

NATIONAL AGRICULTURAL DEVELOPMENT FUND

(ESTABLISHMENT) BILL, 2019

ARRANGEMENT OF SECTIONS

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SCHEDULE

A BILL

FOR

AN ACT TO ESTABLISH THE NATIONAL AGRICULTURAL DEVELOPMENT
FUND AND FOR RELATED MATTERS

Sponsored by Senator Abdulahi Adamu

[] Commencement

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

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

3 1.-(1) There is established a body to be known as the National
4 Agricultural Development Fund (in this Act referred to as "the Fund").

Establishment
of the National
Agricultural
Development
Fund

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

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

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

10 2.-(1) There is established for the Fund a Governing Board (in this
11 Act referred to as "the Board").

Establishment
of the Governing
Council

12 (2) The Board shall consist of-

13 (a) a Chairman;

14 (b) one representative each of the followings-

15 (i) Ministry of Finance (office of the Accountant-General),

16 (ii) Federal Inland Revenue Service,

17 (iii) All Farmers Association of Nigeria,

18 (iv) National Food Reserve Agency,

19 (v) Bankers Association of Nigeria,

20 (vi) the organised private sector to represent special interest;

21 (c) two persons to represent the Federal Ministry of Agriculture

1 and Water Resources;

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

3 (e) the Executive Secretary.

4 (3) The Chairman and members shall be appointed by the President
5 on the recommendation of the Minister.

6 (4) The President may vary the composition of the Board after
7 consultation with the Minister.

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

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

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

14 (8) The supplementary provisions set out in the Schedule to the Act
15 shall have effect with respect to the proceedings of the Board and other matters
16 contained therein.

Qualifications
of Members

17 3.-(1) The Chairman and members shall hold the following
18 qualifications-

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

21 (b) economics as it relates to agriculture, agricultural policy and
22 implementation.

Tenure of
Members

23 4.-(1) A member other than ex-officio-

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

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

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

1 5.-(1) A member may cease to hold office if-

Cessation of
Membership

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

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

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

9 (i) becomes bankrupt; or

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

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

12 (2) A member may at anytime resign his membership-

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

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

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

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

Allowances of
Member

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

24 8. The Fund shall-

Functions of the
Fund

25 (a) provide finance to support Agricultural development in Nigeria
26 taking into consideration the need to provide food production and food
27 security in Nigeria;

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

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

5 (d) provide finance primarily for the establishment special
6 Agricultural zones in the six geo-political zones as specified in schedule 2 to
7 this Act to boost food production system in Nigeria;

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

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

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

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

20 (i) engage in such activities and perform such functions as this act
21 may confer or as the president may, after consultation with the Minister, permit
22 or assign to it.

Powers of the
Board

23 9. The Board shall have power to-

24 (a) make regulations for the management of the fund with the
25 approval of the Minister;

26 (b) approve the annual budget of the Fund;

27 (c) approve all grants for agricultural research, training and
28 development;

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

- 1 (e) review and monitor the activities of the Fund;
- 2 (f) approve payment to persons employees by the Fund such
3 remuneration and allowances);
- 4 (g) give report on all activities of the Fund on the quarterly basis
5 through the Minister to the President;
- 6 (h) specify the manner in which assets of the Fund are to be held
7 and regulate payment into and out of the Fund;
- 8 (i) specify the manner for the timely disbursement and recovery
9 (where necessary) of loans;
- 10 (j) require the keeping of proper accounts and records for the
11 purposes of the fund in such form as may be specified in the rules;
- 12 (k) require the accounts of the Fund to be audited periodically by
13 the Auditor-General of the Federation;
- 14 (l) ensure the submit of copies of the accounts and the auditor's
15 report thereon to the Federal Executive Council through the Minister;
- 16 (m) monitor the execution of projects; and
- 17 (n) carry out such other activities as may be incidental to the
18 discharge of its function under this Act.

19 PART III - APPOINTMENT OF THE EXECUTIVE SECRETARY AND
20 OTHER STAFF

21 10.-(1) There shall be for the fund an Executive Secretary who
22 shall be appointed by the President on the recommendation of the Minister.

Appointment of
the Executive
Secretary, etc.

23 (2) The Executive Secretary shall be a person who in the opinion of
24 the Minister has acquired cognate experience in any of the following
25 disciplines-

- 26 (a) agricultural finance;
- 27 (b) economics;
- 28 (c) agricultural policy formulation and implementation.

29 (3) The Executive Secretary shall be the Chief Executive of the
30 Fund, and is responsible for the day-to-day administration of the Fund

1 subject to the general directions of the Board.

