

NIGERIA INFRASTRUCTURE FUND BILL, 2015

ARRANGEMENT OF SECTIONS

Section:

ESTABLISHMENT OF THE NIGERIA INFRASTRUCTURE INVESTMENT FUND

1. Establishment of the Fund
2. Object of the Fund
3. Powers of the Fund
4. Independence of the Fund
5. Sources of money for the Fund
6. Bank account of the Fund
7. Head Office and branches of the Fund

THE BOARD AND MANAGEMENT OF THE FUND

8. Governing body of the Fund
9. Functions of the Board
10. Duties and liabilities of members of the Board
11. Tenure of office of members
12. Meetings of the Board
13. Disclosure of interest
14. Establishment of committees
15. Allowances
16. Disbursement from the Fund
17. Application for funding
18. Administrative expenses of the Fund
19. Tax exemption

ADVISORY COUNCIL

20. Establishment of Advisory Council
21. Functions of Advisory Council
22. Tenure of office of members of the Advisory Council
23. Meetings of the Advisory Council
24. Disclosure of interest

ADMINISTRATIVE, FINANCIAL AND MISCELLANEOUS PROVISIONS

25. Chief Executive Officer
26. Functions of Chief Executive Officer
27. Appointment of other staff
28. Accounts and audit
29. Annual report and other reports
30. Investment Policy Statements, Codes of Practice, Regulations & Internal Guidelines
31. Indemnity
32. Transfer of money
33. Regulations
34. Interpretation

A BILL

FOR

AN ACT TO ESTABLISH THE NIGERIA INFRASTRUCTURE FUND, TO MOBILISE AND PROVIDE FINANCIAL RESOURCES TO MANAGE, COORDINATE AND INVEST IN A DIVERSIFIED PORTFOLIO OF INFRASTRUCTURE PROJECTS IN NIGERIA FOR NATIONAL DEVELOPMENT AND TO PROVIDE FOR RELATED MATTERS

Sponsored by Andy Uba

[] Commencement

BE IT ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

1 ESTABLISHMENT OF THE NIGERIA INFRASTRUCTURE INVESTMENT FUND

2 1. -(1) There is established by this Act a fund to be known as the Establishment of
3 Nigeria Infrastructure Investment Fund. the Fund

4 (2) The Fund is a body corporate with perpetual succession and a
5 common seal, may sue and be sued and have in all other respects the powers
6 of a body corporate.

7 2. -(1) The object of the Fund is to mobilise and provide financial Object of the
8 resources to manage, coordinate and invest in a diversified portfolio of Fund
9 infrastructure projects in Nigeria for national development.

10 (2) For the purposes of achieving the object of the Fund, the Fund
11 shall engage in activities determined by the Board, including:

12 (a) undertaking investments for the development of infrastructure
13 within the country to promote economic growth and attract investments;

14 (b) the management and investment of initial and future
15 contributions made to the Fund;

16 (c) reinvesting into the Fund to generate returns, the profits and
17 proceeds from investment of moneys of the Fund;

18 (d) promoting, in Nigeria, personnel, the development of skills in

1 infrastructure development, including project design, project management,
2 financing and investment, consistent with the object of the Fund;

3 (e) leveraging the capital of the Fund by attracting investments
4 through the domestic and international capital and financial markets;

5 (f) pursuing the best possible financial returns on investments having
6 regard to:

7 (i) internationally recognised best practices for asset allocation and
8 risk management;

9 (ii) protecting, in the long term, the economic value of the capital and
10 assets of the Fund;

11 (iii) the cost of capital of the Fund and other incidental costs related to
12 the Fund; and

13 (iv) opportunities and challenges in the domestic infrastructure
14 market.

15 (g) the provision of debt and equity financing;

16 (h) the provision of risk mitigation instruments;

17 (i) the management of assets entrusted to it by the State; and

18 (j) any other activity determined by the Board to achieve the object of
19 the Fund.

