

NIGERIAN HEALTH INFRASTRUCTURE DEVELOPMENT BANK

(ESTABLISHMENT) BILL, 2020

ARRANGEMENT OF SECTIONS

1. Establishment of the Nigerian Health Infrastructure Development Bank
 2. Establishment of the Board of Directors
 3. Tenure of Office
 4. Removal from office of members of the Board
 5. Functions of the Bank
 6. Functions of the Bank
 7. Functions of the Board
 8. Powers of the Board
 9. Managing Director and Executive Directors
 10. Secretary and other staff
 11. Capital
 12. General reserve fund
 13. Borrowing powers
 14. Funds of the Bank
 15. Expenditure of the Bank
 16. Annual accounts
 17. Annual report
 18. Offices and branches
 19. Exemptions
 20. Regulations
 21. Eligibility for funding
 22. Interpretation
 23. Short title
- Schedule

A BILL

FOR

AN ACT TO ESTABLISH THE NIGERIAN HEALTH INFRASTRUCTURE DEVELOPMENT BANK, TO ENHANCE AND PROMOTE THE HEALTH AND WELLBEING OF NIGERIANS OF ALL WALKS OF LIFE, TO BOOST LOCAL HEALTHCARE CAPACITY AND FOR RELATED MATTERS

Sponsored by Hon. Mansur Manu Soro

Co- Sponsor: Hon. Femi Gbajabiamila

[] Commencement

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

1 1.-(1) There is hereby established the Nigerian Health
2 Infrastructure Development Bank (in this Bill referred to as "the Bank").

Establishment
of the Nigerian
Health Infrastructure
Development Bank

3 (2) The Bank-

4 (a) shall be a body corporate with perpetual succession and
5 common seal;

6 (b) may sue and be sued in its corporate name; and

7 (c) may, for the purpose of its functions, acquire, hold, or dispose of
8 property, whether movable and immovable.

9 2.-(1) There is hereby established for the Bank a board of directors
10 (in this Bill referred to as "the Board") which shall comprise of-

Establishment
of the Board of
Directors t

11 (a) a Chairman who shall be appointed by the President;

12 (b) one person to represent the Federal Ministry of Health;

13 (c) one person to represent the Federal Ministry of Finance;

14 (d) one person to represent the Central Bank of Nigeria;

15 (e) one person to represent the Medical and Dental Council of
16 Nigeria;

17 (f) the Managing Director of the Bank;

18 (g) the two Executive Directors of the Bank;

1 (h) one person to represent professional health bodies;

2 (i) one person to represent development partners and NGO's.

3 (2) The members of the Board, other than the Chairman and the
4 executive team, shall be appointed by the President on the recommendation of
5 the body they represent.

6 (3) The members of the Board shall be paid such allowances as the
7 Bank in a general meeting may, from time to time, approve.

8 (4) The provisions of the Schedule to this Bill shall have effect with
9 respect to the proceedings of the Board and the other matters mentioned
10 therein.

Tenure of Office

11 3.-(1) A member of the Board appointed, otherwise than by office,
12 shall hold office for a term of four years, and subject to the provisions of
13 subsection (2) of this section, shall be eligible for reappointment for only one
14 further term of four years.

15 (2) The office of a member of the Board shall become vacant if-

16 (a) he resigns as a member by notice in writing under his hand
17 addressed to the Managing Director;

18 (b) he becomes bankrupt, suspends payment of his debts or
19 compounds with his creditors;

20 (c) he is convicted of an offence involving dishonesty or fraud;

21 (d) he becomes of unsound mind; or

22 (e) he becomes a director or an officer of a healthcare and wellbeing
23 provider.

Removal from
office of members
of the Board

24 4.-(1) If it appears to the Board that a member of the Board should be
25 removed from office on the grounds of misconduct or inability to perform the
26 functions of his office, the Board shall make a recommendation through the
27 Minister to the President.

