# REPUBLIC OF VANUATU

# INDUSTRIAL DEVELOPMENT ACT NO. 19 OF 2014

## Value Addition Investment Capital Fund Regulation Order No. 133 of 2025

## Arrangement of Clauses


**PART 1 PRELIMINARY MATTERS ..... 3**
1 Interpretation ..... 3
**PART 2 VALUE ADDITION INVESTMENT CAPITAL FUND ..... 4**
2 Value Addition Investment Capital Fund ..... 4
**PART 3 BOARD OF GOVERNORS OF THE FUND AND THE PRE-SCREENING COMMITTEE ..... 5**
3 Establishment of the Board of Governors of the Fund ..... 5
4 Composition of the Board ..... 5
5 Chairperson and Deputy Chairperson of the Board ..... 5
6 Functions of the Board ..... 5
7 Powers of the Board ..... 6
8 Meetings of the Board ..... 6
9 Establishment of the Pre-Screening Committee ..... 7
10 Composition of the Committee ..... 7
11 Chairperson and Deputy Chairperson of the Committee ..... 7
12 Functions of the Committee ..... 7
13 Powers of the Committee ..... 8
14 Meetings of the Committee ..... 8
**PART 4 CRITERIA, APPLICATION AND ASSESSMENT ..9**
15 Citeria ..... 9
16 Application and assessment ..... 9

**PART 5 MISCELLANEOUS PROVISIONS ..... 12**
17 Quarterly reports ..... 12
18 Monitoring and evaluation ..... 12
19 Audit ..... 12
20 Misuse of Funds ..... 12
21 Conflict of interest ..... 12
22 General offence ..... 13
23 Commencement ..... 13

# REPUBLIC OF VANUATU

# INDUSTRIAL DEVELOPMENT ACT NO. 19 OF 2014

## Value Addition Investment Capital Fund Regulation Order No. 133 of 2025

In exercise of the powers conferred on me by section 16 of the Industrial Development Act No. 19 of 2014, I, the Honourable SAMSON SAMSEN, Minister of Trade and Commerce, make the following Regulation.

## PART 1 PRELIMINARY MATTERS

### 1 Interpretation

In this Regulation, unless the contrary intention appears:

**Act** means the Industrial Development Act No. 19 of 2014;

**Board** means the Board of Governors of the Fund established under clause 3;

**Committee** means the Pre-Screening Committee established under clause 9;

**Director** means the Director of the Department of Industry;

**Director General** means the Director General of the Ministry of Trade and Commerce;

**Fund** means the Value Addition Investment Capital Fund;

**Minister** means the Minister responsible for Trade and Commerce;

**Ministry** means the Ministry for Trade and Commerce.

## PART 2 VALUE ADDITION INVESTMENT CAPITAL FUND

### 2 Value Addition Investment Capital Fund

Subject to paragraph 11(4)(b) of the Act, the purpose of the Fund is as follows:

(a) to promote economic growth and self-reliance through investment in value added initiatives; and

(b) to promote and finance any projects that enhance the economic development, encourage innovation and increase local economic returns; and

(c) to support the processing manufacturing and commercial transformation of local raw materials into value added products; and

(d) to increase self-reliance and support market access for Vanuatu made goods; and

(e) to reflect the National Industrial Policy relating to the economic diversification, industrialization, and sustainable development.

## PART 3 BOARD OF GOVERNORS OF THE FUND AND THE PRE-SCREENING COMMITTEE

### 3 Establishment of the Board of Governors of the Fund

The Board of Governors of the Fund is established.

### 4 Composition of the Board

The Board consists of the following persons:

(a) the Director General; and

(b) the Director General of the Ministry of Finance and Economic Management; and

(c) the Director General of the Ministry of Agriculture, Livestock, Forestry and Biosecurity; and

(d) the Chairperson of the Vanuatu Primary Producers Authority; and

(e) the Chairperson of the Indigenous Ni Vanuatu Agro-Industry Council; and

(f) the Chief Executive Officer of the Vanuatu Bureau of Standards; and

(g) the Director of the Department of Strategic Policy, Planning and Aid Coordination, Office of the Prime Minister; and

(h) the First Political Advisor to the Minister.

### 5 Chairperson and Deputy Chairperson of the Board

(1) The Director General is the Chairperson of the Board.

(2) The Director General of the Ministry of Finance and Economic Management is the Deputy Chairperson of the Board.

### 6 Functions of the Board

The Board has the following functions:

(a) to set up strategic directions and funding guidelines; and

(b) to oversee the effective management of the Fund; and

(c) to approve applications for the Fund; and

(d) to ensure the Fund is used in order to comply with the National Strategic Sectoral Policies; and

(e) to ensure that this Regulation and the Act are complied with; and

(f) such other functions as may be conferred on it under this Regulations or the Act.

**7 Powers of the Board**

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 under this Regulations.

**8 Meetings of the Board**

(1) The Board is to meet at least once every month in its ordinary meetings and may hold such other meetings as are necessary for the proper performance of its functions under this Regulations.

(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 Executive Officer of the Ministry is the secretariat of the Board.

(4) At a meeting of the Board, a quorum consists of:

(a) the Chairperson or the Deputy Chairperson if the Chairperson is for any reason unable to attend or preside at the meeting; and

(b) 4 members present at that meeting.

(5) A member present at a meeting has 1 vote and questions arising at a meeting are to be decided by a majority of votes.

