

NIGER DELTA NATURAL DISASTER RESERVED FUND

(ESTABLISHMENT) BILL, 2021

ARRANGEMENT IN SECTIONS

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# A BILL

## FOR

AN ACT TO MAKE PROVISION FOR THE ESTABLISHMENT OF A COMPULSORY NATURAL DISASTER RESERVED FUND FOR THE NIGER DELTA AREA IN WHICH SHALL BE SAVED A CERTAIN PART OF THE OIL AND GAS REVENUE FOR USE IN TIME OF NATURAL DISASTER AND FOR RELATED MATTERS

*Sponsored by Hon. Dagogo Doctor Farah*

[ ] Commencement

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

### PART I - THE RESERVED FUND

1 I.-(1) There shall be established a fund into which shall accrue all Establishment  
2 moneys that shall be saved and employed strictly in the circumstances as and Objective  
3 provided for in this Bill. of the Fund

4 (2) The Fund shall be known as the Niger Delta Natural Disaster  
5 Reserved Fund (in this Bill referred to as the "the Reserved Fund").

6 (3) The sole objective of the Fund shall be to provide an assured  
7 security for future generations or citizens of the Niger Delta States, for use in  
8 the circumstances provided for in this Bill.

9 2.-(1) The fund shall consist of: Composition of  
10 the Fund

11 (a) a capital contribution of not less than \$1:00 from every barrel of  
12 crude oil and similar rate of liquefied natural gas sold by Nigeria;

13 (b) revenue accruing periodically from approved investments  
14 made out of the capital in the Reserved Fund;

15 (c) other revenue legitimately accruing to the Reserved fund by  
16 means not provided for in this Bill; and

17 (d) such other sums as may accrue to the capital in the Reserved  
18 Fund from time to time.

PROVIDED that where a fixed minimum capital contribution is

1 made, it shall be adjusted quarterly each financial year by a factor derived from  
2 the Consumer price Index confirmed by the CBN to prevail on the first day of  
3 that quarter,

4 (2) The President-in-Council shall ensure that, the sum accrued to the  
5 Reserved Fund under paragraph (a) of sub-section 1 above is guaranteed by a  
6 payment order, however so called issued by the Federal Government to any  
7 relevant persons, authorities or agencies directing that a specific sum not less  
8 than as provided for in the said paragraph be paid into the fund.

9 PART II - RESORT TO THE RESERVED FUND

Natural Disaster  
and its definition

10 3. The Reserved Fund shall be resorted to when a natural disaster  
11 occurs in the manner stipulated under this Bill where:

12 (a) the President-in-Council considers and approves a proposal to  
13 request that a certain sum be withdrawn out of the capital of the Reserved Fund  
14 for use in such a precise manner as shall be contained in the proposal;

15 (b) the sum requested has been determined in a transparent and  
16 financially prudent manner to be the sum required solely for the purpose of  
17 ameliorating the effects of the situation that led to the natural disaster;

18 (c) the circumstances of the Natural disaster have been clearly  
19 identified in the proposal submitted to and by the President-in-Council;

20 (d) the President by a letter forwarding the approved proposal to the  
21 National Assembly certifies (a) - (c) herein have been complied with;

22 (e) each Chamber of the National Assembly by the vote of a majority  
23 of two-thirds (rounded up to the nearest whole number) of the total  
24 membership of the National Assembly approves that no more or less than the  
25 sum requested be withdrawn from the accrued income of the Reserved fund,  
26 but not the capital thereof and used in the manner stipulated in the proposal;

27 (f) the Trustees of the Reserved fund to be appointed under this Bill  
28 shall on each month until the entire sum is fully expended submit a report  
29 showing the items of expenditure undertaken as approved and appear before  
30 the Public Accounts Committee of each Chamber of the National Assembly to

1 answer any questions that may be put in connection therewith;

2 (g) upon the full expenditure or the sum approved in paragraph (e)  
3 above, and not later than thirty days thereafter, the Trustees shall submit a  
4 Final Report showing the sum received and a comprehensive accounting of  
5 the expenditure;

6 (h) the Natural disaster shall be deemed to have arisen when the  
7 events stipulated below have occurred and the President, by letter under his  
8 hand accompanying the proposal referred to in subsection (I) above,  
9 certifies to each House of the National Assembly that:

10 (a) the events constituting as natural disaster have occurred at a  
11 time and place stated in the letter; and

12 (b) the Natural disaster is not contained in the estimates of revenue  
13 and expenditure contained in the Appropriation Act for the year.

