

THE NIGERIAN ARMED FORCES SUPPORT FUND

(ESTABLISHMENT) BILL 2020

ARRANGEMENT OF SECTIONS

1. Establishment of the Nigeria Armed Forces Support Fund
2. Sources of Fund
3. Utilization of the Fund
4. Duties of the Fund
5. Objectives of the Fund
6. Application of the Fund
7. Duration of Fund
8. Establishment of the Fund Management Board
9. Composition of the Board
10. Term of Office
11. Cessation of Office
12. Functions of the Board
13. Powers of the Board
14. Establishment of the Nigerian Armed Forces Support Fund  
Implementation Committee
15. Appointment of Executive Secretary of the Fund
16. Duties of the Executive Secretary
17. Removal of the Executive Secretary
18. Other Staff of the Fund
19. Financial Provisions
20. Accounts of the Fund
21. Submission of Reports
22. Interpretation
23. Citation



# A BILL

## FOR

AN ACT TO PROVIDE SPECIAL FINANCIAL SUPPORT FOR THE REVAMPING OF THE NIGERIAN ARMED FORCES WITH THE PROVISION OF REGULAR TRAINING FOR ARMED FORCES PERSONNEL AND THE PROVISION OF MODERN SECURITY AND DEFENCE EQUIPMENT AND FOR RELATED MATTERS

Sponsored by:

Hon. Babajimi Benson

Hon. Makki Yalleman

Hon. Abdulrazaq Namdas

Hon. Yusuf Adamu Gagdi

Hon. Shehu Mohammed Koko

Hon. Bello Usman Kumo

Hon. Shaban Sharada

[ ] Commencement

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

1           **1.**-(1) There is established the Nigerian Armed Forces Support  
2 Fund (in this Bill referred to as "the Support Fund") which shall be the  
3 depository of all funds received under this Bill.

Establishment  
of the Nigerian  
armed Forces  
Support Fund

4           (2) The Support Fund is a corporate body with a common seal and  
5 may sue and be sued in its corporate name.

6           (3) The Fund shall have perpetual succession.

7           **2.** The Support Fund comprises:

Sources of Fund

8           (a) An amount constituting one percent of the total money accruing  
9 to the Federation Account;

10          (b) 0.5 percent of profit made from investment of the National  
11 Sovereign Wealth Fund (NSWF) by the Nigerian Sovereign Investment

1 Authority (NSIA);

2 (c) An amount constituting one percent of Value Added Tax (VAT)  
3 remitted to the Consolidated Revenue Fund (CRF);

4 (d) Any take-off grant and special intervention fund as may be  
5 provided by the Federal Government, states and local governments of the  
6 Federation;

7 (e) An amount constituting one percent of the air ticket contract,  
8 charter and cargo sales charge to be collected by the airlines and paid over to the  
9 support fund;

10 (f) Aids, grant and all assistance from international agencies, non-  
11 governmental organizations and the private sectors; and

12 (g) Money derived from investments made by the Support Fund.

13 (2) An amount accruing from Annual National Fund raising as may  
14 from time to time be conducted by the Board.

15 (3) Provided that all funds received by the fund shall not be spent until  
16 it is appropriated by the National Assembly.

17 (4) The Federal Inland Revenue Service (FIRS) shall be responsible  
18 for the collection of the funds and remittance to the Support Fund.

Utilization of  
the Fund

19 **3.** The Support Fund shall be utilized:

20 (i) For the purchase of modern and State of the Art military equipment  
21 and machineries for the Nigerian Armed Forces;

22 (ii) For continuous training and acquisition of knowledge and skills  
23 by the personnel of the Nigerian Armed Forces all over the world for improved  
24 proficiency in the use of modern operational equipment and machineries;

25 (iii) For such other purposes incidental or connected to the attainment  
26 of the objectives of this Bill.

Duties of the  
Fund

27 **4.** The Support Fund shall:

28 (i) receive all monies accruing to the Fund under the provisions of this  
29 Bill;

