



THE SENATE  
FEDERAL REPUBLIC OF NIGERIA

**NATIONAL AGRICULTURAL DEVELOPMENT FUND  
(ESTABLISHMENT) BILL, 2021**

**(SB.119)**

A BILL

FOR

AN ACT TO ESTABLISH THE NATIONAL AGRICULTURAL DEVELOPMENT FUND AND  
MATTERS CONNECTED THEREWITH BILL 2021

FIRST READING

TUESDAY, 5<sup>TH</sup> NOVEMBER, 2019

SECOND READING

WEDNESDAY, 4<sup>TH</sup> MARCH, 2020

THIRD READING AND PASSAGE

WEDNESDAY, 24<sup>TH</sup> MARCH, 2021

# NATIONAL AGRICULTURAL DEVELOPMENT FUND (ESTABLISHMENT) BILL, 2021



## *Arrangement of Clauses*

### Clauses

#### PART I - ESTABLISHMENT OF THE NATIONAL AGRICULTURAL DEVELOPMENT TRUST FUND AND THE GOVERNING BOARD

1. Establishment of the National Agricultural Development Fund
2. Establishment of the Governing Board
3. Qualifications of Member
4. Tenure of Members
5. Cessation of Membership
6. Allowances of Member

#### PART II - FUNCTIONS OF THE FUND AND POWERS OF THE BOARD

7. Functions of the Fund
8. Powers of the Board

#### PART III - APPOINTMENT OF THE EXECUTIVE SECRETARY AND OTHER STAFF

9. Appointment of the Executive Secretary, etc

#### PART IV - FINANCIAL PROVISIONS

10. Account
11. Expenditure
12. Annual Accounts and Estimates
13. Annual Report, Audited Accounts and Auditor's Report
14. Power to accept Gift
15. Power to Borrow

#### PART V - LEGAL PROCEEDINGS

16. Limitation against suit
17. Service of Documents
18. Restriction on Execution
19. Indemnity

#### PART VI - MISCELLANEOUS

20. Directives
21. Direction by the Minister
22. Power to make Regulations
23. Fixing of Seal
24. Interpretation
25. Short Title

### Schedules

A BILL FOR AN ACT TO ESTABLISH THE NATIONAL AGRICULTURAL DEVELOPMENT FUND AND MATTERS CONNECTED THEREWITH BILL 2021 (SB 119)

{ } Commencement.

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

**1 PART I -ESTABLISHMENT OF THE NATIONAL AGRICULTURAL DEVELOPMENT TRUST FUND AND THE GOVERNING BOARD.-**

Establishment of the National Agricultural Development Fund

(1) There is established a body to be known as the National Agricultural Development Fund (in this Bill referred to as "the Fund").

(2) The Fund shall be a body corporate with perpetual succession and a common seal and may-

(a) sue and be sued in its Corporate name; and

(b) hold and dispose its property whether movable or immovable.

**2 (1) There is established for the Fund a Governing Board (in this Bill referred to as "the Board").**

Establishment of the Governing Board

(2) The Board shall consist of-

(a) a Chairman;

(b) one representative each of the followings-

- (i) Ministry of Finance (office of the Accountant-General),
- (ii) Federal Inland Revenue Service,
- (iii) All Farmers Association of Nigeria,
- (iv) All Livestocks, Fisheries and Poultry Associations of Nigeria,
- (v) National Food Reserve Agency,
- (vi) Bankers Association of Nigeria,
- (vii) the organised private sector to represent special interest;

(c) one person to represent the Federal Ministry of Agriculture and Rural Development;

(d) one person to represent the Federal Ministry of Science and Technology;

(e) one person from each of the six geopolitical zones; and

(f) the Executive Secretary.

(3) The Chairman and members shall be appointed by the President.

(4) The Performance of the functions or exercise of the powers of the Board shall not be affected by reason of there being a vacancy in the membership of the Board.

(5) The appointment of a member shall not be invalidated by reason of a defect or irregularity in or in connection with his nomination or appointment.

(6) Member, other than ex-officio, shall be part-time members.

