financial problem bedeviling FAAN was compounded by the fact that FAAN's internally generated revenue was affected drastically by the fact that FAAN was compelled to pay ~~₦~~220,000,000.00 a month to Zenith Bank for a bank loan given to NAMA for its safe tower project (that arrangement was made before I came into the Ministry). Consequently FAAN

was severely cash strapped. We were told that if this situation was not addressed quickly it would certainly have resulted in the total closure and breakdown of our airports with its attendant consequences. Consequently in order to avoid a disaster and after further consultation with the Aviation Implementation Committee, the amount of ₦1,315,526.74 was released as a refund to FAAN for the ICAO projects that it had previously funded and executed. A further ₦144,000,000.00 was also released for previous work done by Julius Berger as they had also openly threatened to stop work at the airport if they were not paid. However in my approval for these refunds, I clearly minuted that “due process and due diligence must be followed” in applying and administering the funds (doc. attached). What this meant was that all the

necessary approvals for the original contracts and payment vouchers etc must be proved with all other aspects of due process and due diligence before FAAN itself disbursed the money that it received from the intervention fund as a refund for previously executed contracts.

FAAN as the implementing agency and entity that applied for and administered the funds will be in a position to give detailed accounts as to how the funds were disbursed following my directive on due process and due diligence. Wherever or if ever due process or due diligence was not fully applied in the original award or execution of any of these contracts the money was supposed to be held back by FAAN or paid back into the intervention fund account.

v) The fifth expenditure was spent on the local content aspect of the safe tower project. The contract had been awarded long before we came in to the Ministry to AVSATEL, Vienna and Abuja and approximately N6.4billion had been spent by my predecessor. However there was a local content aspect of N74million which we released specifically for the completion of the control tower in Abuja and in Lagos airports. Captain Ado Sanusi, the Director General of Nigerian Airspace Management Agency (NAMA) and the Chairman Project Implementation, AVM C. Onugha applied to me specifically asking for the release of this money and he told me that this funds were for the physical and structural repairs of the control towers in Abuja and Lagos. The total of the local content was N300million but we released only

N74million of the N300million (doc. attached).
Releasing N74million ensured the completion of the
safe tower project in both Lagos and Abuja airports
and they were both operational before we left.

vi) Release of Funds to Various Committees:-

Presidential Implementation Committee:

As a consequence of a letter from the Secretary
to the Government of the Federation (SGF), Chief Ufot
Ekaette stating clearly that the funding of the
Presidential Implementation Committee on the
Aviation is the responsibility of the Ministry or
government agency (doc. attached), ~~N~~34,000,000.00
was released to the Presidential Implementation
Committee in order to allow it to do its work effectively.
This money was released from the intervention fund

due to the fact that the committee was charged with the responsibility of assisting the Minister in the implementation of the Paul Dike Report and the application of the Intervention Fund. ₦34,000,000.00 was released as the budgetary allocation for the operation of the committee. This involves their expenses for logistics, sitting allowances, sub-committees, travelling, meetings, etc. It is important to note that this money, which was released about 1¹/₂ years ago to the Presidential Implementation Committee is still being used by them till today.

The Ministerial Committees:

Four Ministerial Committees were set up by me:

I. Committee on Ticket Pricing: which was headed by Cpt. Shehu Iyal, (The Special Assistant to the President on Aviation Matters).

This committee was set up to:-

- a) determine the airfare charged by foreign airlines between Nigeria and other countries in relation to the airfare charged on other routes with comparable flights;
- b) determine the reasons for price differential, if any;
and
- c) make appropriate recommendations to correct the unfair ticket pricing.

The sum of ₦18,962,800.00 was released to the committee **as a loan** from the Intervention Fund. The money was to be paid back to the Intervention Fund account by NCAA and NAMA (doc. attached).

II. Committee to Investigate FAAN'S Agreement for the Supply, Installation, Management and Joint Holding with MAEVIS Ltd.:

This committee was headed by Hon. Justice Omolade Falodun (Former Chief Justice of Ondo State). The terms of reference were:

- a) To investigate FAAN's contract agreement with MAEVIS.
- b) To investigate the allegation of corrupt practices in the agreement signed by the

Managing Director of FAAN.

- c) To investigate the allegation that FAAN was being secretly privatized.
- d) To make appropriate recommendations on the review of contract agreement.

It is pertinent to note that the Managing Director of FAAN, Mohammed Yusuf was not indicted for corruption but the report showed that the contract agreement was a bad one and needed to be reviewed. ~~N~~6,550,000.00 was released to the committee as a loan from the intervention fund. The money was to be paid back by FAAN, since it was solely a FAAN project. (doc. attached)

III. Aviation Fuel Monitoring Committee: This committee was headed by Mr. Segun Awolowo (The Special Assistant to President Olusegun Obasanjo on legal matters and due diligence), the terms of reference were:

- a) To look into existing and proposed siting and workings of the fuel hydrant systems at MMIA.
- b) To look into the aviation fuel pricing and advise accordingly.
- c) To look into safety standards of delivery within all the airports.
- d) To look into the constant scarcity of aviation fuel.