Powers of the
Fund

20 **3.** The Fund shall have the power to:

21 (a) create sub-funds, affiliates or subsidiaries in any jurisdiction in
22 furtherance of the object of the Fund;

23 (b) invest in, purchase, maintain, divest from, sell or otherwise realize
24 assets and investments of any kind; and

25 (c) borrow and raise money, on its own or in partnership with or
26 through its affiliates, from domestic and international financial markets.

Independence
of the Fund

27 **4.** -(1) Except as otherwise provided in this Act, the Fund shall be
28 independent in the performance of its functions and shall not be subject to the
29 direction or control of any person or authority.

30 (2) The Fund shall be accountable to the Minister on the achievement

1 of its objectives and compliance as set out in this Act and in the guidelines of
2 the Fund.

3 **5.** The sources of money for the Fund are:

Sources of
money for the
Fund

4 (a) an amount of money equivalent to two and one half percentage
5 points of the existing Value Added Tax revenue with effect from the 2014
6 financial year;

7 (b) an amount of money equivalent to twenty-five percent of
8 Annual Budget Funding Amount to be applied to amortization and direct
9 infrastructure expenditure;

10 (c) repayment inflows of moneys on-lent by the Ministry of
11 Finance to government ministries, departments and agencies or state-owned
12 enterprises, for capital project or infrastructure development;

13 (d) proceeds from the disposal of state-owned equity investments;

14 (e) grants, donations, gifts and other voluntary contributions to the
15 Fund;

16 (f) fees or other moneys earned by the Fund in pursuance of its
17 functions under this Act;

18 (g) money that accrues to the Fund from investment made by the
19 Fund;

20 (h) money that may become lawfully payable to the Fund or any
21 other property that may become lawfully vested in the Board for the Fund; and

22 (i) any other moneys that the Minister with the approval of the
23 National Assembly determines to be paid into the Fund.

24 **6.**-(1) Moneys for the Fund shall vest in the Board and shall be paid
25 into a bank account opened for the purpose by the Board with the approval of
26 the Minister.

Bank Account
of the Fund

27 (2) The Minister shall, not more than fourteen working days
28 following the end of each month, pay directly from the Consolidated Fund
29 into the bank account opened under subsection (1), the proportions of the
30 Value Added Tax revenue and the Annual Budget Funding Amount required

	1	to be paid into the Fund under sections 5(a) and 5(b) respectively.
Head Office and branches of the Fund	2	7. The Fund shall have its head office in Abuja and may, where it
	3	considers necessary for the performance of its functions, open branches within
	4	or outside the country.
	5	THE BOARD AND MANAGEMENT OF THE FUND
Governing Body of the Fund	6	8. -(1) The governing body for the Fund is a Board consisting of:
	7	(a) a chairperson,
	8	(b) the Chief Executive Officer of the Fund, and
	9	(c) seven other persons at least three of whom are women.
	10	(2) The members of the Board shall be appointed by the President and
	11	subject to confirmation by the Senate.
	12	(3) In making the appointments, the President shall consider the
	13	integrity, knowledge, expertise and experience of the members in matters
	14	relevant to the functions of the Board.
Functions of the Board	15	9. -(1) The Board shall be responsible for the attainment of the object
	16	of the Fund, the making of the policy and general supervision of the
	17	management and affairs of the Fund and such other functions conferred upon it
	18	by any other provision of this Act.
	19	(2) For the purpose of subsection (1), the Board shall:
	20	(a) perform its functions and conduct its affairs in accordance with
	21	sound investment and financial standards and practice and the investment
	22	policy of the Fund;
	23	(b) support the national policy and programmes related to the Fund to
	24	achieve the object of the Fund;
	25	(c) ensure accountability of the Fund by defining appropriate
	26	procedures for its management; and
	27	(d) in consultation with the Minister, perform any other function that
	28	is incidental to the achievement of the object of the Fund.
Duties and liabilities of members of the Board	29	10. -(1) A member of the Board has the same fiduciary relationship
	30	with the Fund and the same duty to act with loyalty and in good faith as a

1 director of a company incorporated under the Companies and Allied Act.