28 (2) If the President, after making such inquiries as he considers
29 necessary, approves the recommendation, the Minister shall, in writing,
30 declare the office of the member vacant.

1 (3) Notwithstanding the provisions of subsection (1) of this
2 section, the President may remove a member of the Board from office if he is
3 satisfied that it is in the public interest so to do.

4 5. The functions of the Bank shall be to -

Functions of
the Bank

5 (a) provide long-term credit facilities to Nigerian-owned health
6 and wellbeing infrastructure or project in Nigeria at such terms as may be
7 determined by the Board in accordance with the policy directed by the
8 Federal Government, being rates and terms designed to support the
9 sustainability and to accelerate operational efficiency of the enterprise or
10 project;

11 (b) provide such loans either in Naira or other foreign currencies or
12 both for the requirements of the eligible infrastructure or project;

13 (c) subject to the approval of the Minister, raise loans from the local
14 and international capital markets from bilateral or multilateral sources as the
15 market situation permits;

16 (d) encourage and promote the development of indigenous
17 healthcare infrastructure, enterprises and projects in Nigeria;

18 (e) do anything and enter into any transaction which in the opinion
19 of the Board is necessary to ensure the proper performance of its functions
20 under this Bill.

21 6.-(1) Without prejudice to the generality of section 5 of this Bill,
22 the Bank shall have power to-

Functions of the
Bank

23 (a) accept deposits and savings from healthcare providers,
24 enterprises, projects, and other institutional depositors;

25 (b) issue its own securities, including debentures and bonds under
26 Federal Government guarantees and issue promissory notes and other bills
27 of exchange for the purpose of raising funds from financial institutions;

28 (c) establish a sinking fund for the redemption of securities issued
29 by the Bank and provide for contributions by it to the sinking fund;

30 (d) carry out research on healthcare finance activities and health

1 and wellbeing sectors in Nigeria;

2 (e) organise and operate, in collaboration with reputable insurance
3 companies, a healthcare protection system designed to guarantee liquidity to
4 healthcare institutions as well as afford them the opportunity of having liberal
5 premium terms; and

6 (f) do anything and enter into any transaction which in its opinion is
7 necessary to ensure the proper performance of its functions under this Bill.

8 (2) The liability of the Bank, which may be incurred in connection
9 with the exercise of the Bank's powers under subsection (1) of this section,
10 shall be re-discountable with the Central Bank of Nigeria.

Functions of
the Board

11 7. The Board shall be responsible for-

12 (a) managing and superintending the affairs of the Bank;

13 (b) the overall policy and general management of the Bank;

14 (c) formulating policies and guidelines for operating the loans from
15 the Bank and ensuring their implementation;

16 (d) working closely with the management of the Bank to ensure
17 smooth operation of the affairs of the Bank;

18 (e) deciding on and approving the borrowing power and credit limits
19 of the Bank;

20 (f) approving annual reports and statement of accounts of the Bank;

21 (g) appointing and approving fees for external auditors; and

22 (h) carrying out such other activities connected with or incidental to
23 the other functions of the Board.

Powers of the
Board

24 8. There Board shall have power to-

25 (a) to acquire offices and other premises for the use of the Bank;

26 (b) to fix terms and conditions of service including remuneration of
27 the employees of the Bank;

28 (c) establish such zonal and other branches of the Bank as it may deem
29 necessary for the proper performance of its functions; and

30 (d) to do such other things as are necessary for the successful

1 performance of its functions under this Bill.

2 **9.**-(1) There shall be appointed for the Bank, by the President, the Managing Director
3 following officers, that is- and Executive
Directors

4 (a) a Managing Director, who shall be the Chief Executive of the
5 Bank and be responsible for the day-to-day management of the affairs of the
6 Bank; and

7 (b) such number of Executive Directors, not exceeding two, as he
8 may determine who shall perform such duties as may be assigned to them,
9 from time to time, by the Board or the Managing Director.