2 (4) The Executive Secretary shall-

3 (a) hold office for a term of five years and no more; or

4 (b) on such terms and conditions as are specified in his letter of
5 appointment.

6 (5) Notwithstanding, the provision of subsection (4) of this section,
7 the Executive Secretary may be removed from office by the President -

8 (a) for inability to discharge the functions of his office (whether
9 arising from infirmity of mind or body or any other cause) or for misconduct, or

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

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

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

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

18 **PART IV - FINANCIAL PROVISIONS**

Account

19 **11.** -(1) The Fund shall establish and maintain an account from which
20 shall be defrayed all expenditure incurred by the Fund.

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

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

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

25 (c) 5% of profit after tax of each commercial bank in Nigeria;

26 (d) 5% of the petroleum profit tax;

27 (e) 50% of the duty levied on imported Rice, Wheat, Sugar and Milk;

28 (j) monies appropriated by the National Assembly.

Expenditure

29 **12.** The Board may from time to time, apply the proceed of the
30 account established in section 12(1) of this Act to-

- 1 (a) the cost of administration of the Fund;
- 2 (b) the payment of the allowances and benefits of members and for
3 reimbursing members of any Committee set up by the Board for such
4 expenses as may be expressly authorised by the Board;
- 5 (c) the payment of salaries, remuneration or allowances, pensions
6 and other benefits payable to the officers, and other employees of the Fund,
7 but no payment of any kind under this paragraph (except such as may be
8 expressly authorised by the Board) shall be made to any person who is in
9 receipt of emolument from the Federal or State Government; and
- 10 (d) the development and maintenance of any property vested in or
11 owned by the Fund.

12 **13.**-(1) The Fund shall keep accounts in respect of each year and
13 proper records in relation to those accounts and shall cause to be prepared in
14 each year-

Annual Accounts
and Estimates

- 15 (a) a statement showing the income and expenditure of the Fund for
16 the preceding year; and
- 17 (b) a statement of all assets and liabilities of the Fund as at the last
18 day of the immediate preceding year.

19 (2) The Fund shall cause every statement prepared under this
20 Section to be audited within six months after the end of the year to which the
21 statement relates by auditors appointed from the list and in accordance with
22 the guidelines supplied by the Auditor-General of the Federation.

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

26 **14.**-(1) The Fund shall prepare and submit to the Minister not later
27 than six months after the end of the year a report, in such form as the Minister
28 may direct, on the activities of the Fund during the immediate preceding
29 year and shall include in the report a copy of the audited accounts of the Fund
30 for that year and auditor's report thereon.

Annual Report,
Audited Accounts
and Auditor's
Report

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

Powers to
accept gifts

3 16.-(1) The Fund may accept any gift of land, money or other property
4 on such terms and conditions, if any, as may be specified by the person or
5 organisation making gift.

6 (2) The Fund shall not accept any gift if the conditions attached by the
7 person or organisation offering the gift are inconsistent with functions and
8 objectives of the Fund.

Power to borrow

9 18.-(1) The Fund may, from time to time, borrow by way of overdraft
10 or otherwise such sums as it may require for the performance of its functions
11 under this Act.

12 (2) The Fund shall not, without the approval of the Minister, borrow
13 money which exceeds at any time, the amount set by the Government as the
14 limit of the authority of the Fund.

15 (3) Where the sum to be borrowed is in foreign currency, the Fund
16 shall seek and obtain the approval of the Minister through the Board.

17 PART V - LEGAL PROCEEDINGS

Limitation
against suit

18 19.-(1) No suit shall be instituted in any court against the Fund or its
19 employee unless it is commenced-

20 (a) within three months next after the act, neglect or default
21 complained of; and

22 (b) in the case of continuation of damage or injury, within three
23 months next after the ceasing thereof.

24 (2) No suit shall commence against the Fund before the expiration of a
25 period of one month after written notice of the intention to commence the suit
26 shall have been served on the Fund by the intending plaintiff or his agent and the
27 notice shall clearly state-

28 (a) cause of action;

29 (b) particulars of claim;

30 (c) the name and place of abode of the intending plaintiff; and

1 (d) the relief which he claims.

2 20. A notice referred to in Section 18(2) of this Act, summons or Service of
3 other documents required or authorised to be served on the Fund under this Documents
4 Act or any other law or enactment may be served by-

5 (a) delivering it to the office of the Executive Secretary; or

6 (b) by sending it by registered post addressed to the Executive
7 Secretary or the principal office of the Fund.

