



REPUBLIC OF VANUATU

NATIONAL GREEN ENERGY FUND ACT NO. 10 OF 2018

Arrangement of Sections

PART 1# PRELIMINARY MATTERS#

1#	Interpretation.....	3#
2#	Objectives of the Fund.....	4#

PART 2# ESTABLISHMENT OF THE NATIONAL GREEN ENERGY FUND AND THE NATIONAL GREEN ENERGY FUND BOARD#

3#	Establishment of the Fund	6#
4#	Functions of the Fund	6#
5#	Establishment of the National Green Energy Fund Board	6#
6#	Functions of the Board.....	7#
7#	Powers of the Board.....	8#
8#	Chairperson and Deputy Chairperson.....	9#
9#	Meetings of the Board.....	9#
10#	Authorization to attend meeting	10#
11#	Sitting Allowance	10#
12#	Disclosure of interest	10#
13#	Secretary of the Board	10#
14#	Other Committees	11#

PART 3# THE NATIONAL GREEN ENERGY FUND MANAGER AND OTHER STAFF#

15#	Appointment of Fund Manager.....	12#
16#	Functions of the Fund Manager	12#
17#	Disqualification for appointment	13#
18#	Appointment of other Staff.....	13#

PART 4# FINANCIAL PROVISIONS#

19#	Source of Funds	15#
20#	Bank Account	15#
21#	Financial year, accounts and auditing.....	15#

22# Procurement procedures 16#

PART 5# MISCELLANEOUS PROVISIONS#

23# Immunity..... 17#

24# Annual Report..... 17#

25# Regulations 17#

26# Commencement 17#

REPUBLIC OF VANUATU

Assent: 06/07/2018
Commencement: 23/07/2018

NATIONAL GREEN ENERGY FUND ACT NO. 10 OF 2018

An Act to provide for the establishment of the National Green Energy Fund and for its related matters.

Be it enacted by the President and Parliament as follows-

PART 1 PRELIMINARY MATTERS

1 Interpretation

In this Act, unless a contrary intention appears:

Auditor-General means the person appointed as the Auditor- General under Article 25(4) of the Constitution;

banking business has the same meaning as in section 2 of the Financial Institutions Act [CAP 254];

Board means the National Green Energy Fund Board established under section 5;

Director General means the Director General of the Ministry of Climate Change, Meteorology, Geo-Hazards, Environment and Energy;

energy equipment and service provider means a business entity incorporated under the laws of Vanuatu and carrying on the business of manufacturing, importation, sale, installation or operation of sustainable energy product or equipment for purposes of providing energy services within the domestic markets;

financial intermediary means:

- (a) a financial institution; or
- (b) a body corporate that does not operate a banking business but provides retail financial services including loans to its members, such as a pension fund, micro-finance institution or savings and loans cooperative;

financial institution has the same meaning as defined under the Financial Institutions Act [CAP 254];

financial products means:

- (a) a loan; or
- (b) a guarantee; or
- (c) an equity; or
- (d) a combination of any of the products under paragraphs (a), (b) and (c);

Fund means the National Green Energy Fund established under section 2;

Fund Manager means a person appointed as the National Green Energy Fund Manager under section 15;

intermediaries means a financial intermediary and non-financial intermediary;

Minister means the Minister responsible for Climate Change Adaptation, Meteorology, Geo-Hazards, Environment, Energy and Disaster Management;

National Advisory Board means the National Advisory Board on Climate Change and Disaster Risk Reduction established under section 7 of the Meteorology, Geological Hazards and Climate Change Act No. 25 of 2016;

National Energy Road Map (NERM) means the Updated Vanuatu National Energy Road Map 2016-2030, dated June 2016 or any of its subsequent amendments;

non-financial intermediary means an energy equipment and service provider;

staff means a person appointed by the Fund Manager under section 18 and includes any consultant or agent appointed by the Board under this Act.

2 Objectives of the Fund

The objectives of the Fund are:

- (a) to support projects and activities aimed to achieve the objectives of the National Energy Road Map in providing accessible, affordable, secure and reliable and sustainable energy and Green growth; and

- (b) to provide financial support and technical assistance to extend electricity access to a person using renewable energy sources and facilitate more efficient end-use of energy.

PART 2 ESTABLISHMENT OF THE NATIONAL GREEN ENERGY FUND AND THE NATIONAL GREEN ENERGY FUND BOARD

3 Establishment of the Fund

- (1) The National Green Energy Fund is established.
- (2) The Fund is:
 - (a) a body corporate with perpetual succession; and
 - (b) to have a common seal; and
 - (c) capable of suing and being sued.