14 (2) The Natural disaster as referred to in sub-section I above  
15 means:

16 (a) earth tremor;

17 (b) earthquake;

18 (c) well-blowout/explosion;

19 (d) volcanic eruption;

20 (e) adverse oil spill and consequent environmental devastation.

21 4. The Reserved fund shall not be used under any circumstances  
22 for the following purposes:

23 (a) as collateral or security for any form of borrowing by the  
24 Government; or

25 (b) to make up shortfalls in the recurrent or capital expenditure of  
26 Government.

### 27 PART III - THE INVESTMENT COMMITTEE

28 5.-(1) The Executive Council shall, subject to the approval by the  
29 Senate of the Federal Republic, constitute an Investment Committee for the  
30 purposes of carrying out the various responsibilities set out in this Law and

Investment  
Committee

1 the Schedule, comprising the following:

2	(a) the Vice President	Chairman
3	(b) the Attorney General of the Federation	Member
4	(c) the Federal Minister of Finance	Member
5	(d) the Governor of the Central Bank	Member
6	(e) the Accountant General of the Federation	Member
7	(f) the Permanent Secretary, Budget	Member
8	(g) One Governor from the Niger Delta Region	Member
9	(h) One Financial expert from the Niger Delta Region	Member

10 (2) The Investment Committee shall convene periodically for:

11 (a) regular bi-annual meetings at the invitation of the Vice President;

12 and

13 (b) Extraordinary meetings whenever there are important  
14 developments that affect the Fund, at the request of the Trustees.

15 (3) The Investment Committee shall, immediately after each meeting  
16 present a report of its deliberations to the Executive Council; and at the option  
17 of the Executive Council, issue a news communique for the benefit of the  
18 citizenry of the Niger Delta States following any particular meeting,

19 (4) the investment committee shall perform the following duties:

20 (a) approve a benchmark portfolio on the recommendation of the  
21 Trustees consistent with the objectives of capital preservation, liquidity (after  
22 the moratorium) and return on investment;

23 (b) approve the risk budget or loss limit on under performance as  
24 against the approved benchmark portfolio;

25 (c) approve the Investment Policy and Guidelines after taking advice  
26 from the Trustees;

27 (d) receive from the Trustees bi-annual reports and consider an  
28 analysis of the performance of the investment portfolio;

29 (e) prepare annual reports on the performance of the Reserved Fund  
30 during the previous year for consideration and approval by the Executive

1 Council and subsequent publication for the benefit of the citizenry of the  
2 Niger Delta States;

3 (f) annually review with the Trustees, the benchmark portfolio,  
4 Investment Policy and Guidelines for appropriateness given Nigeria's  
5 macroeconomic conditions;

6 (g) recommend the Trustees of the Reserved Fund for appointment  
7 by the Federal Executive Council; and

8 (h) appoint custodians and Fund Managers for the Reserved Fund  
9 on the advice of the Trustees.

10 (5) The Vice President is obliged to ensure no member of the  
11 Investment Committee participates in the meetings and decisions of the  
12 Committee until and unless he has a copy of the Code of Ethics set out in the  
13 Schedule hereto and deposited a copy thereof with the Secretary to the  
14 Federal Government.

15 (6) The Oath of Office of each member of the Committee shall,  
16 upon the coming into force of this Bill, be deemed to have been modified to  
17 include a statement that the member shall discharge his duties as a member  
18 of the Committee conscientiously, in good faith in accordance with the Code  
19 of Ethics contained in the Schedule hereto and without mental reservations  
20 for the purposes of evading the duties set out herein and in the said Schedule.

21 (7) Breach of sub-sections 4 and 5 by a member of the Committee  
22 shall, in the case of the Vice President be deemed to be an act of abuse of  
23 office liable to be considered as grounds for impeachment by the National  
24 Assembly; and in the case of other members, shall be deemed to be an act  
25 rendering the office holder liable to instant dismissal by the President, and  
26 for which breach the office holder may in addition be prosecuted in a court of  
27 Law

#### 28 PART IV - THE TRUSTEES

29 6.-(1) The Federal Executive Council shall appoint the Trustees on  
30 the recommendation of the Investment Committee.