30 (ii) utilize all monies accruing to the Support Fund under this Bill to

1	meet the objectives of the Support Fund;	
2	(iii) carry out such other activities as considered necessary for the	
3	attainment of the objectives of this Bill.	
4	<b>5.</b> The objective of this Bill is to provide for efficient management	Objectives of
5	and control of the support fund established under this Bill for the training	the Fund
6	and retraining of personnel of the Armed Forces, acquisition of modern and	
7	State of the Art equipment and other related facilities for the enhancement of	
8	the skills of personnel of the Nigerian Armed Forces to make them more	
9	efficient and result oriented in the handling of the fight against any form of	
10	insurgency and all external aggressions against the Nigerian State.	
11	<b>6.</b> The provisions of this Bill and the Support Fund established	Application of
12	under section 4 of this Bill shall apply to all personnel of Nigerian Armed	the Fund
13	Forces serving anywhere in the world for the overall improvement and	
14	efficiency in the discharge of their duties with strict adherence to laid down	
15	rules of engagement.	
16	<b>7.</b> The operation of the Support Fund established under Section 4	Duration of
17	of this Bill shall be subject to review after every Five (5) years by the	Fund
18	National Assembly.	
19	<b>8.</b> There is hereby established for the management of the Support	Establishment
20	Fund, a body to be known as the Nigerian Armed Forces Support Fund	of the Nigerian
21	Management Board (in this Act referred to as "the Board") which shall,	Armed Forces
22	subject to the provisions of this Bill have general control of the Support	Support Fund
23	Fund and investment of monies forming part of the Fund.	Management
24	<b>9.</b> The Board shall consist of the following persons:	Board
25	(1) The President and Commander-in-Chief of the Armed Forces	Composition of
26	who shall be the Chairman of the Board;	the Board
27	(2) The Minister of Defence;	
28	(3) Chief of Defence Staff;	
29	(4) Chief of Army Staff;	
30	(5) Chief of Air Staff;	

- 1 (6) Chief of Naval Staff;
- 2 (7) A retired Central Bank Governor;
- 3 (8) An accomplished Forbes-listed Nigerian businessman with  
4 proven integrity;
- 5 (9) Permanent Secretary, Ministry of Defence;
- 6 (10) One representative each from:
- 7 (a) The National Sovereign Wealth Fund;
- 8 (b) Chairman, Oil Producers Trade Section (OPTS);
- 9 (c) The Nigerian Employees Consultative Forum;
- 10 (d) The Nigerian Labour Congress.
- 11 (11) The National Security Adviser;
- 12 (12) A retired military lawyer of not less than 10 years post-call  
13 experience and not below the rank of Colonel or its equivalent at retirement.
- 14 (2) The members of the Board shall be persons of proven integrity  
15 without any record of financial indictment prior to their appointment into the  
16 Board.
- 17 (3) Members of the Board other than those holding public offices  
18 shall be appointed by the President on the recommendation of the Minister of  
19 Defence subject to ratification by the Senate.
- Term of Office 20 **10.**-(1) Members of the Board other than those listed in Section 9(1) -  
21 (6) and (11) shall hold office as member of the Board for a term of 4 years in the  
22 first instance and eligible for reappointment for another 4 years and no more.
- 23 (2) Membership of the Board shall be on part time basis and members  
24 shall be paid such allowances as may be determined by the National Salaries,  
25 Income and Wages Commission.
- Cessation of Office 26 **11.**-(1) A member of the Board ceases to hold office if he:  
27 (i) Becomes of unsound mind;  
28 (ii) Becomes bankrupt  
29 (iii) Is convicted of a felony or any other offence involving financial  
30 dishonesty; or

- 1 (iv) Is guilty of corrupt practices or misconduct in relation to his duties
- 2 (2) The Chairman of the Board may be removed by the President
- 3 subject to the ratification of the National Assembly if it is proven that it is not
- 4 in the interest of the Fund or the nation that he should continue as Chairman.
- 5 (3) Any member of the Board may be removed by the President on
- 6 the recommendation of the Minister of Defence if the President is satisfied
- 7 that it is not in the interest of the Fund or the public that he continues as a
- 8 member of the Board.
- 9 (4) A member may resign his appointment by a notice in writing
- 10 addressed to the President.
- 11 (5) Where there is a vacancy in the membership of the Board, a
- 12 successor shall be appointed in accordance with sub-section 2 of section 10
- 13 of this Bill to hold office for the remainder of the term of his predecessor and
- 14 represent the same interest as that of his predecessor.
- 15 **12.** The Board shall be responsible for:
- 16 (i) Approving the disbursement of monies from the support fund to
- 17 finance projects and activities in accordance with the intendment of this Bill;
- 18 (ii) Carrying out such other activities that may be considered
- 19 necessary for the attainment of the objectives of the Bill;
- 20 (iii) Submitting audited report to Federal Government annually in
- 21 respect of the Fund's activities and programs;
- 22 (iv) Quarterly briefing of the activities, programs and progress of
- 23 the Support Fund to the National Assembly;
- 24 (v) Reviewing of the progress and performance of the Support
- 25 Fund every six months and suggesting ways of continuous improvement of
- 26 the performance of the Fund; and
- 27 (vi) Issuing of guidelines from time to time on disbursement and
- 28 use of monies from the Support Fund.
- 29 **13.** The Board shall have powers to:
- 30 (i) Through the Ministry of Defence, carry out needs assessment of