4 Functions of the Fund

- (1) The Fund has the responsibility of accumulating its finances from different sources and disburses them as required under this Act for purposes of achieving its objectives under section 2.
- (2) Without limiting subsection (1), the finances of the Fund may be distributed to a person as follows:
 - (a) through financial products offered by the Fund including but not limited to loans, guarantees or equity; or
 - (b) in the form of grants and subsidies to fund specific projects including technical assistance or subsidize a specific person.

5 Establishment of the National Green Energy Fund Board

- (1) The National Green Energy Fund Board is established.
- (2) The Board consists of the following members:
 - (a) the Director General; and
 - (b) the Director of the Department of Energy; and
 - (c) the Director of the Department of Finance and Treasury; and
 - (d) the Director of the Department of Provincial Affairs; and

- (e) the Director of the Department of Strategic Planning, Policy and Aid Coordination; and
 - (f) a senior representative of the Department of Women's Affairs (who must be a woman) nominated by the Director of the Department of Women's affairs; and
 - (g) 1 representative of the Civil Society Organizations nominated by the National Advisory Board.
- (3) The Minister is to appoint in writing, persons referred to under paragraphs (2)(f) and (g).
- (4) Persons appointed under paragraphs 2(f) and (g) are to hold office for a period of 3 years and may be reappointed.
- (5) The Board may invite any person including a donor to attend a meeting of the Board and to advise the Board on any matter before the Board.
- (6) If a member of the Board under paragraphs (2)(f) and (g) is absent for more than 3 consecutive meetings without a valid reason approved by the Board, the member of the Board is taken to have vacated his or her office.
- (7) The Minister must appoint another person to replace a member of the Board vacating his or her office under subsection (6).

6 Functions of the Board

- (1) The Board is responsible for the efficient and proper management and control of the monies of the Fund.
- (2) Without limiting subsection (1), the Board has the following functions:
- (a) to approve the following documents of the Fund which are to be prepared by the Fund Manager:
 - (i) strategy plan; and
 - (ii) annual budget; and
 - (iii) annual implementation plan; and
 - (iv) annual report on the operations of the Fund; and

- (v) any donor report; and
- (vi) organizational structure of the Fund; and
- (b) to approve the Operations Manual of the Fund which must be consistent with this Act and which will specify the following matters:
 - (i) the eligibility criteria of:
 - (A) a financial intermediary entering into an agreement with the Fund for purposes of offering financial products to a person; and
 - (B) sustainable energy equipments and technologies provided by a service provider; and
 - (ii) the project selection and prioritization criteria; and
 - (iii) the Funds interest rate structure in respect to loans, types of financial products, criteria for their selection and their terms and conditions; and
 - (iv) the technical assistance for capacity building of the staff of the Fund and potential recipients such as intermediaries and community groups, on project preparations; and
- (c) to advise on any matter for purposes of meeting the objectives of the Fund; and
- (d) to carry out any other act that is necessary or required to be carried out for the purposes of this Act.

7 Powers of the Board

- (1) The Board has the power to do all things that are necessary or convenient to be done for or in connection with the performance of its functions.
- (2) Without limiting subsection (1), the Board may enter into an agreement with all or any of the following persons:
 - (a) a donor that is providing funding to the Fund;
 - (b) a financial intermediary on financial products offered by the Fund;

- (c) an energy equipment or service provider on sustainable technologies and equipments offered by the provider;
- (d) technical advisors delivering technical assistance or services to any person on matters relating to the Fund;
- (e) development partners on cost-sharing and co-financing related matters;
- (f) any other person for purposes of carrying out the functions of the Board.

8 Chairperson and Deputy Chairperson

- (1) The Director General is the Chairperson of the Board.
- (2) The Director of the Department of Energy is the Deputy Chairperson of the Board.

9 Meetings of the Board

- (1) The Board is to meet at least once a month on the request of the Chairperson and at such other times as is necessary for the proper performance of the functions of the Board.
- (2) The Chairperson of the Board is to preside at all meetings of the Board and in his or her absence, the Deputy Chairperson is to preside at these meetings.
- (3) The quorum of the Board is 4 members of the Board present at the meeting.
- (4) A member present at a meeting of the Board has one vote and questions arising at a meeting are to be decided by a majority of votes.
- (5) If the voting at the meeting is equal, the Chairperson or the Deputy Chairperson (if he or she presiding at the meeting) has a casting vote.
- (6) To avoid doubt, the person invited by the Board under subsection 5(5) has no right to vote in any meeting of the Board.
- (7) Subject to this Act, the Board may determine and regulate its own procedures.