2 (2) Without limiting subsection (1), a member of the Board has a
3 duty:

4 (a) to act honestly in the performance of the member's functions;

5 (b) to exercise the degree of care and diligence in the performance
6 of the member's functions that a reasonable person in that position would
7 reasonably be expected to exercise in the circumstances of the Fund;

8 (c) to avoid making improper use of information acquired by virtue
9 of the member's position as a member of the Board so as to gain, directly or
10 indirectly, a benefit for the member to the detriment of the Fund; and

11 (d) not to make improper use of the member's position so as to gain,
12 directly or indirectly, a benefit for the member or for any other person or
13 cause loss to the Fund.

14 (3) A member of the Board who contravenes subsections 2(a) or;

15 (b) commits an offence and is liable on summary conviction to a
16 fine of not less than three thousand penalty units and not more than six
17 thousand penalty units.

18 (4) A member of the Board who contravenes subsection 2(c) or (d)
19 commits an offence and is liable on summary conviction to a term of
20 imprisonment of not less than six months and not more than two years.

21 **11.**-(1) A non-executive member of the Board shall hold office for
22 three or five years.

Tenure of office
of members

23 (2) A member appointed for a five-year term is not eligible for re-
24 appointment.

25 (3) A member appointed for a three-year term is eligible for re-
26 appointment but only for another three year term.

27 (4) The President shall appoint three of the members for five years
28 and four of the members for three years.

29 (5) The tenure of a member shall be specified in the letter of
30 appointment.

1 (6) A non-executive member of the Board may at any time resign from
2 office by letter addressed to the President through the chairperson.

3 (7) The chairperson of the Board may at any time resign from office
4 by letter addressed to the President.

5 (8) A non-executive member of the Board who is absent from three
6 consecutive meetings of the Board without reasonable cause, ceases to be a
7 member of the Board.

8 (9) The President may, by letter addressed to a non-executive
9 member, revoke the appointment of that member.

10 (10) Where a non-executive member of the Board is, for sufficient
11 reason, unable to act as a member, the chairperson shall determine whether the
12 inability will result in a declaration of a vacancy.

13 (11) Where there is a vacancy:

14 (a) under subsection (6), (7), (8) or section 13(2);

15 (b) as a result of a declaration under subsection (10); or

16 (c) by reason of the death of a member the chairperson shall notify the
17 President of the vacancy and the President shall appoint a person to fill the
18 vacancy.

19 (12) Where the circumstances under subsection (10) apply to the
20 chairperson, the Minister shall determine whether the inability will result in a
21 declaration of a vacancy and shall notify the President of the vacancy.

Meetings of the
Board

22 **12.** -(1) The Board shall meet at least four times in a year for the
23 dispatch of business at the time and in the place determined by the Board

24 (2) The chairperson shall, at the request of not less than one third of
25 the membership of the Board, convene an extraordinary meeting of the Board
26 at the place and time determined by the Board.

27 (3) The chairperson shall preside at meetings of the Board and, in the
28 absence of the chairperson, a member of the Board elected by the members
29 present from among their number shall preside.

30 (4) The quorum for a meeting of the Board is five members including

1 four non-executive members and one executive member or a greater number
2 determined by the Board in respect of a particular matter.

3 (5) Matters before the Board shall be decided by a majority of the
4 members present and voting and in the event of an equality of votes, the
5 person presiding shall have a casting vote.

6 (6) The Board may co-opt any person to attend a Board meeting but
7 that person shall not vote on a matter for decision at the meeting.

8 (7) Except as otherwise provided by this Act, the Board shall
9 determine the procedures for its meetings.

10 (8) The proceedings of the Board are not invalidated by reason of a
11 vacancy among the members or by a defect in the appointment or
12 qualification of a member.

13 **13.** -(1) A member of the Board who has an interest in a matter for
14 consideration shall:

Disclosure of
interest

15 (a) disclose the nature of the interest and the disclosure shall form
16 part of the record of consideration of the matter; and

17 (b) recuse himself or herself, and not participate in the
18 deliberations of the Board in respect of that matter.

19 (2) A member ceases to be a member of the Board, if that member
20 has an interest in a matter before the Board and:

21 (a) fails to disclose that interest; and

22 (b) is present and participates in the deliberations of the matter.