Appointment of  
Trustees Duties

1           (2)The Trustees shall be a limited liability company licensed by the  
2 Securities and Exchange Commission or its successor-in-title to carry on the  
3 business of trusteeship, but shall not be a Banking Institution licensed under the  
4 laws of Nigeria.

5           (3) The Investment Committee shall ensure that the Trustees have no  
6 ownership or equity relationship with any of the financial intermediaries  
7 involved in the management of the Reserved Funds and that the Trustees shall  
8 at all times maintain a distant relationship with the said intermediary

Duties of the  
Trustees

9           7. The duties of the Trustees shall be to:

10           (a) recommend for approval by the Investment Committee, and  
11 annually review with the Trustees, a clearly stated Investment Policy  
12 conforming with applicable laws and macroeconomic conditions prevailing in  
13 Nigeria;

14           (b) ensure strict compliance with the Investment Policy and the  
15 Guidelines by the Fund managers in accordance with such approval as may be  
16 granted by the Investment Committee.

17           (c) ensure proper and secure custody of all documents, books and  
18 records relating to the monies accruing to the Reserved Fund as capital or  
19 income in compliance with all applicable regulatory laws, rules and  
20 regulations;

21           (d) monitor and supervise the activities of the Funds managers for and  
22 on behalf of the State and for that purpose, recommend to the Investment  
23 Committee the appointment and removal of such number or managers (lithe  
24 Fund Managers), who shall manage and invest the sums of money given to  
25 them for that purpose, recommend to the Investment Committee the  
26 appointment and removal of such number of managers (the Funds Managers).  
27 who shall manage and invest the sums of money given to them for that purpose  
28 out of the capital and income accrued in the Reserved Fund, through' the receipt  
29 of regular reports, financial statements and accounts and the conduct of regular  
30 meetings with them;



1 (e) ensure the establishment of a modern and up-to-date accounting  
2 systems for the operations of the Reserved Fund, based strictly on the best  
3 principles of good administration, accounting transparency and ensure  
4 adherence therewith;

5 (f) act as Custodian of the Reserved Fund until a Custodian is  
6 appointed under this Law, and maintain proper custody of the moneys and  
7 securities of the Reserved Fund in accordance with applicable laws and  
8 regulations;

9 (g) monitor economic and financial market developments and the  
10 credit and operational risk management practices and procedure of the Fund  
11 managers to ensure compliance with the parameters set by the Investment  
12 Policy and the Guidelines;

13 (h) receive and consider quarterly reports of the activity of the  
14 Fund managers;

15 (i) submit a Half-Year and an Annual Report of the activities and  
16 operations of the Reserved Fund and its managers to the Investment  
17 Committee for onward submission to the Executive Council; and

18 (j) to appear biannually before the Executive Council and the  
19 National Assembly in accordance with this Bill.

20 8.-(1) The Trustees shall, not later than 30th July each Financial  
21 Year, submit to the Investment Committee and to the President of the Senate  
22 and Speaker of the House of Representatives a Half- Year Report on the  
23 Reserved Fund.

24 (2) The Half- Year Report shall contain a summary of the accounts  
25 of the Reserved fund for the preceding six months, a report of the  
26 performance of the Reserved Fund during the period and the Trustees  
27 expectations of the performance of the Reserved Fund for the rest of the  
28 financial year.

29 (3) The Trustees shall, not later than 3 weeks thereafter meet  
30 separately with the Investment Committee and the President of the Senate

Accounts and  
Audit

1 and the Speaker of the House of Representatives to discuss the said Report.

2 (4) The Trustees shall, not later than 60 days after the end of each  
3 financial year submit to the Executive Council and within a further 2 days  
4 thereafter lay before each Chamber of the National Assembly the Report.

5 (a) a report of their activities for that Financial Year, which shall  
6 include a full and comprehensive report of the management and investment  
7 activities of the fund managers during the said Financial Year;

8 (b) the audited revenue and expenditure account, including the  
9 balance sheet of the Fund for the Financial Year; and

10 (c) a comprehensive statement of their expectations for the Reserved  
11 Fund during the forthcoming Financial Year.