8 21.-(1) In any action or suit against the Fund, no execution or Restriction on
9 attachment of process in any nature thereof shall be issued against the Fund Execution
10 unless not less than three months' notice of the intention to execute or attach
11 has been given to the Fund.

12 (2) Any sum of money maybe which by the judgement of any court
13 awarded against the Fund ought to subject to any direction given by the court
14 where no notice of appeal against the judgement has been given, be paid
15 from the account of the Fund.

16 22. A member, the Executive Secretary or any employee of the Indemnity
17 fund shall be indemnified out of the asset of the Fund against any liability
18 incurred by him in defending any proceeding, whether civil or criminal, if
19 any such proceeding is brought against him in his capacity as a member,
20 Executive Secretary or employee of the Fund.

21 PART VI - MISCELLANEOUS

22 23. Subject to the provisions of this Act, the President may give to Directives
23 the Fund directives of a general nature or relating generally to matters of
24 policy with regard to the performance by the Fund of its functions and it
25 shall be the duty of the Fund to comply.

26 24. Subject to he provision of this Act, the Minister may give to the Direction by the
27 Board directions of general nature relating to matters of policy with regard Minister
28 to the exercise by the Board of its functions and the Board shall comply with
29 such directions.

Power to make Regulations	1	25. The Minister may make regulations generally for the purpose of
	2	giving full effect to this Act.
Fixing of seal	3	26. The fixing of the seal of the Fund shall be authenticated by the
	4	signature of the Executive Secretary and the Secretary.
Interpretation	5	27. In this Act-
	6	"Board" means the Governing Board of the Fund established by section 2 of
	7	this Act;
	8	"Chairman" means the Chairman of the Board;
	9	"Functions" includes power and duty;
	10	"Fund" means the Fund established by section 1 (1);
	11	"Executive Secretary" is the Chief Executive of the Fund and Chairman of the
	12	Management Committee;
	13	"Member" means an individual representing an organization or institution in
	14	(the Board and includes the Chairman and Executive Secretary);
	15	"Minister" means the Minister charged with responsibility for matters relating
	16	to Agriculture.
Short title	17	28. This Bill may be cited as the National Agricultural Development
	18	Fund (Establishment) Bill, 2019.
	19	SCHEDULE (1)
	20	SUPPLEMENTARY PROVISIONS RELATING TO THE PROCEEDINGS OF
	21	THE BOARD
	22	1. Before appointing a person as a member, the Minister shall satisfy
	23	himself that, that person will have no such interest or owe such allegiance as
	24	likely to affect prejudicially the discharge by him of his functions as a member
	25	and that he has no such interest; and any person who is or whom the Minister
	26	proposes to nominate as a member shall, whenever requested by the Minister
	27	considers necessary for the performance by the Minister of his duties under this
	28	Act.
	29	2.-(1) Subject to this Act and Section 27 of the Interpretation Act
	30	(which provides for the decisions of a statutory body to be taken by a majority

1 of the members of the body and for the persons presiding to have a second or
2 casting vote), the Board may make standing orders regulating its
3 proceedings or of any committee thereof.

4 (2) The quorum at a meeting shall be a third of the members of the
5 meeting.

6 3.-(1) The Board shall meet not less than three times in each year
7 and subject thereto, the Board shall meet whenever it is summoned by the
8 Chairman, and if the Chairman is required to do so, by notice to him by not
9 less than seven members, he shall summon a meeting of the Board to be held
10 within seven days from the date on which the notice is given.

11 (2) At any meeting of the Board, the chairman shall preside but if he
12 is absent, the members present at the meeting shall elect one of their
13 members to preside provided there is a quorum.

14 4. Where the Board wishes to obtain the advice of any person on
15 any particular matter, the Board may invite any person as it thinks fit, but any
16 person who is invited by virtue of this sub-paragraph shall not be entitled to
17 vote at any meeting of the Board and shall not count towards a quorum.

18 5.-(1) The Board may appoint one or more committees to carry out
19 on behalf of the Board, such of its functions as the Board may determine.

20 (2) Every Committee appointed under this paragraph shall consist
21 of such number of persons as may be determined by the Board and not more
22 than one third of those persons may be persons who are not members of the
23 Board.

24 (3) A decision of a Committee of the Board shall be of no effect
25 until it is ratified by the Board.

26 6.-(1) Where member has an interest in any application for loan for
27 loan for any project made or proposed by any beneficiary shall disclose his
28 interest at a meeting of the Board.

29 (2) Such disclosure shall be recorded in the minute of the meeting
30 and the member shall not take part after such disclosure in any deliberation

- 1 or decision of the Board with regard to that particular subject matter in respect
- 2 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.