

A BILL

FOR

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE SCIENCE AND TECHNOLOGY DEVELOPMENT FUND

Sponsored by Senator 'Biodun Christine Olujimi

[] Commencement:

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

1 PART 1 - ESTABLISHMENT AND COMPOSITION OF THE SCIENCE AND
2 TECHNOLOGY DEVELOPMENT FUND AND THE GOVERNING BOARD

3 1. -(1). There is hereby established a body to be known as the
4 Science and Technology Development Fund (in this Act referred to as "The
5 Fund")

Establishment of
the Science and
Technology Fund

6 (2) The Fund shall be, a body corporate with perpetual Succession
7 and a common seal;

8 (3) May sue and be sued in its corporate name.

9 (4) May hold and dispose of property whether movable or
10 immovable.

11 2.-(1) There is hereby established for the fund a Board to be known
12 as the Science and Technology Development Fund Governing Board
13 (hereafter in this Act to referred to as "the Board")

Establishment of
the Government
Board

14 (2) The Board shall consist of the following:

15 (a) Chairman;

16 (b) A representative of each of the:

17 (i) Federal Ministry of Science and Technology;

18 (ii) Federal Ministry of Finance;

19 (iii) Federal Ministry of Commerce and Industries;

20 (iv) Central Bank of Nigeria.

21 (c) One representative each from the six geo-political zones of the

1 Federation to be appointed in rotation from each State of the geo-political
2 zones; and

3 (d) The Executive Secretary.

4 (2) Members of the board shall be appointed by the President and they
5 shall be persons with proven integrity and relevant experience in management.

Schedule

6 (3) The supplementary provision set in the schedule to this Act shall
7 have effect with respect to the proceedings of the Board and the other matters
8 contained therein.

Tenure of Office

9 3.-(1) A member of the Board other than ex-officio shall hold office
10 for a term of four years and may be re-appointed for one further term of four
11 years and no more.

12 (2) The Executive Secretary shall hold office for a term of four years
13 in the first instance and may be reappointed for a further term of 4 years and no
14 more.

Removal from
office

15 4. -(1) Notwithstanding the provisions of section 3 of this Act, a
16 member may at any time be removed from office by the President:

17 (a) For inability to discharge the functions of his office (whether
18 arising from infirmity of mind or body or any other cause) or for misconduct; or

19 (b) if he is guilty of serious misconduct in relation to his duties;

20 (c) if he ceases to be a member of the Institution that nominated him;

21 (2) A member of the Board may resign his membership by notice in
22 writing addressed to the President and the member shall, on receipt of the
23 notice by the president, cease to be a member.

24 (3) if a member of the Board ceases to hold office for any reason
25 whatsoever before the expiration of his term another person representing the
26 same interest as that member shall be appointed to the Board for the unexpired
27 term.

Allowances of
members

28 5. Members of the Board shall be paid such allowances as the
29 president may, from time to time, approve.

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PART II - POWERS OF THE BOARD

6. The Board shall have powers to:

Power of the Board

- (a) make regulations for the management of the Fund with the approval of the Minister;**
- (b) approve the annual budget of the fund;**
- (c) approve all grants for, training and development;**
- (d) approve payment to persons employed by the Fund such remuneration (including allowances) as it may determine after consultation with appropriate bodies;**
- (e) monitor and ensure collection of all levies and pay same into the accounts of the Fund;**
- (f) establish monitoring indicators for appraisal of proposals submitted by various applicants;**
- (g) Ensure that every application for grant or loan complies with laid down, criteria before approval;**
- (h) Ensure that any grant or loan approved by the Fund shall not be applied to any purpose other than that for which the grant or loan was approved;**
- (i) Set adequate standard for the monitoring and evaluation of the funded activities;**
- (j) Assess the report on any project being funded by the Fund and confirm that funds released for such projects are judiciously utilized;**
- (k) Ensure that the Fund shall be managed in accordance with extant rules made by the Minister of Finance;**
- (l) Deposit all evaluation reports at the Fund secretariat;**
- (m) Give report on all activities of the Fund on quarterly basis through the Minister to the President;**
- (n) Carry out such other activities as may be incidental to the discharge of its functions under this Act.**

Functions of
the Fund

1 7.-(1) The Science and Technology Development Fund is a special
2 fund under the direction of the Minister of Science and Technology.

3 (2)The Fund's role is to support Research and Development in the
4 area of science and technological developments aimed at innovation in
5 industry.