12 (5) The Federal Executive Council shall approve the appointment  
13 each year of an external auditor from a list of four reputable accounting firms  
14 doing business in Nigeria submitted by the Auditor-General of the Federation  
15 to the Investment Committee for the purposes of auditing the accounts of the  
16 Reserved Fund.

17 (6) The external auditor shall audit for the previous financial year the  
18 financial statements of all receipts into and payments out of the Reserved Fund  
19 and the income accruing thereto, and submit an Audit Report to the Investment  
20 committee and the Trustees within 45 days of the end of each Financial Year,

21 (7) The financial year for the purposes of accounting, audit, and other  
22 financial reporting of this fund (including the investment as well as those of the  
23 Trustees) shall be a period starting from 1st January and ending 31st December  
24 of the same year.

25 9. The Trustees shall, subject to the Investment Policy and the  
26 Guidelines, approve that specific amounts of the sums accrued in the Reserved  
27 Fund and held by the custodian may be assigned to a fund manager and  
28 invested by it in a portfolio defuding all or any or a combination of:

29 (a) Federal Government of Nigeria securities;

30 (b) blue chip securities approved by the Securities and Exchange

1 Commission under the ISA or subsequent enactment;

2 (c) convertible foreign currencies, limited only to a basket  
3 comprising any or all of foreign currencies designated by the Trustees, with  
4 the approval of the Investment Committee, as suitable for investment by the  
5 Reserved Fund;

6 (d) securities, financial or capital market instruments,  
7 denominated in the foreign currencies designated as provided herein and  
8 approve by the capital market regulator of the country in which the  
9 instruments are issued; and

10 (e) investment management accounts denominated in Naira or any  
11 or all of the foreign currencies designated as provided herein and held in a  
12 Nigerian or a foreign bank selected by the funds managers and approved by  
13 the Trustees;

14 Provided that investments in foreign currencies or securities and  
15 financial or capital market instruments denominated in foreign currencies  
16 designated by the Trustees shall be made only after the first four years of  
17 payments into the Reserved Fund under this Bill.

18 **10.-(1)** The Trustees shall open and operate separate bank accounts  
19 in any reputable Nigerian bank or banks, which bank shall then become a  
20 Custodian, for the purposes of receiving into and paying out the sums  
21 standing to the credit of the Reserved Fund.

Bank Accounts  
and Mandates

22 (2) Any account opened under sub-section (1) above shall be  
23 named as the "Niger Delta Natural Disaster Reserved Fund Account."

24 (3) No withdrawal or payment shall be made from a Niger Delta  
25 Natural Disaster Reserve Fund Account unless an Instrument of withdrawal  
26 or payment order in respect of such withdrawal is validated through a letter  
27 of authorization under the hand of two duly authorized first class signatories  
28 of the Trustees, supported by a two-thirds majority resolution of all the  
29 Members of each Chamber of the National Assembly and a Release

1 Mandate signed by the President and the Secretary to the Federal Government.

Interest on  
Investment

2 11.-(1) The trustees shall, subject to the investment policy and  
3 guidelines, ensure that interest of not less than 10% per annum or as may be  
4 fixed by the Central Bank of Nigeria as the minimum interest rate accruable  
5 from such deposits (subject to the prevailing interest rates), is earned on the  
6 amount standing to the credit of the Reserve Fund net of investments.

7 (2) The Trustees shall report such interest income as in subsection (1)  
8 as distinct from other investment income in the accounts of that financial year.

Remuneration  
of Trustees

9 12. The Trustees shall be paid a fee as negotiated with the Investment  
10 Committee, and this agreed amount shall be recommended by the Committee  
11 for approval by the Federal Executive Council.

Directions by  
Investments of  
Legislative  
authority

12 13. The Trustees in the discharge of their duties and powers under this  
13 Bill, shall not be obliged to obey any directions of a general or specific nature  
14 from the National Assembly and the Investment Committee.