10 (2) A person appointed as the Managing Director or an Executive
11 Director shall not, while holding that office, qualify to hold any office as a
12 Director in any other bank, corporation, company or any other
13 establishment without the approval of the Board.

14 (3) The Managing Director and Executive Directors appointed
15 pursuant to the provisions of subsection (1) of this section shall hold office
16 for a period of five years and may be re-appointed for a further period of five
17 years.

18 (4) Subject to subsection (3) of this section, the Managing Director
19 and Executive Directors shall each hold office on such terms and conditions
20 as may be specified in their letters of appointment.

21 **10.**-(1) The Board shall appoint a Secretary to the Bank who shall- Secretary and
22 other staff

23 (a) be responsible to the Managing Director;

24 (b) keep the records and conduct the correspondence of the Board;

25 and

26 (c) perform such other duties as the Board or the Managing
Director may, from time to time, determine.

27 (2) The Board shall appoint such number of officers and other
28 persons as employees of the Bank as may appear expedient and necessary to
29 the Board for the proper and efficient conduct of the business and functions
30 of the Bank.

	1	(3) The terms and conditions of service (including remuneration,
	2	allowances and pension benefits) of the Secretary to the Bank and other
	3	employees of the Bank shall be as may be determined by the Board.
Capital	4	11. -(1) The capital of the Bank shall consist of equity and loan capital.
	5	(2) The authorised capital of the Bank shall be one hundred billion
	6	naira which shall be divided into 10,000,000 shares of N10,000.00 each and be
	7	subscribed and paid up at par by the Federal Government.
	8	(3) The loan capital of the Bank shall be provided by the Federal
	9	Government in such amount and on such terms as may be determined by the
	10	Minister of Finance.
General reserve fund	11	12. -(1) The Bank shall establish a general reserve fund to which shall
	12	be allocated from the net profits of the Bank at the end of each financial year of
	13	the Bank-
	14	(a) 50% of the net profits of the Bank for the year, when at the end of
	15	the year the fund is less than the authorised capital of the Bank;
	16	(b) 25% of the profits of the Bank for the year, when the fund is equal
	17	to or exceeds the authorised capital of the Bank.
	18	(2) After any allocation has been made in respect of subsection (1) of
	19	this section, the balance of the net profits shall be applied to the retirement of
	20	any loan granted to the Bank by the Federal Government or any other body.
	21	(3) The remainder of the net profits, if any, shall be paid to the
	22	shareholders of the Bank.
Borrowing powers	23	13. -(1) Without prejudice to section 6 of this Bill, the Bank shall not,
	24	except with the approval of the Board and Minister of Finance, borrow from
	25	any source any money exceeding its share capital.
	26	(2) The Bank shall have power to secure the repayment of any money
	27	borrowed by the Bank in such manner as the Bank may think fit and, in
	28	particular, by the issue of debentures charged on all or any of the Bank's
	29	properties, and shall also have power to purchase, redeem and pay up any of
	30	those securities.

1 (3) The Bank shall have power to receive grants, loans and
2 advances and other moneys on deposit from the Federal Government, the
3 Central Bank of Nigeria and any licensed bank and also the public in general
4 under such conditions as may be approved by the Board.

5 (4) The Federal Government may guarantee foreign loans in such
6 manner and on such terms as it may deem fit and ensure the redemption and
7 the repayment by the Bank.

8 **14.** Without prejudice to section 13 of this Bill, the Bank shall
9 maintain a fund which shall consist of- Funds of the
Bank

10 (a) such sums as may, from time to time, be provided by the Federal
11 Government for the purpose of this section by way of grant or loan or
12 otherwise;

13 (b) such sums as may be paid to the Bank in the course of its
14 operations;

15 (c) all interests received in respect of moneys invested by the Bank;

16 (d) all moneys raised for the purposes of the Bank by way of gifts,
17 loans, grants- in-aid, testamentary dispositions or otherwise;

18 (e) monies borrowed from any source approved by the Board; and

19 (f) such other monies as may, from time to time, accrue to the Bank.

