

A BILL

FOR

A LAW TO AMEND THE DELTA STATE FISCAL RESPONSIBILITY LAW 2003 AND FOR OTHER MATTERS CONNECTED THEREWITH

BE IT ENACTED by the Delta State House of Assembly as follows:

1. This Law may be cited as the Delta State Fiscal Responsibility (Amendment) Law, 2020 and shall come into force on the 30th day of April, 2020. Short title and Commencement.
2. In this Law, unless the context otherwise requires:
"Principal Law" means the Delta State Fiscal Responsibility Law, 2008. Interpretation.
3. Section 2 of the Principal Law is amended by inserting after the definition of "Medium-Term Expenditure Framework" the following definition:
"Minister" means Minister of Finance, Federal Republic of Nigeria; Amendment of Section 2 of the Principal Law.

Amendment
of Section 47
of the
Principal
Law.

4. Section 47 of the Principal Law is amended by inserting after subsection (2) the following subsection:

“(3) Notwithstanding the provisions of this Part, all Banks and Financial Institutions requiring to lend to the State and Local Governments or any of their Agencies shall obtain the prior approval of the Minister.”

Insertion of
Part XA.

5. The Principal Law is amended by inserting a new Part XA after Part X:

“PART XA - DELTA STATE DEBT MANAGEMENT DEPARTMENT”

Establishment
of the State
Debt
Management
Department.

48A. “(1) There is hereby established for the State the Debt Management Department in the Ministry of Finance.

(2) The Debt Management Department (DMD) shall have the primary responsibility of managing the State’s debt portfolio and all debts related matters.

Functions of
the Debt
Management
Department.

48B. The functions of the Debt Management Department shall include the following:

- (a) advice on all debt instruments that the State may desire from time to time and give credible and professional advice;
- (b) maintain a reliable and current hard copy and more importantly an electronic database of all debt instruments issued, loans taken or guaranteed by the State Government or any of its Agencies and all contingent liabilities related to it;
- (c) prepare and submit to the Government, a forecast of Loan service obligation for each financial year and the available threshold allowance that can professionally be further accommodated within international best practices;
- (d) prepare and implement a plan for the efficient management of the State’s debt obligations at sustainable levels compatible with desired economic activities for growth and development; and participate in the negotiation and process of borrowing with the aim of ensuring that funds are borrowed at the best favourable terms and conditions for the State Government;
- (e) verify and cause the services of all debts guaranteed or taken directly by Government;

- (f) advise Government on guidelines for managing financial risks and financial exposure with respect to all loans and any other debt instruments;
- (g) advise the Government on the restructuring and refinancing of all debt obligations at all times;
- (h) advise the Government on the terms and conditions on which funds are to be borrowed;
- (i) submit to the Government for consideration in the annual budget, the status of State's debt portfolio and a forecast of the State borrowing capacity for every year's budget;
- (j) prepare a schedule of any other Government obligations such as trade debt and other contingent liabilities and provide advice on the policies and procedures for their management;
- (k) establish and maintain relationships with international and local financial institutions, creditors and institutional investors in the debt Market;
- (l) collect and collate data on debt management and disseminate information to all Stakeholders;
- (m) maintain the State's debt recording and host same on the State's website;
- (n) verify on a quarterly basis, compliance with the limits and conditions for borrowing by the State and each Local Governments in the State;
- (o) advise the State Government on the Issuance and management of the State's Loans as prescribed under any law and upon such terms and conditions as may be approved by the State Executive Council;
- (p) ensure the management of the Debt Fund of the State as established by the Law; and
- (q) do such other things which in the opinion of the Department, relate to the proper management of the debts of the State.

48C. (1) There shall be a Director of the Debt Management Department who shall:

- (a) be a person not below the rank of an Assistant Director on SGL 15 in the Civil Service of the State and who shall be knowledgeable in financial, budgetary and planning matters;
- (b) be responsible to the Ministry of Finance for policy direction and the day to day administration of the Department; and
- (c) possess experience in debt management matters.

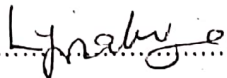
Appointment of Director and other staff of the Department.

- 2) The Staff of the Department shall:
- (a) be drawn from the mainstream of the Civil Service either by posting, transfer or by secondment; and
 - (b) possess University degree, Higher National Diploma, Ordinary National Diploma qualifications in management with relevant discipline or Social Sciences.

Establishment
of
Management
Team.

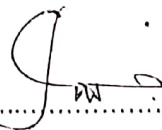
- 48D. There is hereby established for the Department, a Management Team which shall:
- (a) comprise the Director and Heads of the Units of the Debt Management Department (DMD); and
 - (b) under the direction of the Director, the team shall be responsible for the implementation of the policies of the Ministry of Finance for the day-to-day administration of the Department and in particular all debt instruments held or to be undertaken by the State."

This printed impression has been carefully compared by me with the Bill which has passed the Delta State House of Assembly and found by me to be a true and correctly printed copy of the said Bill.



Clerk
Delta State House of Assembly.

ASSENTED to/~~not assented~~ to this ^{20th} day of ^{May} 2020.



Governor
Delta State of Nigeria