15 PART V - MISCELLANEOUS

Interpretation

16 14. In this Law, unless the context otherwise requires:

17 "CAMA" means the Companies and Allied Matters Act and includes any re-  
18 enactment, amendment or modification thereof means the Central Bank of  
19 Nigeria and includes its successor-in-title howsoever called;

20 "Custodian" includes the plural and means a financial institution, appointed  
21 under this Bill and incorporated in Nigeria under CAMA and Licensed by the  
22 Securities and Exchange Commission and the Central Bank of Nigeria (or their  
23 respective successors-in-title) to carry on, amongst others, the business of  
24 maintaining records of accounts and custody or possession of funds or  
25 securities;

26 "Federal Executive Council" means the Federal Executive Council of Nigeria;

27 "Financial Year" means 1st January to 31st December or such other as may  
28 from time to time be determined by the Federal Government of Nigeria;

29 "Fund" means the Niger Delta Natural Disaster Reserved Fund established  
30 under this Bill;

1 "Fund Manager" or "Manager" means a body corporate licensed by the  
2 Security and Commission or the Central Bank of Nigeria or their successors-  
3 in- title to carry on the business of funds or asset portfolio managers;

4 "Intermediaries" or "Financial Intermediaries" means all those parties  
5 appointed to carry out any of the duties set out in this law, whether as  
6 trustees, fund manager, custodian, external auditor, etc to be carried out by a  
7 Limited Liability Company;

8 "ISA" means the Investment and Securities Act and includes any re-  
9 enactment, amendment or modification;

10 "Niger Delta States" means the nine oil producing states of Nigeria as  
11 follows: Abia, Akwa Ibom, Bayelsa, Cross Rivers, Delta, Edo, Imo, Ondo,  
12 and Rivers State;

13 "President" means the President of the Federal Republic of Nigeria;

14 "Securities" shall have the meaning assigned to it in Investment and  
15 Securities Act;

16 "Trustees" means a corporate body appointed by the Federal Executive  
17 Council of Nigeria in accordance with the provisions of this law;

18 "Vice President" means the Vice President of the Federal Republic of  
19 Nigeria and the Chairman of the Niger Delta Natural Disaster Reserved  
20 Fund.

21 15. This Bill may be cited as the Niger Delta Natural Disaster Citation  
22 Reserve Fund Bill, 2021.

1 THE SCHEDULE

2 CODE OF ETHICS FOR THE INVESTMENT COMMITTEE OF THE FEDERAL  
3 EXECUTIVE COUNCIL OF NIGERIA, THE PROVISIONS OF THE NIGER DELTA  
4 ECOLOGICAL RESERVED FUND BILL

5 This Code is intended to guide the manner in which the Investment Committee  
6 shall execute its responsibilities under this Bill. It also defines the internal  
7 control mechanism of the Committee, The Code takes account of the trust  
8 reposed in and the responsibility imposed on the individual members of the  
9 Committee.

10 THE INVESTMENT COMMITTEE

11 *General Duty of Members of the Committee*

12 1. Each member of the Committee shall carry out his/her duty in a  
13 manner that he/she brings to bear his/her experience, without compromising on  
14 integrity, independence and specific mandates of the Committee.

15 *Duties of the Committee*

16 2. The Committee shall ensure that the Trustees carry out their  
17 functions efficiently in accordance with the provisions for all guiding  
18 legislation, including this Law, the ISA, CAMA and in accordance with such  
19 other mandate as may be defined for it.

20 3. The Committee shall apply the highest ethical standards to  
21 themselves, set the same standards for all the other intermediaries and ensure  
22 these standards are written into a code of conduct and adhered to by them.

23 4. The Committee ensures that effective channels of communication  
24 are established and maintained with its key stakeholders, and in particular with  
25 the National Assembly, citizens of the Niger Delta States and the  
26 intermediaries.

27 5. Committee members shall not use position to influence the  
28 employment by the intermediaries of any person or the placement of reserved  
29 funds with any fund manager.

30 6. The members of the Committee shall periodically review this

1 In the Code to ensure that it conforms to the policy of government relevant  
 2 legislation and to internationally accepted standards of best practice in  
 3 ethical behaviour and corporate government.  
 4  
 5 *Functions of the Committee*  
 6 The Committee shall have no rights, powers, duties and  
 7 responsibilities other than those provided in this Bill and in this Schedule.