20 **15.** The Bank may, from time to time, apply the proceeds of the
21 fund established in pursuance of section 14 (1) of this Bill- Expenditure of
the Bank

22 (a) to the cost of administration of the Bank;

23 (b) to paying or reimbursing members of the Board or of any
24 committee set-up by the Board for expenses as may be expressly authorised
25 by the Board;

26 (c) to the payment of the salaries, fees or other remuneration,
27 allowances, pensions and gratuities payable to the officers and other
28 employees of the Bank;

29 (d) for the maintenance of any property vested in the Bank;

	1	(e) to the payment of all expenses incurred on behalf of the Bank; and
	2	(f) to and in connection with performing all or any of the functions of
	3	the Bank and the Board.
Annual accounts	4	16. -(1) The Board shall, in respect of each year, keep proper accounts
	5	of the revenue and expenditure of the Bank and of all deposits received and
	6	repaid and interests credited to depositors during the year, from 1 January to the
	7	31st December of the same year, together with a statement of the assets and
	8	liabilities of the Bank.
	9	(2) The accounts of the Bank kept under subsection (1) of this section
	10	shall, after being audited and certified by an auditor appointed from the list and
	11	in accordance with guidelines supplied by the Auditor-General for the
	12	Federation, be submitted to the Minister and shall thereafter be published by
	13	the Bank in selected national newspapers for general information.
Annual report	14	17. The Bank shall prepare and submit to the President through the
	15	Minister, in such form as the Minister may direct and not later than 30 June in
	16	each year, a report on the activities of the Bank during the immediately
	17	preceding year and shall include in the report a copy of the audited accounts of
	18	the Bank for that year and the Auditor-General's report thereon.
Offices and branches	19	18. The Bank may, subject to the approval of the Board, open offices
	20	and branches in such parts of Nigeria as the Board may decide and appoint
	21	agents and correspondents in accordance with the decision of the Board.
Exemptions	22	19. -(1) The Bank shall be exempt from the payment of income tax,
	23	and the provisions of any enactment relating to taxation of companies shall not
	24	apply to the Bank.
	25	(2) The provisions of the Banks and Other Financial Institutions Act
	26	shall not apply to the Bank.
Regulations	27	20. The Board may make regulations with respect to any of the
	28	following matters, to wit-
	29	(a) the granting of loans, advances and the making of deposits;
	30	(b) the terms, conditions, rates of interest, fees or administrative

1 charges in respect of advances, credits, guarantees and any other transaction
2 which the Bank may undertake from time to time;

3 (c) the form of application, agreements and other materials
4 necessary for the control of the grant of advances, credits, guarantees and
5 other transactions which the Bank may undertake from time to time;

6 (d) the securities that may be required for loans to be granted by the
7 Bank; and

8 (e) any other matter that may be incidental or supplemental to the
9 functions of the Bank under this Bill.

10 **21.**-(1) An enterprise or a project shall not be eligible to access Eligibility for
11 funds at the Bank unless the enterprise or project- funding

12 (a) possesses a record of at least 10 years active participation in the
13 Nigerian healthcare and wellbeing sector prior to its application to access
14 funds; and

15 (b) is wholly-owned by Nigerians.

16 (2) A State government may access funds at the Bank through a
17 participating private health management company.

18 **22.** In this Bill- Interpretation

19 "Board" means the Board of Directors of the Bank constituted under section
20 2 of this Bill;

21 "Central Bank" means the Central Bank of Nigeria established under the
22 Central Bank of Nigeria Act;

23 "Chairman" means the Chairman of the Board;

24 "financial institutions" and "licensed bank" have the meaning assigned to
25 them under the Banks and Other Financial Institutions Act;

26 "enterprise" means a duly registered company wholly-owned by Nigerians
27 and whose principal business is activities in the healthcare sector;

28 "Managing Director" means the employee of the Bank appointed as such
29 under section 9 of this Bill;

1 "Minister" means the Minister charged with responsibility for matters relating
2 to finance;

3 "Bank" means the Nigerian Health Infrastructure Development Bank
4 established under section 1 of this Bill;

5 "President" means the President of the Federal Republic of Nigeria.

