

A BILL

FOR

AN ACT TO AMEND THE NORTH-EAST DEVELOPMENT COMMISSION (ESTABLISHMENT) ACT, 2017 TO DEEPEN THE IMPACT OF THE COMMISSION ON THE LIVES OF EVERY RESIDENT OF MEMBER STATES THROUGH STRATEGIC CAPITAL DEVELOPMENT PROJECTS AND FOR RELATED MATTERS

Sponsored by Hon. Mansur Manu Soro and 47 others

[] Commencement

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

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| 1 | 1. The North-East Development Commission (Establishment) | Amendment of North East Development Commission (Establishment) Act, 2017 |
| 2 | Act, 2017 (in this Bill referred to as "the Principal Act") is amended as set out | |
| 3 | in this Bill. | |
| 4 | 2. Section 14 sub-section 2(b) of the Principal Act is amended to | Amendment of section 14 sub-section 2(b) |
| 5 | read thus "a sum of at least 10% of the Ecological Fund annually for a period | |
| 6 | of 20 years. | |
| 7 | 3. Section 14 sub-section 2(c) of the Principal Act is amended to | Amendment of section 14 sub-section 2(c) |
| 8 | read thus "a sum equivalent to 3% of the annual VAT collections as first-line | |
| 9 | charge, to accrue to the Commission for a period of 10 years, | |
| 10 | notwithstanding the provisions of any other law. | |
| 11 | 4. The Principal Act is amended by introducing a new section 16 | Introduction of a new section 16(1) |
| 12 | subsection (1) to read thus "The Commission shall establish a District | |
| 13 | Development Trust Fund ("Trust Fund") which shall be used for the | |
| 14 | purpose of initiating, financing, and managing capital projects in | |
| 15 | each State Assembly Constituency of the Member States." | |
| 16 | 5. The Principal Act is further amended by introducing a new | Introduction of a new section 16(2) |
| 17 | section 16(2) which shall read thus "The Commission shall within three (3) | |
| 18 | months of coming into law of this Act incorporate the Trust Fund at the | |

1 Corporate Affairs Commission."

Introduction
of a new
section 16(3)

2 6. The Principal Act is also amended by introducing a new Section
3 16(3) which shall read thus "The Commission shall request nominations from
4 the States Government of Member States for the composition of Board of
5 Trustees of the Trust Funds.

Introduction
of a new
section 16(4)

6 7. The Principal Act is further amended by introducing a new Section
7 16(4) which shall read thus "The Commission shall ensure that persons
8 nominated as members of the Board of Trustees of the Trust Funds are honest
9 and of impeccable character and shall work with them to appoint members of
10 the district management committees."

Introduction
of a new
section 16(5)

11 8. The Principal Act is further amended by introducing a new Section
12 16(5) which shall read thus "The district management committees shall
13 responsible for the general administration of the Trust Fund and shall be
14 responsible for:

15 (a) preparation of the budget of the district development trust and
16 submit it to the Board of Trustees for approval;

17 (b) development and management of the contracting process for
18 project a district shall be subject to approval of the Board;

19 (c) determination of project a district winners and contractors to
20 execute projects on behalf of the district development trust through a
21 transparent process subject to approval of the Board;

22 d) supervision of projects execution;

23 e) nomination of fund managers for appointment by the Board of
24 Trustees for approval, to manage the reserve fund; and

25 (f) reporting on the activities of the management committee,
26 contractors and other service providers to the Board of Trustees to
27 enhance the performance of district development trust.

Introduction
of a new
section 16(6)

28 9. The Principal Act is further amended by introducing a new
29 Section 16 subsection (6) which shall read thus "The revenue of the Trust
30 Funds shall be not less than 15% aggregate of the Commission's Fund as

1 provided under section 14 of this Act and the revenue shall be utilised thus-

2 (a) 60% to fund capital development projects;

3 (b) 35% shall be set aside and invested as reserve fund of the Trust

4 Funds; and

5 (c) 5% may be utilised for the administration of the various Trust

6 Funds."

7 10. A new Section 16 subsection (7) is also introduced to read Introduction
8 thus: "Notwithstanding any provision of this Act or other laws, capital of a new
9 development projects shall mean health, education, water, and micro section 16(7)
10 business initiatives."

11 11. The Principal Act is further amended by introducing a new Introduction
12 Section 17 which shall read thus "The Commission shall establish and of a new
13 maintain a fund designated as the General Reserve Fund, to which shall be section 17(1)
14 transferred at the end of each financial year at least 15% or any other higher
15 amount as the Board may determine, of the Commission's Fund as provided
16 under section 14 of this Act."

17 12. The Principal Act is also amended by introducing a Introduction
18 new Section 17 subsection (2) which shall read thus: "The General Reserve of a new
19 Fund shall be invested by licensed fund managers as may be appointed by section 17(2)
20 the Board."

21 13. This Bill may be cited as the North-East Development Citation
22 Commission (Amendment) Bill, 2021.

EXPLANATORY MEMORANDUM

This Bill seeks to expand the financial provisions of the North-East Development Commission to further align the North-East Development Commission (Establishment) Act, 2017 to the Commission's mandate. The Bill also aims at deepening the impact of the Commission on the lives of every resident of Member States through strategic capital development across the critical sector of the economy.