(7) The supplementary provisions set out in the Schedule to the Bill shall have effect with respect to the proceedings of the Board and other matters contained therein.

3 (1) The Chairman and members shall hold the following qualifications- Qualifications of Members

(a) Finance as it relates to agriculture, agricultural policy formulation and implementation; or

(b) Economics as it relates to agriculture, agricultural policy and implementation.

4 (1) A member other than ex-officio- Tenure of Members

(a) shall hold office for a term of four years and no more; or

(b) may hold office on such terms and conditions as may be specified in his letter of appointment.

(2) A member may at any time be removed from office by the President for inability to discharge the functions of his office (whether arising from infirmity of mind or body) or if the President considers that it is not in the interest of the Fund or the Public for such member to continue in office.

5 (1) A member may cease to hold office if- Cessation of Membership

(a) he is without permission of the Board absent for more than three consecutive meetings of the Board or without such permission is absent from the country for a period exceeding one year;

(b) in case of a professional who is disqualified or suspended (other than at his own request) from practicing his profession in any part of Nigeria by the order of any competent authority;

(c) A person shall cease to be a member if he-

(i) becomes bankrupt; or

(ii) is guilty of serious misconduct in relation to his duties; or

(iii) is convicted of a felony or any offence involving dishonesty.

(2) A member may at any time resign his membership -

(a) by giving notice in writing through the Minister to the President and the resignation becomes effective from the date specified in the notice; and

(b) if no date is specified, from the date of the receipt of the notice by the President.

(3) Where a member ceases to hold office for any reason whatsoever before the expiration of his term of office, the President after consulting the Minister may appoint another person for the unexpired term.

6 Member shall be paid such allowances as the Federal Government may from time to time direct.

Allowances of Member

## PART II -FUNCTIONS OF THE FUND AND POWERS OF THE BOARD

7 The Fund shall -

Functions of the Fund

(a) provide finance to support Agricultural development in Nigeria taking into consideration the need to provide food production and food security in Nigeria; in all its ramifications including but not limited to crop production, livestock, fisheries, poultry and agro-forestry;

(b) provide finance for the implementation of Agricultural policies and to strengthen Agriculture Institutions within the framework on national priorities and strategies;

(c) provide funds for on-lending to farmers and corporate bodies through appropriate financial institutions including microfinance banks, cooperative societies, organisations, farmer groups and institutions on appropriate soft terms;

(d) provide finance primarily for the establishment of special Agricultural offices in each State of the Federation, to boost food production system in Nigeria;

(e) provide financial support in the form of grant for research, training, market information systems and agricultural extension service in research institutes, universities and Ministries;

(f) provide emergency Fund for Agriculture-Finance and intervention for the control of trans-boundary animal disease outbreak;

(g) participate in the effort to build rural access to financial service through microfinance by creating linkages between upstream financial centre (including private-sector groups) and local organization's serving rural poor peoples;

(h) assist the efforts of donor institutions to increase food and agricultural production as well as the organisation's technical competence and experience in this field; and

(i) engage in such activities and perform such functions as this Bill may confer or as the President may, after consultation with the Minister, permit or assign to it.

8 The Board shall have power to -

Powers 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 agricultural research, training and development;

(d) approve loan for agricultural investment subject to section 8 (b) of this Bill;

(e) review and monitor the activities of the Fund;

- (f) approve payments (such as remunerations and allowances) to persons employed by the Fund;
- (g) give report on all activities of the Fund on the quarterly basis through the Minister to the President;
- (h) specify the manner in which assets of the Fund are to be held and regulate payment into and out of the Fund;
- (i) specify the manner for the timely disbursement and recovery (where necessary) of loans;
- (j) require the keeping of proper accounts and records for the purposes of the Fund in such form as may be specified in the rules;
- (k) require the accounts of the Fund to be audited periodically by the Auditor-General of the Federation;
- (l) ensure the submission of copies of the accounts and the Auditor's Report thereon to the Federal Executive Council through the Minister;
- (m) monitor the execution of projects; and
- (n) carry out such other activities as may be incidental to the discharge of its function under this Bill.