The sum of ~~N~~10,000,000.00 was released to the committee as a loan from the intervention

fund. The money was to be paid back by FAAN, NIMET, NCAT and SAHCOL respectively (doc. attached).

The money released to these various ministerial committees was supposed to have come directly from the various parastatals as I had earlier directed but these parastatals were slow in releasing the money so we were forced to loan the money for the committees from the Intervention Fund account to the parastatals so that the work could be quickly concluded.

The assignments given to each of these committees were absolutely critical to the aviation sector and each of them did their work with the utmost diligence and integrity and they all came

up with credible and important recommendations. It is a matter of regret that the reports were submitted just before the end of the last administration's tenure in office. If this had not been the case, their recommendations would have been fully implemented. I would urge the present administration to consider implementing the recommendations of these reports as quickly as possible. (reports attached)

RELEASE OF FUNDS TO CONSULTANTS

My predecessor in office Professor Babalola Borishade gave an approval that ~~N~~506,328,337.00 should be paid to a group of consultants who had done some work for FAAN on the issue of airports in the country. This money was to be paid from the Intervention Fund based on his earlier approval. Subsequent to a further application and representation from FAAN to me and after consultations with the Presidential Committee on Aviation, I approved that the money be released to FAAN for that purpose.

Consequently ~~N~~506,328,337.00 was approved and released to FAAN for re-engineering which included airport fencing and outsourcing programme from the intervention fund. However, upon my insistence that due process must

be followed (which was clearly minuted on the approval that I gave) before this money should be released to the relevant consultants, the Director of Finance of FAAN, Mr. Jerry Onifade pointed out to me that he could not trace due process in the award of this contract. This clearly showed that it would have been wrong for us to pay the consultants the money they were claiming and which had been approved by my predecessor Prof. Babalola Borishade and then later on by me.

Consequently, I directed the Director of Finance for FAAN and the Managing Director of FAAN that under no circumstances should that money be released to the consultants. As a result of my directive, this money was still intact and safely in the bank account of FAAN at the time of my departure. I would urge the Hon. Minister of

State for Aviation to direct FAAN to pay that money ₦506,328.337.00 back into the Intervention Fund account forthwith.

Unfortunately, all this information about lack of due process concerning this contract was brought to my attention just before I left office and had I remained in office that money would have been returned to the intervention fund account immediately.

WAS THE INTERVENTION FUND A LOAN OR A GRANT?

For my first few months in office as the Minister of Aviation, I was told categorically and clearly by those within the Ministry and those within the Presidency that the Intervention Fund was a grant which was created specially to address the critical situation that existed in the aviation sector at the time. I did not receive any documentation or representation from the Ministry of Aviation to suggest that this was a loan until the Ministry of Finance sent a copy of the 2007 budget and I realized that N11billion had been deducted from FAAN and NAMA budgetary allocations. It was only at that time that it was brought to my attention by the Ministry of Aviation that the Intervention Fund was a loan.

During the 2007 budget defence exercise I made it clear that there should be no deduction at all because the amount under reference is an intervention fund and not a loan. However the Ministry of Finance wrote to the Ministry of Aviation insisting that it was agreed that the fund will be borrowed from the 3% natural resource fund and would be refunded from the 2007 budget of the Ministry of Aviation (doc. attached).

In this regard I critically examined the safety implication of a lumpsum deduction and came to the conclusion that this will impact negatively on the reform programme being undertaken in the aviation sector. As a result of this discovery, I wrote to President Olusegun Obasanjo requesting for a spread over a minimum of 10 years for the repayment of the N11billion Intervention Fund

and he minuted clearly that we should discuss with the Minister of Finance and Director-General Budget (doc. attached).

In conclusion with the Minister of Finance and Director General Budget, a letter was forwarded to President Olusegun Obasanjo on the 18th of April and copied to the Ministry of Aviation, stating that the proposed loan will be repaid by FAAN in quarterly instalments over a period of 5 years commencing in June 2007-2012 (doc. attached). The Ministry also informed NAMA that they would also be involved in paying back the loan since FAAN was already paying back another loan of N6.5billion (Zenith Bank) for which NAMA was a beneficiary.