23 **14.** -(1) The Board may establish committees consisting of
24 members of the Board or non-members, or both, to perform a function.

Establishment of
Committees

25 (2) A committee of the Board may be chaired by a member of the
26 Board.

27 **15.** Members of the Board and members of a committee of the
28 Board shall be paid allowances approved by the Minister.

Allowances

29 **16.** The moneys of the Fund shall be disbursed in accordance with
30 the policy guidelines of the Fund.

Disbursement
from the Fund

Application for funding	1	17. -(1) A sponsor of an infrastructure project that satisfies the
	2	conditions required in the Policy Guidelines of the Fund may apply to the Fund
	3	for funding.
	4	(2) An application for funding shall be in such form as the Board may
	5	determine.
Administrative expenses of the Fund	6	18. The administrative and other expenses related to the management
	7	of the Fund shall be charged on the Fund.
Tax exemption	8	19. The Fund is exempt from payment of any form of tax for the first
	9	five years of its operations.
	10	ADVISORY COUNCIL
Establishment of Advisory Council	11	20. There is established by this Act an Advisory Council for the Fund
	12	comprising the following members:
	13	(a) a chairperson who is the Minister responsible for Finance;
	14	(b) the Governor of the Bank of Nigeria;
	15	(c) the Director-General of the National Planning Commission;
	16	(d) one representative of the Office of the President;
	17	(e) three other persons from the private sector, at least one of whom is
	18	a woman.
	19	(2) The members of the Advisory Council shall be appointed by the
	20	President.
Functions of the Advisory Council	21	21. -(1) The Advisory Council shall advise the Board within the
	22	confines of national policy guidelines on infrastructure investment.
	23	(2) The Advisory Council shall, in the discharge of its duties, observe
	24	the independence of the Board.
Tenure of office of members of the Advisory Council	25	22. -(1) A member of the Advisory Council, other than the Minister,
	26	the Governor of the Central Bank of Nigeria and the Director-General of the
	27	National Planning Commission, shall hold office for a period of two years and
	28	is eligible for re-appointment.
	29	(2) A member of the Advisory Council other than the Minister, the
	30	Governor of the Bank of Nigeria, the Director-General of the National

1 Development Planning Committee and the Chief Executive Officer of the
2 Fund may at any time by letter addressed to the President resign from office.

3 (3) A member of the Advisory Council other than the Minister, the
4 Governor of the Bank of Nigeria and the Director-General of the National
5 Planning Commission, who is absent from three consecutive meetings of the
6 Advisory Council without reasonable cause, ceases to be a member of the
7 Advisory Council and shall be immediately replaced.

8 (4) The President may, by letter addressed to a member other than
9 the Minister, the Governor of the Bank of Nigeria and the Director-General
10 of the National Planning Commission, revoke the appointment of the
11 member.

12 (5) Where a member of the Advisory Council is, for sufficient
13 reason, unable to act as a member, the chairperson shall determine whether
14 the inability will result in a declaration of a vacancy.

15 (6) Where there is a vacancy:

16 (a) under subsection (3) and (4) or section 24(2);

17 (b) as a result of a declaration under subsection (5); or

18 (c) by reason of the death of a member the chairperson shall notify
19 the President of the vacancy and the President shall appoint another person
20 to fill the vacancy.

21 **23.**-(1) The Advisory Council shall meet at least two times in each
22 year for the conduct of business at the time and in the place determined by
23 the Advisory Council.

Meetings of the
Council

24 (2) The chairperson shall at the request in writing by four or more
25 members of the Advisory Council convene an extraordinary meeting of the
26 Advisory Council within five working days after the receipt of the request.

27 (3) The quorum at a meeting of the Advisory Council is five
28 members of the Advisory Council.

29 (4) The chairperson shall preside at meetings of the Advisory
30 Council and, in the absence of the chairperson, a member elected by the

1 members present from among their number shall preside.

2 (5) Matters before the Advisory Council shall be decided by a
3 majority of the members present and voting and, in the event of an equality of
4 votes, the person presiding shall have a casting vote.

5 (6) The Advisory Council may co-opt a person to attend a meeting of
6 the Advisory Council but that person shall not vote on a matter for decision at
7 the meeting.