Functions of the  
Board

Powers of the  
Board

1 all the organs of the Nigerian Armed Forces and prioritize the needs for the  
2 enhancement of the performance of the Nigerian Armed Forces;

3 (ii) Award contracts of any kind having regard with the approved need  
4 assessment and in accordance with the objectives of the Support Fund under  
5 this Bill;

6 (iii) Invest monies accruing to the support fund and also approve the  
7 use of the returns on investment for the same purpose as the Support Fund  
8 established under this Bill;

9 (iv) Enter into contractual arrangement for the purpose of executing  
10 projects approved under the Support Fund;

11 (v) Make all procurement from monies accruing from this Fund  
12 strictly on government to government basis;

13 (vi) Oversee the implementation of projects financed by the Support  
14 Fund;

15 (vii) Enter into public-private partnership initiative arrangement  
16 necessary for project execution.

Establishment  
of the Nigerian  
Armed Forces  
Support Fund  
Implementation  
Committee

17 **14.**-(1) For the purpose of implementation of the projects approved by  
18 the Board under this Bill, there is established the Nigerian Armed Forces  
19 Support Fund Implementation Committee (in this Bill referred to as the  
20 "Implementation Committee").

21 (2) The Implementation Committee established under this Bill  
22 comprises:

23 (i) The Chief of Defence Staff who shall be the Chairman of the  
24 Committee;

25 (ii) Chief of Army Staff;

26 (iii) Chief of Air Staff;

27 (iv) Chief of Naval Staff;

28 (v) The Minister of Finance;

29 (vi) Such other members not exceeding 5 in number who shall be men  
30 and/or women of proven integrity to be appointed by the Board.



1 (3) The Implementation Committee shall be responsible to the  
2 Board and shall perform such responsibilities as may be assigned to it by the  
3 Board.

4 **15.**-(1) The Executive secretary of the Support Fund shall be a  
5 person of unquestionable character, proven integrity and requisite capability  
6 appointed by the President on the recommendation of the Minister of  
7 Defence subject to ratification by the Senate.

Executive  
Secretary of the  
Support Fund

8 (2) He must possess such qualification and experience as are  
9 appropriate for a person required to occupy the office.

10 (3) The Executive Secretary shall hold office for a period of four  
11 years in the first instance and is eligible for reappointment for another four  
12 years and no more.

13 **16.** The Executive Secretary shall:

Duties of the  
Executive  
Secretary

14 (i) be the Chief Executive and accounting Officer of the Support  
15 Fund;

16 (ii) be responsible for the day to day running of the Support Fund:

17 (i) Shall be the Secretary of the Board and shall keep proper record  
18 of the activities and proceedings of the Board;

19 (ii) Work closely with the Implementation Committee established  
20 under section 14 of this Bill in carrying out such responsibilities as may be  
21 assigned by the Board;

22 (iii) Shall be the administrative head of other staff of the Support  
23 Fund;

24 (iv) Carry out such other duties as may be assigned by the Board.

25 **17.**-(1) The Executive Secretary may be removed by the President  
26 on the recommendation of the Minister of Defence if the President is  
27 satisfied that it is not in the interest of the Fund or the public that he should  
28 continue to hold office as the Secretary of the Support Fund.

Removal of the  
Executive Secretary

29 (2) Upon the removal of an Executive Secretary, any other person  
30 appointed to replace him shall serve the remainder of the term of the