10 Authorization to attend meeting

A member of the Board may authorize a senior officer from his or her Ministry, Department, agency or organization to attend a meeting on his or her behalf.

11 Sitting Allowance

- (1) The members of the Board including the Chairperson and the Deputy Chairperson are entitled to a sitting allowance of not more than VT5,000 for each day in which the Board sits for a meeting.
- (2) The Minister is to prescribe by Order the amount of the sitting allowance.

12 Disclosure of interest

- (1) A member of the Board who has any direct or indirect personal or financial interest on any matter before the Board must declare his or her interest in the matter.
- (2) A disclosure under subsection (1) is to be recorded in the minutes of the meeting of the Board and the member of the Board must not:
 - (a) be present during any deliberation at a Board meeting with respect to that matter; or
 - (b) take part in any deliberations or vote at a meeting of the Board with respect to that matter.
- (3) A member of the Board who contravenes this section, commits an offence punishable on conviction by a fine not exceeding VT1,000,000 or imprisonment for a term not exceeding 12 months, or both.

13 Secretary of the Board

- (1) The Fund Manager is the Secretary of the Board.
- (2) The Secretary of the Board has the following functions:
 - (a) to convene meetings of the Board at the request of the Chairperson; and
 - (b) to prepare and circulate agendas and issue papers for meetings of the Board; and
 - (c) to take minutes of meetings and circulate them at least 3 weeks after each meeting; and

- (d) to keep records of all minutes of the meetings; and
 - (e) to coordinate and facilitate the implementation of the decisions of the Board; and
 - (f) to coordinate the presentation of monitoring reports on the implementation of decisions of previous meetings of the Board; and
 - (g) to ensure that meetings are held according to the approved schedule of the meetings; and
 - (h) to mobilise appropriate resources for the efficient implementation of all decisions of the Board; and
 - (i) to prepare annual work programmes of the Board; and
 - (j) such other functions that are conferred on the Secretary by this Act or any other Act.
- (3) To avoid doubt, the Secretary has no voting rights at a meeting of the Board.

14 Other Committees

- (1) The Board may establish other committees to assist the Board in carrying out its functions under this Act.
- (2) The Board is to determine the functions and procedures of the other committees.
- (3) The establishment of other committees under subsections (1) are to be published in the Gazette.

**PART 3 THE NATIONAL GREEN ENERGY FUND
MANAGER AND OTHER STAFF**

15 Appointment of Fund Manager

- (1) The Board is to appoint a National Green Energy Fund Manager on such terms and conditions as may be determined by the Board.
- (2) The appointment of the Fund Manager must be made through a competitive selection process and must be based on merit.
- (3) The Fund Manager is to hold office for a period of 3 years and may be reappointed.

16 Functions of the Fund Manager

- (1) The Fund Manager is responsible to the Board for all operations of the Fund including the effective implementation of the Board's decisions on matters relating to the Fund.
- (2) Without limiting subsection (1), the Fund Manager has the following functions:
 - (a) to assist to identify other sources of funding for the Fund; and
 - (b) to identify investment project opportunities and partner intermediaries; and
 - (c) to identify a financial product with an intermediary; and
 - (d) to negotiate terms and conditions of investment agreements; and
 - (e) to monitor investment performance and whenever necessary conduct on site visits for project inspections to a person and gather relevant information; and
 - (f) to negotiate terms and conditions of technical assistance and grant agreements; and
 - (g) to develop monitoring and evaluation logical frameworks and data collection systems for reporting key performance indicators; and
 - (h) to coordinate and manage external consultants; and
 - (i) to manage marketing activities and public relations; and

- (j) to deposit any money collected on behalf of the Fund to a bank account designated by the Ministry of Finance and Economic Management under section 20; and
- (k) to produce 6 monthly or annual reports on National Green Energy Fund developments; and
- (l) such other functions as may be specified by this Act.

17 Disqualification for appointment

A person is disqualified from being appointed as the Fund Manager if the person:

- (a) is or becomes a member of Parliament; or
- (b) is or becomes a member of a Provincial Government Council or a Municipal Council; or
- (c) is bankrupt or has made an arrangement in the nature of composition or assignment with his or her creditors; or
- (d) is a public servant appointed under the Public Service Act [CAP 246]; or
- (e) has been convicted of an offence and sentenced to a term of imprisonment of 12 months or more, whether or not it is a suspended sentence.