8 (7) Except as otherwise provided by this Act, the Advisory Council
9 shall determine the procedures for its meetings.

10 (8) The proceedings of the Advisory Council are not invalidated by
11 reason of a vacancy among the members or by a defect in the appointment or
12 qualification of a member.

Disclosure of
interest

13 **24.** -(1) A member of the Advisory Council who has an interest in a
14 matter for consideration shall:

15 (a) disclose the nature of the interest and the disclosure shall form part
16 of the record of consideration of the matter; and

17 (b) recuse himself or herself and not participate in the deliberations of
18 the Council in respect of that matter.

19 (2) A member ceases to be a member of the Council, if that member
20 has an interest in a matter before the Council and:

21 (a) fails to disclose that interest; and

22 (b) is present at and participates in the deliberations of the matter.

23 ADMINISTRATIVE, FINANCIAL AND MISCELLANEOUS PROVISIONS

Chief Executive
Officer

24 **25.** -(1) The Fund shall have a Chief Executive Officer.

25 (2) The President shall, in accordance with article 195 of the
26 Constitution, appoint the Chief Executive Officer.

27 (3) The Chief Executive Officer shall hold office on the terms and
28 conditions specified in the letter of appointment.

Functions of
Chief Executive
Officer

29 **26.** -(1) The Chief Executive Officer is responsible for the day-to-day
30 administration of the affairs of the Fund and is answerable to the Board in the

1 performance of the functions of the Board.

2 (2) The Chief Executive Officer shall ensure the implementation of
3 the decisions of the Board and perform any other function determined by the
4 Board.

5 **27.** -(1) The President shall, in accordance with article 195 of the
6 Constitution, appoint other staff that are necessary for the proper and
7 effective performance of the functions of the Board.

Appointment of
other staff

8 (2) The President may, in writing, delegate the power of
9 appointment in subsection (1) to the Board.

10 (3) Other public officers may be transferred or seconded for the
11 purposes of the Fund or may, otherwise give assistance to the Fund.

12 (4) The Board, may on the recommendation of the Chief Executive
13 Officer, engage the services of experts and consultants as determined by the
14 Board.

15 (5) The Board may select asset managers to manage the assets of
16 the Fund.

17 (6) For the purpose of subsection (5) an asset manager shall
18 discharge duties on the basis of:

19 (a) a comprehensive assessment criteria;

20 (b) policies and procedures developed from time to time by the
21 Fund including:

22 (i) the portfolio, scope, prudence and diversification of the Fund;
23 and

24 (ii) the cost and regular reporting requirements consistent with the
25 object of the Fund.

26 **28.** -(1) The Fund shall carry out an annual internal audit of its
27 operations and financial statements in accordance with International
28 Financial Reporting Standards, as applied in the Republic of Nigeria and
29 generally accepted principles of accounting in Nigeria.

Accounts and
audit

30 (2) The Fund's operations and financial statements shall be audited

1 annually, in accordance with the International Financial Reporting Standards
2 as applied in the Republic of Nigeria and generally accepted principles of
3 accounting in Nigeria, by an internationally recognized accounting firm
4 approved by the Auditor-General.

5 (3) The Board shall keep books of account and proper records of the
6 Fund in the form approved by the Auditor-General.

7 (4) The Board shall submit the accounts of the Fund to the Auditor-
8 General for audit within three months after the end of the financial year.

9 (5) The Auditor-General shall, not later than three months after the
10 receipt of the accounts, audit the accounts and forward a copy of the audit
11 report to the Minister.

12 (6) In addition to the annual audit, technical audits may be conducted
13 on selective basis by the Auditor-General or by an auditor appointed by the
14 Auditor-General.

Annual report
and other reports

15 **29.** -(1) The Board shall within one month after receipt of the audit
16 report, submit an annual report to the Minister covering the activities and
17 operations of the Fund for the year to which the report relates.

18 (2) The annual report shall include the report of the Auditor- General
19 and a report on the performance Fund's relative to its statutory object.

20 (3) The Minister shall, within one month after the receipt of the annual
21 report, submit the report to Parliament with such statement that the Minister
22 considers necessary.