A LIST OF SOME OF OUR ACHIEVEMENTS

Mr. Chairman and distinguished members kindly permit me to use this medium to list just a few of our humble achievements within the 7 months that we were in office –

- i) We thank God that from the time that I was appointed Minister of Aviation and up until the time that I left, the incessant and tragic plane crashes and consequent spilling of blood (five crashes in the space of one year which claimed approximately 400 lives) ceased immediately as a direct consequence of divine intervention, God's grace, constant prayer, the efforts that we made and the structures and safety measures that we put in place. I should also mention the fact that there were many occasions when some very

powerful men tried to compel me to bend the rules and on failing tried to convince President Olusegun Obasanjo to either over-rule me or re-deploy me so that things could go back to the status quo ante and business as usual. This would have undoubtedly resulted in more plane crashes. It gives me pleasure to be able to say that on each occasion President Obasanjo refused to listen to them but instead backed me to the hilt and supported and encouraged me in all my actions. Without his full backing and support we could not have succeeded.

- ii) After I was re-deployed to the Ministry of Aviation, for the first time in a very long time, Nigerians were accorded the same respect that other nationals were enjoying from foreign airlines all over the world. This

is because we summoned them and insisted that this must be so.

iii) A good number of international routes for Nigerian carriers were fought for

and won under my tenure. This was something that had been very rare and difficult up until the time that we came in.

iv) We ushered in a much higher level of discipline and efficiency from the airline operators and parastatals when we came in than existed before.

v) We worked hard to ensure the completion and launching of the MMA Terminal 2 which is probably one of the best examples of public/private sector

partnership on the African continent. This gave Nigerian aviation a tremendous boost.

- vi) We forwarded to Mr. President the recommendation that the Nigerian Civil Aviation Authority (NCAA) should be given autonomy from the Ministry and the passing of the Bill by the National Assembly after it was given unprecedented support by Mr. President and the Ministry of Aviation. This resulted in the passing of the NCAA Act.
- vii) We established an independent and thoroughly professional Accident Investigation Bureau (AIB) which was set up to investigate air crashes. The practice up until the time that we came in was for the Ministry of Aviation itself to investigate air crashes but

this proved to be inefficient, unsatisfactory, unreliable and subject to manipulation.

viii) Nigeria became a signatory of the “cape town convention” during our tenure which gave our airline operators the opportunity to secure international loans.

ix) We won approval from the Federal Executive Council and implemented the policy of “re-capitalization” of all the airlines operating in the country. This led to the establishment of bigger, stronger airliners with a larger capital and asset base and phased out the era of “one owner, one pilot, one plane” airliners which were virtually operating as flying coffins in Nigeria. This increased and enhanced the safety of our carriers and

ensured that they were in a better position to honour all their obligations and insurance claims.

- x) Under our tenure and as a consequence of our taking a memo to the Federal Executive Council, the Ministry of Aviation was granted access to and the exclusive utilisation of the BASA Fund (Bi-lateral Air Services Agreement Fund) which is lodged at the CBN and which runs into billions of Naira. The aviation sector desperately needs this money.
- xi) We also brought in the Economic and Financial Crime Commission (EFCC) into our airports to reduce the cases of money laundering and other related crimes.
- xii) When we came into office, we discovered that the long-awaited TRACON project (total radar coverage for the whole country) had been abandoned for two

years simply because someone had suggested that the original system (for which huge sums of money had been paid) should be abandoned and a newer more modern system (which is only being used by 3 other countries in the world) should be procured. This decision left Nigeria with no radar coverage because everything now came to a standstill and of course this had obvious implications for air travel in Nigeria and even for the defence of our airspace. The newer system that was being proposed was not only unsuitable for Nigeria but would also have come at an even higher cost in terms of money and time. I therefore directed that the company involved in this (Thales of France) should begin to manufacture and procure the original system for which they had been contracted and partially paid and consequently work

on TRACON began again. We insisted that the original plan should be implemented and we fought for additional funding for it which we got and which I believe was lodged in central bank. Today I am told that the project is very much on course and within 18 months Nigeria should have full radar coverage. I am very happy about this and proud of the fact that we played a role in ensuring that this project was resurrected. It is absolutely vital that Nigeria has full radar coverage in order to enhance our defence capabilities and in order to ensure that planes stop disappearing without trace.

xiii) As a result of our intervention the proposed concession of the Nnamdi Azikiwe International airport, Abuja by the Bureau of Public Enterprises

(BPE) was stopped by President Obasanjo. This is because we called his attention to the fact that the terms and conditions of the contract with the core investor were not in the interest of the country and the aviation sector.

- xiv) The Federal Executive Council also approved a waiver on the importation of spare parts for our airline operators. This helped the airline operators considerably and cushioned the effects of the re-capitalization policy on them.
- xv) We resurrected and restored radar coverage for Lagos and Abuja (150km range) and this was the first time that radar had worked anywhere in the country since 1979. This was very gratifying as it was a matter of national pride and self-respect.