**PART III - APPOINTMENT OF THE EXECUTIVE SECRETARY AND OTHER STAFF**

9

- (1) There shall be for the Fund an Executive Secretary who shall be appointed by the President on the recommendation of the Minister.
- (2) The Executive Secretary shall be a person who in the opinion of the Minister has acquired cognate experience in any of the following disciplines-
  - (a) agricultural finance;
  - (c) economics;
  - (d) agricultural policy formulation and implementation.
- (3) The Executive Secretary shall be the Chief Executive of the Fund, and is responsible for the day-to-day administration of the Fund subject to the general directions of the Board.
- (4) The Executive Secretary shall-
  - (a) hold office for a term of five years and no more; or
  - (b) on such terms and conditions as are specified in his letter of appointment.
- (5) Notwithstanding, the provision of subsection (4) of this section, the Executive Secretary may be removed from office by the President -
  - (a) for inability to discharge the functions of his office (whether arising from infirmity of mind or body or any other cause) or for misconduct; or

Appointment of  
the Executive  
Secretary, etc.

- (b) if he is satisfied that it is not in the interest of the service or the public for him to continue in office.
- (6) The Executive Secretary may resign his appointment by a letter to the President through the Minister.
- (7) The Board may deploy or appoint for the Fund other employees upon such terms and conditions as may be determined by the Board.
- (8) Service in the Fund shall be approved service for the purpose of the Pensions Reform Act.

**PART IV -FINANCIAL PROVISIONS**

- 10 (1) The Fund shall establish and maintain an account from which shall be defrayed all expenditure incurred by the Fund. Account
- (2) There shall be paid into the account established in subsection 1 of this section the following-
  - (a) take-off grant provided by the Federal Government;
  - (b) 0.5% of the Natural Resource Development Fund;
  - (c) 0.5% of profit after tax of each Commercial Banks in Nigeria;
  - (d) 0.5% of the Petroleum Profit Tax;
  - (e) 5% of the duty levied on Imported Rice, Wheat, Sugar, Milk, poultry and fish;
  - (f) monies appropriated by the National Assembly.
- 11 The Board may from time to time, apply the proceeds of the account established in section 10(1) of this Bill to- Expenditure
  - (a) undertake the functions of the fund;
  - (b) the cost of administration of the Fund;
  - (c) the payment of the allowances and benefits of members and for reimbursing members of any Committee set up by the Board for such expenses as may be expressly authorised by the Board;
  - (d) the payment of salaries, remuneration or allowances, pensions and other benefits payable to the officers, and other employees of the Fund, but no payment of any kind under this paragraph (except such as may be expressly authorised by the Board) shall be made to any person who is in receipt of emolument from the Federal or State Government; and
  - (e) the development and maintenance of any property vested in or owned by the Fund.

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

(6) The Executive Secretary may resign his appointment by a letter to the President through the Minister.

(7) The Board may deploy or appoint for the Fund other employees upon such terms and conditions as may be determined by the Board.

(8) Service in the Fund shall be approved service for the purpose of the Pensions Reform Act.

#### **PART IV -FINANCIAL PROVISIONS**

10

(1) The Fund shall establish and maintain an account from which shall be defrayed all expenditure incurred by the Fund. Account

(2) There shall be paid into the account established in subsection 1 of this section the following-

(a) take-off grant provided by the Federal Government;

(b) 0.5% of the Natural Resource Development Fund;

(c) 0.5% of profit after tax of each Commercial Banks in Nigeria;

(d) 0.5% of the Petroleum Profit Tax;

(e) 5% of the duty levied on imported Rice, Wheat, Sugar, Milk, poultry and fish;

(f) monies appropriated by the National Assembly.

11

The Board may from time to time, apply the proceeds of the account established in section 10(1) of this Bill to- Expenditure

(a) undertake the functions of the fund;

(b) the cost of administration of the Fund;

(c) the payment of the allowances and benefits of members and for reimbursing members of any Committee set up by the Board for such expenses as may be expressly authorised by the Board;

(d) the payment of salaries, remuneration or allowances, pensions and other benefits payable to the officers, and other employees of the Fund, but no payment of any kind under this paragraph (except such as may be expressly authorised by the Board) shall be made to any person who is in receipt of emolument from the Federal or State Government; and

(e) the development and maintenance of any property vested in or owned by the Fund.