23 (4) The Board shall also submit to the Minister any other reports
24 which the Minister may require in writing.

Investment Policy
Statement, codes
of practice,
regulations and
internal guidelines

25 **30.** -(1) The Board shall, in consultation with the Minister, issue an
26 Investment Policy Statement in pursuance of the object of the Fund.

27 (2) The Fund may develop, adopt and as appropriate from time to time
28 amend, revoke or supplement appropriate codes of practice, regulations,
29 internal guidelines or procedures consistent with this Act, and in furtherance of
30 the object of the Fund.

1 (3) The Board shall publish the Investment Policy Statement in the
2 Gazette or in at least one national daily newspaper.

3 (4) Where the Board amends or revokes the Investment Policy
4 Statement or part thereof, it shall publish the amendment or revocation in the
5 Gazette or in at least one national daily newspaper.

6 **31.** Subject to the Constitution, an action shall not be brought Indemnity
7 against an officer or agent of the Fund for an act done by that officer or agent
8 in good faith for the purpose of executing a provision of this Act.

9 **32.** The total sum of money located in any bank immediately before Transfer of
10 the coming into force of this Act, which constitutes moneys designated for money
11 the Fund, shall at the commencement of this Act be transferred into the Fund
12 established under section 1.

13 **33.** The Minister may, by legislative instrument, make Regulations Regulations
14 for the effective implementation of this Act.

15 **34.** In this Act, unless the context otherwise requires: Interpretation

16 "Board" means the governing body established for the Fund under section 8
17 of this Act;

18 "executive member" means a member of the Board who is an officer of the
19 Fund;

20 "Fund" means the Nigeria Infrastructure and Investment Fund established
21 under section 1;

22 "infrastructure" means a capital project including airports, roads, railway
23 systems, barges, communication equipment, hospitals, irrigation systems,
24 power generation systems, schools, oil and gas systems and housing;

25 "International Reporting Financial Standard" means the principles based
26 Standards, Interpretation and the Framework (1989) adopted by the
27 International Accounting Standards Board;

28 "Minister" means the Minister responsible for Finance;

29 "non-executive member" means a member of the Board who is not an officer
30 of the Fund;

1 "Investment Policy Statement" means guidelines issued by the Board, to be
2 adhered to by the Fund in respect of the investments of the Fund, and published
3 in accordance with section 30; and
4 "sponsor" includes a Government Ministry, Department or Agency, a state-
5 owned enterprise and a special purpose vehicle.

Citation

6 This Bill may be cited as the Nigeria Infrastructure Fund Bill, 2015.

EXPLANATORY MEMORANDUM

The purpose of the Bill is to establish an infrastructure fund that is wholly owned by the Federal Republic of Nigeria, to mobilise and provide financial resources to manage coordinate and invest in a diversified portfolio of infrastructure projects in Nigeria for national development. Nigeria, as a lower-middle income country, has realised an impressive growth from 5.1 percent in 2003 to 14.4 percent in 2011 and 7.1 percent in 2012. Nigeria has an advanced infrastructure platform when compared with other countries in the region. The country already spends huge sum every year on infrastructure, equivalent to approximately 7.5 percent of the country's Gross Domestic Product. However, to support continued growth and also to raise it to the infrastructure endowment levels of other middle-income countries in the region, Nigeria faces efficiency and funding gap in infrastructure.

The quality of infrastructure services also needs improvement to sustain rapid urbanization and industrial growth. There is a clear recognition from the Government that public funding alone will not be sufficient to meet the financing gap.

Private sector participation has been identified as one of the options to address this financing gap and to improve the quality of infrastructure services.

Furthermore, Nigeria is currently faced with tasks of optimising its debt stock and reforming its debt management and, hence, there is limited fiscal space to provide public sector financing for infrastructure projects.

To meet the growing need of infrastructure investments, the role of private sector financing in infrastructure development is critical.

This has necessitated the establishment of the Nigeria Infrastructure Investment Fund, which will partner with the private sector to finance critical infrastructure projects. The establishment of the Fund will also enable self-financing projects to be taken off the government's debt stock and managed as commercial projects, thus freeing up debt capacity.