- 1 removed Executive Secretary.
- Staff of the  
Support Fund
- 2 **18.**-(1) The Board may appoint such other members of staff as may in  
3 the opinion of the Board be necessary to carry out the functions of the Support  
4 Fund under this Bill.
- 5 (2) The terms and conditions of service, including terms and  
6 conditions as to the remuneration, payment of allowances and other benefits of  
7 persons employed for the Support Fund shall be in line with the general  
8 conditions of service as obtainable in the public service of the Federation.
- 9 (3) The Board shall have powers to appoint, either on transfer or on  
10 secondment from any Public Service of the Federation or from the Armed  
11 Forces, such number of staff as required for the effective discharge of the  
12 functions of the Support Fund under this Bill.
- 13 Service in the Support Fund shall be for the duration of the Support Fund and  
14 employees of the Support Fund shall be entitled to severance allowance as may  
15 be approved by National Salaries, Income and Wages Commission.
- Financial  
Provisions
- 16 **19.** There is established a general fund for the day to day  
17 administration of the Support Fund comprising:
- 18 (i) Annual budgetary allocation appropriated by the National  
19 Assembly for the management of the Support Fund;
- 20 (ii) Take-off grant and such other monies as from time to time be made  
21 available to the Support Fund.
- Accounts of  
the Fund
- 22 **20.**-(1) There shall be maintained for the Support Fund an account into  
23 which shall be paid all monies accruing to the Support Fund under this Bill.
- 24 (2) There shall be maintained for the Board an account into which  
25 shall be paid all monies received for the management of the Support Fund.
- 26 (3) The accounts referred to under this section shall be managed and  
27 regulated in accordance with the extant financial regulations.
- 28 (4) The Board shall from time to time:
- 29 (i) Apply the proceeds of the Support Fund established under section  
30 4 of this Bill for the purposes set out under Section 6 of this Bill; and

1 (ii) Apply the proceeds of the monies referred to in Section 5 of this  
2 Bill to meet cost of administration which includes the payment of salaries,  
3 fees and other remunerations and allowances payable to members of the  
4 Board and employees of the Trust Fund.

5 21.-(1) The Board shall not later than 30th September of every year  
6 submit to the Minister of Defence an estimate of its income and expenditure  
7 for the succeeding year. Submission of  
reports

8 (2) The Board shall cause to be kept for the Support Fund proper  
9 accounts and records and shall be audited by auditors appointed from the list  
10 of auditors after being certified by the Board in accordance with the  
11 guidelines supplied by the Auditor-General for the Federation.

12 (3) (i) The Support Fund shall be exempted from the payment of  
13 Income Tax on any income accruing from investments made by the Support  
14 Fund;

15 (ii) The provisions relating to taxation of Companies, Trust Fund,  
16 Support Fund or other funds similar to the Support Fund established under  
17 this Bill, created under any enactment shall not apply to the Support Fund.

18 (4) The Board shall submit quarterly reports to the President and  
19 the National Assembly on its activities and on the administration of the  
20 Support Fund.

21 (5) The Board shall not later than the 30th March each year, submit  
22 an annual report of the activities and the administration of the Support Fund  
23 during the preceding year and shall include in such reports the Auditor's  
24 report thereon.

25 (6) The President may direct the Board generally with respect of  
26 the exercise of the Board's functions under this Bill for compliance by the  
27 Board.

28 (7) The Board may make such regulations and set up committees as  
29 it deemed necessary or expedient for giving full effect to the provisions of  
30 this Bill.

	1	(8) Save as provided under section 3 of this Bill, at the expiration of
	2	the 5 years duration of the Support Fund established under this Bill, the Support
	3	Fund shall have six months to wind up its operations which includes the
	4	settlement of all liabilities and thereafter hand over all outstanding assets of the
	5	Support Fund to the Nigerian Armed Forces.
Interpretation	6	<b>22.</b> In this Bill, unless the context otherwise requires:
	7	"Board" means the Nigerian Armed Forces Support Fund Management Board
	8	established under section 8 of this Bill;
	9	"Support Fund" means the Nigerian Armed Forces Support Fund established
	10	under section 4 of this Bill;
	11	"Minister" means the Minister charged with the responsibility of overseeing
	12	Defence;
	13	"Nigerian Armed Forces" means the Nigerian Army, Nigerian Navy and
	14	Nigerian Air Force;
	15	"Personnel" means Officers and men of the Armed Forces of the Federation
	16	namely the Nigerian Army, the Nigerian Air Force and the Nigerian Nav;
	17	"President" means the President of the Federal Republic of Nigeria;
	18	"Executive Secretary" means the Executive Secretary appointed under section
	19	15 of this Bill;
	20	"Staff of the Support Fund" means any staff that may be employed under
	21	section 19 of this Bill.
Citation	22	<b>23.</b> This Bill may be cited as the Nigerian Armed Forces Support
	23	Fund (Establishment) Bill, 2020.

## EXPLANATORY NOTES

This Bill seeks to establish the Nigerian Armed Forces Support Fund to provide special financial support for the revamping of the Nigerian Armed Forces with the provision of regular training for armed forces personnel and the provision of security and defence equipment for effective defence of Nigeria territory and fight against insurgency.