6 (3)The Science and Technology Development Fund shall finance
7 innovation projects in accordance with the general policy of the Federal
8 government by:

9 (a) supporting technological development and related research for
10 industrial innovation, for instance, in co-operation with institutions,
11 universities and enterprises;

12 (b) supporting the development of start-up companies and
13 participating in them in the early stages of innovation;

14 (c) financing campaigns and research programmes in individual
15 technological fields to reinforce the technological basis of industry, either in
16 specific industrial sectors or cross-sectorally;

17 (d) financing analysis of the innovation situation and drafting of plans
18 to strengthen it;

19 (e) taking the initiative to achieve, co-operation between public
20 parties forming an innovation support system for industry;

21 (f) creating special support projects to encourage improved Small and
22 Medium scale Enterprises operation and promote new business ideas sprouting
23 from the ingenuity of individuals or from research and development work in
24 universities, institutions and enterprises;

25 (g) operating incubator centres to promote new ideas, in accordance
26 with rules approved by the Minister;

27 (h) serving as a contact with persons carrying out basic and applied
28 research which could lead to innovation in science and technology;

29 (i) disseminating knowledge on domestic and foreign technological
30 innovations and measures to increase productivity;

- 1 (j) encouraging the exploitation of scientific knowledge;
2 (k) assisting in obtaining venture capital for projects encouraging
3 innovation and increased value-added in Nigeria;
4 (l) working together with domestic and foreign institutions with
5 similar objectives on co-operative projects and disseminating knowledge in
6 accordance with the objectives of the fund.

7 **8.-(1)** The Fund shall establish and maintain a fund which shall be
8 revolving and sustainable and sourced from the following:

Financial
Provisions

- 9 (a) Six billion Naira (N6 billion) initial take off grant to be
10 provided by the Federal Government;
11 (b) Annual budget appropriated to it by the National Assembly;
12 (c) 0.9% appropriation from the pre-shipment Inspection
13 Surcharge, or appropriate from hundred percent (100%) destination
14 inspection;
15 (d) 1 % appropriation from tax accruing to the Federal Government
16 from petroleum pump price;
17 (e) Loans and grants in-aid from 'National', bilateral and
18 multilateral agencies;
19 (f) Rents, proceeds from services rendered by the Fund and other
20 internally generated revenues; and
21 (g) All other sums accruing to the Fund, from time to time.

22 (2) The Federal Ministry of Finance shall remit to the Fund all
23 collectable levies and taxes monthly.

24 **9.** Notwithstanding the Board's power to make regulations the
25 Minister shall make rules:

Minister's power
to make rules

- 26 (a) specifying the manner in which the assets of the Funds are be
27 held, and regulating the making of payments into and out of the Fund;
28 (b) specifying the manner for timely disbursement and recovery
29 (where necessary) of grants and loans;

- 1 (c) Requiring the Fund in such form as may be specified in the rules;
2 (d) Requiring the accounts, of the Fund to be audited periodically by
3 Auditor-General of the Federation; and
4 (e) requiring copies of the accounts and the auditor's report thereon to
5 be furnished to the Federal Executive Council through the Minister.

6 PART III - STAFF OF THE FUND

Appointment of
the Executive
Secretary

7 **10.-(1)** There shall be for the Fund an Executive Secretary who shall be
8 appointed by the President on the recommendation of the Minister.

9 (2) A person shall not be qualified for appointment as an Executive
10 Secretary unless he possesses outstanding qualifications, and has at least
11 twenty years experience in management.

12 (3) The Executive Secretary shall be the Chief Executive of the Fund,
13 Secretary to the Board and be responsible:

14 (a) for the day-to-day administration of the Fund;

15 (b) subject to the general directions of the Board, for carrying out the
16 provisions of this Act; and

17 (c) keep the books and records of the Fund conduct the
18 correspondence of the Fund and perform such other duties as the Board may
19 from time to time - direct and without prejudice to the generality of the
20 foregoing, the Executive Secretary shall be responsible for the following:

21 (i) making arrangement for meetings of the Board;

22 (ii) preparing the agenda and minutes of meeting of the Board;

23 (iii) conveying the decisions of the aboard; and

24 (iv) such other functions as may be assigned to him by the Board.

25 (4) Subject to this section, the Executive Secretary shall hold office
26 on such Terms and conditions as may be specified in his letter of appointment
27 and as approved by the President.

28 (5) Notwithstanding the provision of subsection (4) of this section,
29 the Executive Secretary may be removed from office by the President:

30 (a) for inability to discharge the functions of his office (whether

1 arising from infirmity of mind or body or any other cause) or for
2 misconduct; or

3 (b) if he is satisfied it is not in the interest of the service or the public
4 for him to continue in office.

5 **11.-(1) The Board shall appoint for the Fund either directly or on** Other staff
6 secondment from any public service of the Federation such number of
7 employees as may, in the opinion of the Board, be required to assist the Fund
8 in the discharge of its functions under this Act.