8 8. The Committee shall ensure that there is transparency in the  
 9 Niger Delta Reserved Fund's financial reporting and that at all times, that the Trustees  
 10 present a fair, balanced, reasonable and provisionally competent assessment  
 11 of the Fund's financial position.  
 12 Particularly in relation to the finances of the Reserved Fund and  
 13 in the discharge of its duties provided in this Law, the Committee shall:

14 (a) Ascertain that the accounting and reporting policies of the  
 15 Trustees are in accordance with legal requirements, applicable accounting  
 16 standards and agreed ethical practices;

17 (b) Review with the Trustees and approve the scope and planning  
 18 of external audit requirements prior to the commencement of such audit and  
 19 ensure that audits are appropriately coordinated where they are to be  
 20 handled by more than one firm;

21 (c) Review the audited accounts, financial statements and balance  
 22 sheet of the Reserved fund prior to presentation to the Federal Executive  
 23 Council and in particular focus on:

- 24 (i) Changes in accounting policies and practices,
- 25 (ii) Matters involving major issues of judgment,
- 26 (iii) Significant adjustments in accounting figures,
- 27 (iv) Responses to audit queries,
- 28 (v) Compliance with accounting standards; and
- 29 (vi) Compliance with the legal requirements of any relevant  
 30 regulatory agency.

(d) Maintain a review of the effectiveness of the system of

1 accounting and internal control of the-intermediaries.

2 10. The Committee shall ensure that the Trustees implement all its  
3 decisions immediately.

4 *Frequency of and Proceedings at Committee Meetings*

5 11. The Committee shall meet at least bi-annually and more  
6 frequently, if so required. Every member of the Committee shall attend  
7 meetings, except if he/she has received prior permission from the Governor to  
8 be absent there from.

9 12. Not less than 3 days prior written notice of Committee Meetings  
10 shall be given to all members unless such meeting is convened for a special  
11 purpose in which case not less than 1 days' notice shall be given to the members.

12 13. Every notice of a committee meeting, which may be sent by hand,  
13 courier, facsimile, e-mail or telephone, shall include an agenda, specifying the  
14 matters to be discussed during the meeting and shall be accompanied by such  
15 relevant information on these matters, as will ensure that every Committee  
16 member is in a position to make informed contributions towards the  
17 deliberations on the said matters.

18 14. The quorum for every meeting shall be not less than six (6)  
19 members including the Chairman or, if he so directs, the Attorney General or  
20 the Commissioner for Finance. Questions put to the vote at Committee  
21 Meetings shall be determined by a majority of the votes cast at the meeting,  
22 subject to Article 15 below.

23 15. Where there is an equality of votes on any matter, the Chairman of  
24 the meeting shall cast a deciding vote in favour of one or other side of the matter  
25 in question.

26 16. Committee members shall neither vote upon, nor participate in  
27 any Committee discussions that relate to any matter in which they are  
28 personally interested, either directly or indirectly.

29 17. Accurate records of all proceedings at Committee Meetings shall  
30 be taken and kept by the Secretary to the Federal Government personally and



1 all members shall be given the opportunity to review, comment upon and  
2 where necessary request for amendments to the contents for such Minutes  
3 before they are finalized and signed by the Chairman of the Meeting. Where  
4 the Secretary to the Federal Government is unavoidably absent, the  
5 Chairman shall designate a member of the Committee to act as Secretary of  
6 the meeting.

7 *Sub Committees*

8 18. The Committee may, where necessary, delegate any of its  
9 responsibilities to a sub-Committee comprised of those members whom, in  
10 the opinion of the Committee are best placed to deliberate on such specific  
11 matters. Such delegation shall be for a specific purpose and period not to  
12 exceed 90 days.

13 19. Any Sub-Committee shall include not less than two Committee  
14 members. The Sub-Committee may co-opt the assistance of such other  
15 persons not being members of the Committee, who in its opinion will  
16 contribute to the execution of its work.

17 20. Committees shall be required to keep accurate Minutes of their  
18 deliberations, which shall be tabled at the next Committee Meeting  
19 following that of the Sub-Committee.

20 21. The Committee shall appoint a secretary, who shall be an  
21 officer not below the rank of Director in the Public Service of the Federation,  
22 for any of its Sub-Committee.