The Bill, in clause 1, establishes the Nigeria Infrastructure Investment Fund, as a body corporate with perpetual succession with the power to acquire and hold property.

The object of the Fund, in clause 2, is to mobilise and provide financial resources to manage, coordinate and invest in a diversified portfolio of infrastructure projects in Nigeria for national development. For this purpose, the Fund is, to among others, undertake investments for the development of infrastructure within the country to promote economic growth and attract investments, manage and invest the initial and future contributions made to the Fund and re-invest into the Fund to generate returns, the profits and proceeds from investment of moneys of the Fund. The Fund is also to leverage the capital of the Fund by attracting investments through the domestic and international capital and financial markets, provide debt and equity financing and risk mitigation instruments. Also included in its functions are the promotion of the development of skills in infrastructure development in Nigerian personnel consistent with the object of the Fund, the pursuance of the best possible financial returns on investments having regard to internationally recognised best practices for asset allocation and risk management, protection (in the long term) of the economic value of the capital and assets of the Fund, the cost of capital of the Fund and opportunities and challenges in the domestic infrastructure market.

The Fund, in achieving its objects, is empowered in clause 3, to create sub-funds, affiliates or subsidiaries in other jurisdictions in furtherance of the object of the Fund, invest in, purchase, maintain, divest from, sell or

otherwise realise assets and investments of any kind, and borrow and raise money, on its own or in partnership with or through its affiliates, from domestic and international financial markets.

Clause 4 guarantees the independence of the Fund. In the performance of its functions, the Fund is not subject to the direction or control of any person or authority. The Fund is, however, accountable to the Minister for Finance on the achievement of its objectives and in compliance with the Act and guidelines of the Fund.

The sources of money for the Fund, as enumerated in clause 5, include an amount of money equivalent to two and one half percentage points of the existing Value Added Tax revenue with effect from the 2014 financial year, an amount of money equivalent to twenty-five percent of Annual Budget Funding Amount, repayment inflows of moneys on-lent by the Ministry of Finance to government ministries, departments and agencies or state-owned enterprises, for capital projects or infrastructure development, and proceeds from the disposal of state-owned equity investments. Grants, donations and gifts and other voluntary contributions to the Fund and fees or other moneys earned by the Fund in pursuance of its functions form part of the sources of the Fund. Other sources include money that becomes lawfully payable to the Fund or any other property that becomes lawfully vested in the Board for the Fund and any other moneys that the Minister for Finance, with the approval of Parliament, determines to be paid into the Fund.

The Bill, in clause 6, provides for a bank account for the Fund into which moneys for the Fund are to be paid. Furthermore, the Fund is to have its head office in Accra and, where it considers necessary for the performance of its functions, open branches within or outside the country, clause 7.

Clause 8 provides for the governing body of the Fund. The governing body, which is a Board, consists of a chairperson, and eight other persons at least three of whom are women. The members of the board are to be appointed by the President in consultation with the Council of State.

The President in selecting a person to serve on the Board is to consider the integrity, knowledge, expertise and experience of that person in matters relevant to the functions of the Board.

The Board, is required as part of its functions to make policy and to generally supervise the management and affairs of the Fund, clause 9. In the performance of its functions in clause 9, the Board is to conduct its affairs in accordance with sound investment and financial standards and practice and the investment policy of the Fund, support the national policy and programmes related to the Fund to achieve the object of the Fund, and ensure accountability of the Fund by defining appropriate procedures for management of the Fund.

The members of the Board, in the exercise of their functions, are charged with certain duties and liabilities specified in clause 10. These include the duty to act with loyalty and in good faith, akin to a director of a company incorporated under the Companies and Allied Act, the duty to act honestly in the performance of the member's functions and the duty to exercise the degree of care and diligence in the performance of the member's functions that a reasonable person in that position would reasonably be expected to exercise in the circumstances of the Fund.

Tenure of office of members of the Board is provided for in clause 11.

A non-executive member of the Board is to hold office for three or five years.