- xvi) The Federal Executive Council approved that a “ground proximity warning system” (GPWS) must be installed in every plane that flies in Nigerian airspace. This enhanced safety and security.
- xvii) We insisted that there must be no cutting of corners by the airline operators in the country and there must be full compliance of all the safety and security rules and mechanisms.
- xviii) Under my tenure the Federal Executive Council took away the discretionary power of the pilot to land in bad weather and rather gave the control tower the power to compel him not to land if the weather is not good enough. This enhanced safety and, in my view, saved many lives.

- xix) Under my tenure not only did no plane crash but also no plane went missing.
- xx) We grounded more planes that the NCAA considered to be unfit for air travel than any other Minister in the history of aviation and we thereby saved lives.
- xxi) We administered the Intervention Fund that was trusted to us in a transparent and open way and we always insisted on due process and due diligence in the application of these funds. I received N11billion and I left N7.2billion (which included about N100million that was left from the fund, sourced and spent on the safe tower project by my predecessor) in the intervention fund account at the time I left office having applied approximately N3.8billion of it. We left the balance for all the contracts that we

awarded in the Intervention Fund account so that the contractor could be paid on completion of the contract. Out of the N2billion soft loan from Rivers State Government for the Port Harcourt runway, I received approximately N1,633,000,000.00 when I came in and we paid N1.5billion (50% of the contract cost) to the contractor. We therefore left approximately N133million in that account. The balance for Port Harcourt runway of N1.5billion is also embedded in the main Intervention Fund account. As at the time I left none of this money was missing, misappropriated, mismanaged or unaccounted for.

CONCLUSION

The list of our achievements in aviation are in the hearts and minds of the Nigerian people who still call us and send messages to us on a daily basis to express their gratitude that as a consequence of our efforts and by the grace of God they could once again fly without any fear. This was all achieved as a result of sheer hard work, the unflinching support which I received from my personal staff, the presidential implementation committee, the chief executives of the various parastatals, the staff at the Ministry of Aviation, the various unions in aviation, the chairmen and committees of both the Senate and House Committees on Aviation and members of the media and the Nigerian public.

I must also acknowledge the fact that we could not have succeeded without continuous prayer on the part of my church leaders, my pastors, my family members and my staff. I wish to thank them all.

For all this I say one thing and one thing alone: **“to God be the glory”**.

CHIEF FEMI FANI-KAYODE

June 19, 2008

ACCOUNT DETAILS

Rivers State Soft Loan to FAAN for the refurbishment of Port Harcourt airport.....N2 billion

Amount I met when I came in as the Minister of Aviation
..... .N1,632,738,150.84

Amount left in the account
.....N132,738,164.

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(After N1.5 billion payment to Julius Berger for Asphalt Resurfacing of Port Harcourt Airport)

Intervention

Fund.....

N19.5 billion

Amount spent by my predecessor (Prof. Babalola Borishade)..... N8.5 billion

Amount spent by me (Chief Femi Fani-Kayode)..... N3,810,174,091.00

Amount left in the account for my successor (Architect Felix Hyat).....
N7,189,825,909.70

All relevant documents, (including bank statements) are available for verification

TABLE OF CONTENT FOR PROJECTS AWARDED

S/N	CONTRACT/LOCATION	COST OF PROJECT (₦)	COMPANY	AMOUNT PAID (₦)	DATE OF AWARD BY BMPIU	DATE OF AWARD BY FEC	REMARKS
1.	Asphalt Concrete Resurfacing of Runway 03/21 Port Harcourt Int. Airport, Rivers State	3,000,000,000.00	JULIUS BERGER NIG. PLC	1,500,000,000.00	5/12/06	21/12/06	<ul style="list-style-type: none"> - From N1.7bn. Rivers State soft loan. - Balance payment left in intervention fund Acct. - Project completed
2.	Expansion of Cargo Apron MMIA, Ikeja, Lagos State	852,555,394.69	FIAT INTERNATIONAL LTD.	426,277,697.34	7/2/07	14/3/07	<ul style="list-style-type: none"> - Paid from Intervention fund. - Balance payment left in Intervention fund account. - Project in progress. Contractors still on site
3.	Resurfacing and Extension of Lagos Runway 18L/36R MMIA, Ikeja, Lagos State	3,560,878,534.50	P.W NIGERIA	1,780,439,267.25	30/10/06	10/1/07	<ul style="list-style-type: none"> - Paid from Intervention fund. - Balance payment left in Intervention fund account. - Project completed.
4.	Replacement of Obsolete Equipment in Control Towers of 4 International Airports – Lagos, Port Harcourt, Kano and Abuja	Local Component 300,000,000.00	AVASTEL	74,311,930.00	10/5/06	24/5/06	<ul style="list-style-type: none"> - Contract awarded by previous Minister. FEC awarded this contract before we came (Safe Tower) - Funds released from Intervention fund was 2nd payment for Lagos and Abuja airport Control Towers. - Both Control Towers have been completed