Short title

6 **23.** This Bill may be cited as the Nigerian Health Infrastructure
7 Development Bank (Establishment) Bill, 2020.

8 SCHEDULE

9 [Section 2 (4).]

10 *Proceedings of the Board*

11 1. Subject to this Bill and section 27 of the Interpretation Act the
12 Board may make standing orders regulating the proceedings of the Board and
13 of any committee of the Board, and in particular, as respects-

14 (a) the holding of meetings;

15 (b) notices to be given of those meetings and the proceedings thereat;

16 (c) the keeping of minutes, and the custody, production and inspection
17 of those minutes; and

18 (d) the opening, keeping, closing and auditing of accounts.

19 2. A meeting of the Board shall be presided over by the chairman or, if
20 the chairman is unable to attend any particular meeting, by another member
21 appointed by the members present at the meeting to act as chairman for that
22 particular meeting.

23 3. The quorum at a meeting of the Board shall be the chairman (or, in
24 an appropriate case, the person appointed to act as chairman under paragraph 2
25 of this Schedule) and four members.

26 4. Where standing orders made under paragraph 1 of this Schedule
27 provide for the Board, to co-opt persons who are not members of the Board,
28 those persons may advise the Board on any matter referred to them by the
29 Board, but shall not be entitled to vote at a meeting of the Board or count
30 towards a quorum.

1 *Committees*

2 5.-(1) The Board may appoint one or more committees to carry out,
3 on behalf of the Board, such of its functions as the Board may determine.

4 (2) A committee appointed under this paragraph shall consist of
5 such number of persons as may be determined by the Board, and not more
6 than one third of those persons may be persons who are not members of the
7 Board; and a person other than a member of the Board shall hold office on
8 the committee in accordance with the terms of the letter by which he is
9 appointed.

10 (3) A decision of a committee of the Board shall be of no effect until
11 it is confirmed by the Board.

12 *Miscellaneous*

13 6. The Board shall provide for the safe custody of the seal of the
14 Bank which shall only be used by the authority of the Board or of a
15 committee of the Board authorised by the Board in that behalf, and every
16 instrument to which the seal is affixed shall be signed by a member of the
17 Board and counter-signed by the secretary to the Board or by another
18 member or some other person appointed by the Board for that purpose.

19 7. A document purporting to be an instrument issued by the Bank
20 and to be sealed with the seal of the Bank authenticated in the manner
21 provided by this paragraph, or to be signed by the managing director, shall
22 be received in evidence and be deemed to be the instrument without further
23 proof, unless the contrary is shown.

24 8. A contract or an instrument which, if made or executed by a
25 person not being a body corporate would not be required to be under seal,
26 may be made or executed on behalf of the Bank by a person authorised either
27 generally or especially by the Bank to act for that purpose.

28 9. The validity of a proceeding of the Board shall not be affected-

29 (a) by a vacancy in the membership of the Board; or

30 (b) by a defect in the appointment of a member of the Board; or

1 (c) by reason that a person not entitled to do so took part in the
2 proceedings.

3 10. A member of the Board, and a person holding office on a
4 committee of the Board, who has a personal interest in a contract or an
5 arrangement entered into or proposed to be considered by the Board or the
6 committee shall forthwith disclose his interest to the Board or committee and
7 shall not vote on any question relating to that contract or arrangement.

EXPLANATORY MEMORANDUM

This Bill seeks to establish the Nigerian Health Infrastructure Bank with the aim of galvanising and promoting world-standard health and wellbeing to Nigerians of all walks of life through targeted sector-focused banking products that will enhance local capacity and contribute to the prosperity and development of the country.