The President is to appoint three of the members for five years and four of the members for three years. A member appointed for a five year term is not eligible for re-appointment whilst a member appointed for a three-year term is eligible for re-appointment but only for another three-year term.

The standard provisions on meetings of the Board, disclosure of interest, establishment of committees and allowances are provided for in clauses 12, 13, 14 and 15 respectively. A member of the Board who has an interest in a matter for consideration, fails to disclose that interest and is present and

participates in deliberations of the matter ceases to be a member of the Board.

Clause 16 provides for disbursement of moneys from the Fund. It stipulates that moneys of the Fund are to be disbursed in accordance with the policy guidelines of the Fund.

A sponsor of an infrastructure project that satisfies the conditions required in the Policy Guidelines of the Fund may apply to the Fund for funding in a manner determined by the Board, clause 17. Clause 18 provides for the administrative and other expenses related to the management of the Fund to be charged on the Fund whilst clause 19 exempts the Fund from the payment-of any form of tax.

The Bill, in clause 20, establishes an Advisory Council. The membership of the Council comprises a chairperson who is the Minister responsible for Finance, the Governor of the Central Bank of Nigeria, the Director- General of the National Planning Commission, one representative of the Office of the President and three other persons from the private sector, at least one of whom is a woman. The members are to be appointed by the President. The Advisory Council is to advise the Board within the confines of national policy guidelines on infrastructure investment, clause 21. In the discharge of its duties, the Advisory Council is to observe the independence of the Board.

The tenure of office of members of the Advisory Council is dealt with in clause 22. A member of the Advisory Council, other than the Central Minister for Finance, the Governor of the Bank of Nigeria and the Director-General of the National Planning Commission, is to hold office for a period of two years and is eligible for re-appointment.

Clause 23 makes provision for the Advisory Council to meet at least two times each year for the conduct of its business. The chairperson of the Advisory Council may also convene an extraordinary meeting, within five days, if the meeting is requested by four or more members. Disclosure of interest for members of the Advisory Council is dealt with in clause 24.

The establishment of the office of a Chief Executive Officer and his or her

appointment by the President is provided for in clause 25. The Chief Executive Officer is responsible for the day-to-day administration of the affairs of the Fund and is answerable to the Board in the performance of functions, clause 26. The appointment of other staff for the Fund is provided for in clause

27. The clause further empowers the Board to engage the services of experts and consultants. The Board may also select asset managers to manage the assets of the Fund.

The standard provisions relating to accounts and audit and annual and other reports are provided for in clause 28 and 29 respectively.

The Fund is to carry out annual internal audits in accordance with International Financial Reporting Standards and generally accepted principles of accounting in Nigeria. The Fund's operations and financial statements are also to be audited annually in accordance with International Financial Reporting Standards and generally accepted principles of accounting in Nigeria, by an internationally recognized accounting firm approved by the Auditor-General.

Within one month after receipt of the Fund's audit report, the Board must submit an annual report to the Minister for Finance. The report covers the activities and operations of the Fund and includes the report of the Auditor-General. Within one month of receiving the annual report, the Minister must submit the report to Parliament with a statement as the Minister considers necessary. Investment policy statements, codes of practice, regulations and internal guidelines for the Fund are dealt with in clause 30. The Fund may develop and adopt, as appropriate, regulations, codes of practice, internal guidelines and procedures in furtherance of its object. In consultation with the Minister for Finance, the Board shall issue an Investment Policy Statement, which must be published in the Gazette or in at least one national daily newspaper. Affairs of the Fund must be carried out with the highest internationally accepted standards of transparency and good corporate

governance, environmental, health, safety and industry standards in conformity with existing enactments and monitoring benchmarks for investments among others.

Indemnity for an officer or agent of the Fund for an act done by that officer or agent in good faith for the purpose of executing a provision of the Act is provided for in clause 31.

Under Clause 32, any money located in any bank, immediately before the coming into force of the Act, which constitutes moneys designated for the Fund, shall be transferred to the Fund.

Clause 33 empowers the Minister for Finance to make Regulations, by legislative instrument, for the effective implementation of the Act.

Clause 34 provides for the interpretation of words and expressions used in the Bill.