9 **12.-(1) It is hereby declared that service in the Fund shall be** Application of
10 pensionable under Pension Act, and accordingly, employees of the Fund the pension Act
11 shall in respect of their services, be entitled to pensions, gratuities and other 2004 LFN
12 retirement benefits as are prescribed there under.

13 (2) Notwithstanding the provisions of Subsection (1) of this
14 section, nothing in this Act shall prevent the appointment of a person to any
15 office on terms, which preclude the grant of a pension and gratuity in respect
16 of that office.

17 **13. The Fund may from time to time, apply the proceeds of the** Expenditure of
18 Fund established in pursuance to section 8 of this act to: the Fund

19 (a) The cost of Administration of the Fund;

20 (b) The payment of the allowances and benefits of the members of
21 the Board and for reimbursing members of the Board or of any Committee
22 set up by the Board for such expenses maybe expressly authorized by the
23 Board;

24 (c) The payment of the salaries, remuneration or allowances,
25 gratuities and pensions, and other benefits payable to the officers, and other
26 employees of the Fund, so however that no payment of any kind under this
27 paragraph (except such as may be expressly authorized by the Board) shall
28 be made to any person who is in receipt of emolument from the Federal or
29 State Government;

30 (d) The development and maintenance of any property vested in or

1 owned by the Fund and

2 (e) Finance all agencies and programmes especially as stated in the
3 functions of the Fund under this Act.

Accounts and
Audit

4 14.-(1) The Fund shall keep accounts in respect of each year and
5 proper records in relation to those accounts and shall cause to be prepared in
6 each year.

7 (a) a statement showing the income and expenditure of the Fund for
8 the preceding year; and

9 (b) a statement of all assets and liabilities of the Fund at the last day
10 of the immediate preceding year.

11 (2) The Fund shall cause every statement prepared under this section
12 to be audited, within six months after end of the year to which the statement
13 relates, by auditors appointed from the list and in accordance with the
14 guidelines supplied by the Auditor-General of the Federation.

15 (3) The Fund shall submit to the Minister, not later than 31st August in
16 each year, as estimate of its expenditure and income' during the next
17 succeeding year.

Annual Report

18 15.-(1) The Fund shall prepare and submit to the Minister not later
19 than six months after the end of the year a report, in such form as the Minister
20 may direct, on the activities of the Fund during the immediate preceding year
21 and shall include in the report a copy of the audited account of the Fund for
22 that year and the auditor's report thereon.'

23 (2) The Minister shall submit a copy of each report to him under this to
24 the Federal Executive Council.

Power to accept
gift

25 16.-(1) The Fund may accept any gift of land, money or other property
26 on such terms and conditions, if any, as may be specified by the person or
27 organization making the gift.

28 (2) The Fund shall not accept any gift if the conditions attached by the
29 person or organization offering the gifts are inconsistent with the functions of
30 the Fund and the Corrupt Practices and Related Matters Act.

1 **17.-(1) The Fund shall be exempted from the payment of income**
2 **tax on any income accruing from investments made by the Board of the**
3 **Fund otherwise howsoever.'**

**Exemption from
tax**

4 **(2) The provision of any enactment relating to the Taxation of**
5 **companies or trust funds shall not apply to the Fund or the Board.**

6 **18.-(1) Subject to the provision of this Act, the provisions of the**
7 **Public Officers Protection Act shall apply in relation to any suit instituted**
8 **against an officer or employee of the Fund.**

**Limitation of
suit against the
Fund**

9 **(2) Notwithstanding anything contained in any other enactment,**
10 **no suit against a member of the Board or the Executive Secretary of any**
11 **other officer or employee of the Fund for any act done in pursuance or**
12 **execution of this Act or any other enactment or law, or any public duty or**
13 **authority in respect of any alleged neglect or default in the execution of this**
14 **Act or any other enactment or law, duty or authority, shall lie or be instituted**
15 **in any court unless it is commenced:**

16 **(a) within three months after the commission of act, neglect or**
17 **default complained of; or**

18 **(b) in the case of a continuing of damage or injury, within six**
19 **months after the ceasing thereof.**

20 **(3) No suit shall be commenced against member of the Board or the**
21 **Executive Secretary or any other officer or employee of the Fund before the**
22 **expiration of a period of one month after written notice of the intention to**
23 **commence the suit shall have been served on the Fund by the intending**
24 **plaintiff or his agent.**

25 **(4) The notice referred to in subsection (3) of this shall clearly and**
26 **explicitly state the cause of action, the particulars of the claim, the name and**
27 **place of abode of the intending plaintiff and the relief which he claims.**

28 **19. A notice, summons or other documents required or authorized**
29 **to be served on the Fund under the provisions of this Act or any other**
30 **enactment or law may be served by delivering it to the Executive Secretary**

**Service of
documents**

1 or by sending it by registered post addressed to the Executive Secretary at the
2 principal office of the Fund.