- 12 (1) The Fund shall keep accounts in respect of each year and proper records in relation to those accounts and shall cause to be prepared in each year - Annual Accounts and Estimates
- (a) a statement showing the income and expenditure of the Fund for the preceding year; and
- (b) a statement of all assets and liabilities of the Fund as at the last day of the immediate preceding year.
- (2) The Fund shall cause every statement prepared under this Section to be audited within six months after the end of the year to which the statement relates by auditors appointed from the list and in accordance with the guidelines supplied by the Auditor-General of the Federation.
- (3) The Fund shall submit to the Minister, not later than 31<sup>st</sup> August in each year, as estimate of its expenditure and income during the next succeeding year.

- 13 (1) The Fund shall prepare and submit to the Minister not later than six months after the end of the year a Report, in such form as the Minister may direct, on the activities of the Fund during the immediate preceding year and shall include in the report a copy of the audited accounts of the Fund for that year and Auditor's Report thereon. Annual Audited and Report
- (2) The Minister shall submit a copy of each report made to him under this section to the Federal Executive Council.

- 14 (1) The Fund may accept any gift of land, money or other property on such terms and conditions, if any, as may be specified by the person or organisation making the gift. Power to accept Gift
- (2) The Fund shall not accept any gift if the conditions attached by the person or organisation offering the gift are inconsistent with the functions and objectives of the Fund.

- 15 (1) The Fund may, from time to time, borrow by way of overdraft or otherwise such sums as it may require for the performance of its functions under this Bill. Power to Borrow
- (2) The Fund shall not, without the approval of the Minister, borrow money which exceeds at any time, the amount set by the Government as the limit of the authority of the Fund.
- (3) Where the sum to be borrowed is in foreign currency, the Fund shall seek and obtain the approval of the Minister through the Board.

**PART V - LEGAL PROCEEDINGS** Limitation against suit

- 16 (1) No suit shall be instituted in any court against the Fund or its employee unless it is commenced -
- (a) within three months next after the act, neglect or default complained of; and
- (b) in the case of continuation of damage or injury, within three months next after the ceasing thereof.
- (2) No suit shall commence against the Fund before the expiration of a period of one month after

written notice of the intention to commence the suit shall have been served on the Fund by the intending plaintiff or his agent and the notice shall clearly state the -

- (a) cause of action;
- (b) particulars of claim;
- (c) name and place of abode of the intending plaintiff; and
- (d) the relief which he claims.

- |           |   |                           |    |
|-----------|---|---------------------------|----|
| <b>17</b> | A notice referred to in Section 18(2) of this Bill, summons or other documents required or authorised to be served on the Fund under this Bill or any other law or enactment may be served by -   | Service Documents         | of |
|           | (a) delivering it to the office of the Executive Secretary; or  |                           |    |
|           | (b) by sending it by registered post addressed to the Executive Secretary or the principal office of the Fund.  |                           |    |
| <b>18</b> | (1) In any action or suit against the Fund, no execution or attachment of process in any nature thereof shall be issued against the Fund unless not less than three months' notice of the intention to execute or attach has been given to the Fund.  | Restriction Execution     | on |
|           | 2) Any sum of money from the judgment of any court awarded against the Fund or any direction given by the court where no notice of appeal against the judgment has been given, shall be paid from the account of the Fund.  |                           |    |
| <b>19</b> | A member, the Executive Secretary or any employee of the Fund shall be indemnified out of the asset of the Fund against any liability incurred by him in defending any proceeding, whether civil or criminal, if any such proceeding is brought against him in his capacity as a member, Executive Secretary or employee of the Fund. | Indemnity                 |    |
| <b>20</b> | Subject to the provisions of this Bill, the President may give to the fund directives of a general nature or relating generally to matters of policy with regard to the performance by the Fund of its functions and it shall be the duty of the Fund to comply.  | Directives                |    |
| <b>21</b> | Subject to the provision of this Bill, the Minister may issue to the Board directions of general nature relating to matters of policy with regard to the exercise by the Board of its functions and the Board shall comply with such directions.  | Direction by the Minister |    |
| <b>22</b> | The Minister may make regulations generally for the purpose of giving full effect to this Bill.   | Power to make Regulations |    |
| <b>23</b> | The fixing of the seal of the Fund shall be authenticated by the signature of the Executive Secretary and the Secretary.  | Fixing of Seal            |    |
| <b>24</b> | In this Bill-<br>"Board" means the Governing Board of the Fund established by section 2 of this Bill;<br>"Chairman: means the Chairman of the Board;<br>"Functions" includes power and duty;<br>"Fund" means the Fund established by section 1 (1);   | Interpretation            |    |