18 Appointment of other Staff

- (1) The Fund Manager may, with the prior approval of the Board, employ any staff of the Fund as he or she considers necessary for the proper and efficient performance of the functions of the Fund.
- (2) The Fund Manager may, with the approval of the Board, delegate any functions or powers of the Fund Manager to a staff of the Fund.
- (3) The Board is to determine the terms and conditions of the employment of the staff of the Fund.
- (4) The appointment of a staff must be in accordance with the staff manual and must follow a fair and transparent selection process and must be based on merit.
- (5) The Fund Manager is to prepare the staff manual of the Fund. The staff manual must be presented to the Board by the Fund Manager, for approval.

- (6) The Fund Manager may, according to the disciplinary procedures set out in the staff manual, suspend or dismiss a staff of the Fund.

PART 4 FINANCIAL PROVISIONS

19 Source of Funds

- (1) The source of Funds consists of:
 - (a) monies contributed by the Government in respect of fees imposed under this Act or any other Act or Agreement; or
 - (b) grants or any other financial contributions provided by any source from within or outside of Vanuatu; or
 - (c) any income generated from financial products distributed to a person through intermediaries.
- (2) Any donation made to the Fund by a donor must be used pursuant to the terms and conditions, if any, as agreed to by the donor and the Board for purposes of this Act.

20 Bank Account

- (1) The Ministry of Finance is to open and maintain an interest-bearing bank account of the Fund pursuant to Public Finance and Economic Management Act [CAP 244].
- (2) All monies payable to the Fund in terms of this Act or any other Act or Agreement must be deposited into the account referred to under subsection (1).
- (3) The Board must approve any payment to be made out of the monies of the Fund in connection to the performance of the functions of the Board or as required by this Act.

21 Financial year, accounts and auditing

- (1) The financial year of the Fund is the same as the Government's financial year.
- (2) The Fund Manager is accountable for all monies received and all payments made out of the monies of the Fund.
- (3) The Auditor- General is to audit the accounts of the Fund each year.
- (4) Despite subsection (3), the Auditor- General may appoint a suitably qualified external auditor to audit the accounts of the Fund on such terms

and conditions as determined by the Auditor- General, if he or she considers it necessary to do so.

- (6) At the end of each financial year, the Board must:
- (a) prepare a financial statement in respect of the financial year in accordance with the Generally Accepted Accounting Principles; and
 - (b) prepare a report on the operations and activities of the Fund during the financial year; and
 - (c) submit all financial accounts and statements to the Auditor-General or the external auditor (as the case may be) for audit.
- (7) The Board must submit:
- (a) any certified reports of an auditor on the accounts of the Fund to the Minister; and
 - (b) for each year an estimate of all income and expenditure during the ensuing financial year, and such other particulars as the Minister may require.

22 Procurement procedures

The procurement rules and procedures specified under the Government Contracts and Tenders Act [CAP 245] applies to grants offered by the Fund under this Act.

PART 5 MISCELLANEOUS PROVISIONS

23 Immunity

A civil or criminal liability action is not to be taken against the Board, the Fund Manager or a staff of the Fund or any other person acting under the direction of the Board for any act or omission made in good faith in the discharge of any of the powers or functions of the Fund under this Act.

24 Annual Report

- (1) The Board must submit to the Minister an annual report on the affairs and activities of the Fund not later than 6 months after the end of each financial year of the Fund.
- (2) The annual report must include:
 - (a) all financial accounts and statements of the Fund duly audited and certified by the Auditor-General or an external auditor (whichever applies); and
 - (b) the report of the Auditor-General or an external auditor (whichever applies) relating to the accounts and statements referred to in paragraph (a).
- (3) The Minister is to present the annual report at the next session of Parliament, after receiving the report .

25 Regulations

- (1) The Minister may, on the advice of the Board, make Regulations not inconsistent with this Act for the purpose of carrying out or giving effect to the provisions of this Act.
- (2) Without limiting the generality of subsection (1), the Minister may make Regulations for all or any of the following:
 - (a) prescribe fees for any services provided by the Fund as required under this Act;
 - (b) any other matter required to be prescribed under this Act.

26 Commencement

This Act commences on the day on which it is published in the Gazette.