3 In any action or suit against the Fund, no execution or attachment of process in
4 the nature thereof shall be issued against the Fund unless not less than 30 days
5 notice of the intention to execute or attach has been given to the Fund.

6 (2) Any sum of money which by the judgment of any court has been
7 awarded against the Fund shall, subject to any direction given by the court
8 where notice of appeal against the judgment has not been given, be paid from the
9 fund.

Indemnity of
officers

10 **20.** A member of the Board or the Executive Secretary or any officer
11 or employee of the Fund shall be indemnified out of the Assets of the Fund
12 against any liability incurred by him in defending any proceeding, whether
13 civil or criminal, if the proceeding is brought against him in his capacity as a
14 member, Executive Secretary, officer or other employee of the Fund.

Secrecy

15 **21.-(1)** A member of the Board or Executive Secretary or any other
16 officer or employee of the Fund shall:

17 (a) not, for his personal gain, make use of any information which has
18 come to his knowledge in the exercise of his power or is obtained by him in the
19 ordinary course of his duty as a member of the Board or as the Executive
20 Secretary, officer or employee of the Fund;

21 (b) treat as confidential any information which has come to his
22 knowledge in course of performing his duties under this Act; and

23 (c) not disclose any information referred to under paragraph (b) of this
24 subsection, except when required to do so by a court or in such other
25 circumstances as may be prescribed by the Board, from time to time.

26 (2) Any person who contravenes the provision of subsection (1) of
27 this section commits an offence and is liable on conviction to a fine of not less
28 than N100,000.00 or imprisonment for a term not exceeding 2 years or to both
29 such fine and imprisonment.

1 SCHEDULE

2 *Section 2(3)*

3 SUPPLEMENTARY PROVISIONS RELATING TO THE
4 PROCEEDING OF THE BOARD

5 1.-(1) Subject to this Act and Section 27 of the Interpretation Act
6 (which provides for the decisions of a statutory body be taken by a majority of
7 the members of the body and for the person presiding to have a second or
8 casting vote), the Board may make standing orders regulating the proceeding
9 of the Board or of any committee thereof.

10 (2) The quorum at a meeting of the Board shall be seven. The quorum
11 of other committees of the Board shall be determined by the Board.

12 2.-(1) The Board shall meet not less than two times in each year and
13 subject thereto, the Board shall meet whenever it is summoned by the
14 Chairman, and if the Chairman is required to do so, by notice to him by not less
15 than seven members, he shall summon a meeting of the Board to be held within
16 seven days from the date on which the notice is given

17 (2) At any meeting of the Board the Chairman shall preside but if he is
18 absent, the members present at the meeting shall elect one of their members to
19 preside at the meeting. Provided there is a quorum.

20 (3) Where the Board wishes to obtain the advice of any person on any
21 particular matter, the Board may co-opt him as a member for such period as it
22 thinks fit, but a person who is a member by virtue of this of this sub-paragraph
23 shall not be entitled to vote at any meeting of the Board and shall not count
24 towards a quorum.

25 3.-(1) The Board may appoint one or more committees to carry out on
26 behalf of the Board, such of its functions as the Board may determined.

27 (2) Every Committee appointed under this paragraph shall consist of
28 such number of persons as may be determined by the Board and not more than
29 one third of those person be persons who are not members of the Board; a
30 person other than a member of the Board shall hold office on the committee in

1 accordance with the term of the instrument of his appointment.

2 (3) A decision of a Committee of the Board shall be of no affect
3 until it is confirmed by the Board.

4 4.-(1) A member of the Board has an interest in any application for
5 loan for any project made or proposed to be made by any beneficiary shall
6 disclosed his interest at a meeting of the Board.

7 (2) Such disclosure shall be recorded in the minute of the meetings
8 of the Board and the member shall not take part after such disclosure in any
9 deliberation or decision of the Board with regard to that particular subject
10 matter in respect of which his interest it disclosed and he shall also be
11 excluded for the purpose of continuing a quorum of any meeting of the
12 Board for any such deliberation or decision.

13 5. The fixing of the Fund shall be authenticated by the signature of
14 the Chairman or some other member authorized generally or specially the
15 Board for that purpose

EXPLANATORY MEMORANDUM

The Bill establishes the Science and Technology Development Fund for the purposes of providing sufficient funding for science and technological research.