23 PROVISIONS RELATING TO ALL MEMBERS OF THE COMMITTEE

24 22. Members of the Committee are required to bring independent  
25 judgment to bear on issues relating to all matters brought to their attention.

26 23. Subject to the provisions of this Bill, neither the Committee nor  
27 its members shall have or carry out any executive or management functions  
28 of the intermediaries in relations to the Reserved fund.

29 24. Conflicts of interest or a vested interest and the appearance or  
30 perception of such conflicts between any members personal interest and the

2021

2021

25. A member of the Committee is deemed to be indirectly interested in a transaction where such a transaction is between the Trustees and a person connected with a member, which he or any member of his immediate family is a senior management employee or director or has a shareholding interest that is equivalent to or in excess of 5% of such company's issued share capital or is on a retainer, or stands to benefit from a commission from the company.

26. Where a member of Committee is directly interested in a transaction or proposed transaction with the Reserved Fund or the Trustees or he/she becomes aware of such a conflict of interest or he ought reasonably to know that such a conflict will arise, he/she shall immediately upon becoming aware thereof report the situation in writing to the Chairman.

27. Members of the Committee shall not borrow money on other movable or immovable assets or accept a personal preference or gifts or entertainment individually worth in excess of N15,000 (Fifteen thousand Naira) from any intermediary or its associated or subsidiary company, except with the disclosure to and express approval of the Committee.

28. Confidential information about the Reserved Fund shall under no circumstances be disclosed or used for personal, family or commercial reasons by any member of the Committee.

29. Bribes, kickbacks, agency commissions, and payments in any form and for any purpose whatsoever, paid to a member of the Committee outside his/her salaries and emoluments, fees or other approved payments are strictly prohibited.

30. Members of the committee shall not accept any gifts or favour from any third parties in connection with the performance of their official duties that exceed N15,000 in value. A register of all appropriate gifts shall be opened and kept by the Secretary to the Federal State Government. All members of the Committee shall report the receipt of all appropriate gifts received in connection with the fund to the Secretary to the State Government,

1900 Niger Delta Natural Disaster Reserved Fund (Est.) Bill, 2021 2905

1 who: shall enter it into the Register of gifts and report thereon at the next  
2 meeting of the Directors.

3 *Declaration*

4 31. To be filled in triplicate and signed immediately this Bill is

5 Assented to or upon appointment or re-appointment {whichever is  
6 applicable) to the Secretary to the Federal State Government and one copy  
7 retained by the member of the Committee.

8 32. I acknowledge that I have received a copy of this document  
9 and have thoroughly read understood it. I will answer the following  
10 questions fully, completely and to best of my knowledge on the back of this  
11 page.

12 33. Have you fully read and understood this document titled  
13 "Code of Ethics for the Investment Committee of the Federal Executive  
14 Council of Nigeria Established under the Provisions of the Niger Delta  
15 Ecological Reserve Fund Bill"

16 34. Are you a shareholder, debenture holder, partner, creditor, or  
17 debtor of any company, professional firm or organization that is currently  
18 participating in the management of administration of the Fund? (If "yes"-  
19 please name the organization (s)

20 35. I hereby declare, on my honour, that if I should become aware  
21 of any possible conflict of interest or have a vested interest in any business or  
22 commercial dealings with the fond, I shall immediately report the matter to  
23 the Chairman of the Committee, and not take any action which, without the  
24 approval of the Committee would be incompatible with this Code.

25 I also declare that I will honour without any exception me provisions of this  
26 Code and any amendment or modification or restatement thereof; and  
27 accept that any violation of this Code many lead to the termination of my  
28 appointment to the office by virtue of which I am a member of this  
29 Committee.

- 1 NAME:.....
- 2 SIGNATURE:.....
- 3 DATE:.....

EXPLANATORY MEMORANDUM

This Bill seeks to protect the Niger Delta against natural disasters like earth tremor, earthquake, well-blowout/explosion, volcanic eruption and adverse oil spill and consequent environmental devastation occasioned by the long period of oil exploration and exploitation. It provides for compulsory saving by the government from the oil revenue in order to assuage the challenge whenever it occurs and provide security for the future generation of the oil producing communities against any of the above mentioned disasters.