"Executive Secretary" is the Chief Executive of the Fund and Chairman of the Management Committee;

"Member" means an individual representing an organization or institution in (the Board and includes the Chairman and Executive Secretary);

"Minister" means the Minister charged with responsibility for matters relating to Agriculture.

"Appropriate Financial Institutions" means as defined by Banks and Other Financial Institutions Act of 2020 as amended.

25 This Bill may be cited as the National Agricultural Development Fund (Establishment) Bill, 2021.

Short Title

## SUPPLEMENTARY PROVISIONS RELATING TO THE PROCEEDINGS OF THE BOARD

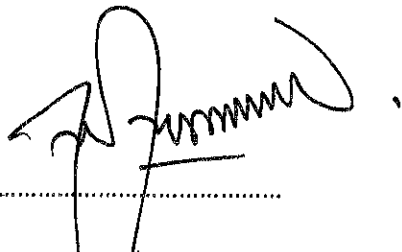
### SCHEDULE (1)

1. - Before appointing a person as a member, the Minister shall satisfy himself that, such a person will have no interest or owe such allegiance that may likely be prejudicial to the discharge of his functions as a member.  
Any person whom the Minister nominates as a member shall perform his duties as specified under this Bill.
- 2.-(1) Subject to this Bill and Section 27 of the Interpretation Act (which provides for the decisions of a statutory body to be taken by a majority of the members of the body and for the persons presiding to have a second or casting vote), the Board may make standing orders regulating its proceedings or of any committee thereof.  
  
(2) The quorum at a meeting shall be one third of the members of the meeting
3. The Board shall meet not less than three times in each year and subject thereto, the Board shall meet whenever it is summoned by the Chairman, and if the Chairman is required to do so, by notice to him of not less than seven members, he shall summon a meeting of the Board to be held within seven days from the date on which the notice is given.
4. Where the Board wishes to obtain the advice of any person on any particular matter, the Board may invite any person as it thinks fit, but any person who is invited by virtue of this sub-paragraph shall not be entitled to vote at any meeting of the Board and shall not count towards a quorum.
5. (1) The Board may appoint one or more committees to carry out, on behalf of the Board, such of its functions as the Board may determine.  
  
(2) Every Committee appointed under this paragraph shall consist of such number of persons as may be determined by the Board and not more than one third of those persons may be persons who are not members of the Board.  
  
(3) A decision of a Committee of the Board shall be of no effect until it is ratified by the Board.
6. (1) Where a member has an interest in any application for loan for any project made or proposed by any beneficiary, such member shall disclose his interest at a meeting of the Board.  
  
(2) Such disclosure shall be recorded in the minute of the meeting and the member shall not take part after such disclosure in any deliberation or decision of the Board with regard to that particular subject matter in respect of which his interest was disclosed.

**EXPLANATORY MEMORANDUM**

The Bill establishes the National Agricultural Development Fund for the purposes of providing funding for agricultural development.

**THIS BILL WAS PASSED BY THE SENATE ON WEDNESDAY, 24<sup>TH</sup> MARCH, 2021**



.....  
President,  
Senate of the Federal Republic of Nigeria



.....  
Clerk,  
Senate of the Federal Republic of Nigeria