(6) If the voting at a meeting is equal, the Chairperson or the Deputy Chairperson (if he or she is presiding over the meeting) has a casting vote.

(7) Subject to this Regulation and the Act, the Board is to determine and regulate its own procedures.

**9 Establishment of the Pre-Screening Committee**

The Committee is established.

**10 Composition of the Committee**

The Committee consists of the following persons:

(a) the Director; and

(b) the Director of the Department of Finance, Ministry of Finance and Economic Management; and

(c) the Director of the Department of Cooperatives, Ministry of Trade and Commerce; and

(d) the Director of the Department of Tourism, Ministry of Trade and Commerce; and

(e) the Manager of Standard and Certification of the Vanuatu Bureau of Standard; and

(f) the Trade Sector Analyst of the Department of Strategic Policy, Planning and Aid Coordination, Office of the Prime Minister; and

(g) the Secretary of the Indigenous Ni Vanuatu Agro-Industry Council; and

(h) the Chief Executive Officer of the Vanuatu Primary Producers Authority; and

(i) a representative of the Ministry.

**11 Chairperson and Deputy Chairperson of the Committee**

(1) The Director is the Chairperson of the Committee.

(2) The Director of the Ministry of Finance and Economic Management.is the Deputy Chairperson of the Committee.

**12 Functions of the Committee**

The Committee has the following functions:

(a) to conduct initial assessments of the applications for the Fund; and

(b) to ensure that the applications meet the eligibility, policy and compliance criteria; and

(c) to recommend funding applications to the Board for its consideration; and

(d) such other functions as may be conferred on it under this Regulations or the Act.

**13 Powers of the Committee**

The Committee 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 under this Regulations.

**14 Meetings of the Committee**

(1) The Committee is to meet at least every 2 weeks or as determined by the chairperson.

(2) The Chairperson of the pre-screening committee is to preside at all meetings of the pre-screening committee and in his or her absence, the Deputy Chairperson is to preside at these meetings.

(3) The Executive Officer of the Ministry is the secretariat of the Committee.

(4) At a meeting of the Committee, a quorum consists of:

(a) the Chairperson or the Deputy Chairperson if the Chairperson is for any reason unable to attend or preside at the meeting; and

(b) 4 members present at that meeting.

(6) A member present at a meeting has 1 vote and questions arising at a meeting are to be decided by a majority of votes.

(7) If the voting at a meeting is equal, the Chairperson or the Deputy Chairperson (if he or she is presiding over the meeting) has a casting vote.

(8) Subject to this Regulation and the Act, the Committee is to determine and regulate its own procedures.

## PART 4 CRITERIA, APPLICATION AND ASSESSMENT

### 15 Citeria

A person who intends to apply for the Fund must ensure that his or her proposed project demonstrates the following criteria:

(a) to focus on value addition to local products; and

(b) to promote clear economic impact on Vanuatu's economy; and

(c) to ensure financial flows that support local reinvestment and self-reliance; and

(d) to be in accordance with the requirements for the Development Programmes under the Act.

### 16 Application and assessment

(1) An application under clause 15 is to be made to the Executive Officer of the Ministry.

(2) The application must:

(a) be in the prescribed form and accompanied by the prescribed fee; and

(b) include full name and contact details of the applicant; and

(c) specify the purpose of the application; and

(d) provide:

(i) the information on the management structure and its positions; and

(ii) the business plan, its target market and the executive summary of the proposed project; and

(iii) the sales and marketing plan; and

(iv) the information on the market competitors; and

(v) the financial plan of the proposed project such as the capital costs, warehouse, machinery and equipment, local or overseas marketing, office equipment and others.

(3) The Executive Officer of the Ministry must within 5 working days after receiving the application:

(a) register the applications; and

(b) inform the Chairpersons of the Committee and the Board about the applications; and

(c) arrange a meeting with the Committee to pre-screen and pre-assess the applications.

(4) The pre assessment under paragraph(3)(c) must be based on whether the proposed project:

(a) contributes to the value addition and economic growth; and

(b) is technically, financially and operationally feasible; and

(c) aligns with the industrial and the trade policies.

(5) The Committee must within 2 working days after the pre-screening and pre-assessment of the applications under paragraph (3)(c), submit the recommended application for approval to the Board.

(6) The Board must within 5 working days after receiving the recommended applications under subclause (5), convene a meeting to approve the successful applications.

(7) If the Board is satisfied with the proposed projects, the Board may

(a) approve the application; and

(b) approve the funding allocations; and

(c) submit the approved applications to the Ministry of Finance and Economic Management for financial processing and financial disbursement.

(8) An application that does not comply with clause 15 and subclause 16(2) is to be rejected by the Board.

(9) The Board may arrange for the approved project to enter into public private partnership agreement with the Government or its entities in accordance with the purpose and objectives of the Fund.

(10) Any disbursement of Funds made for the purpose of this Regulation must comply with the requirements of the Public Finance and Economic Management Act [CAP 244].

## PART 5 MISCELLANEOUS PROVISIONS

### 17 Quarterly reports

(1) The Board must furnish a report to the Minister relating to the administration of the Fund and other relevant matters relating to the Fund at the end of each quarter.

(2) The Minister after receiving the report submit the report to the Council of Ministers.

### 18 Monitoring and evaluation

The Department of Strategic Policy Planning and Aid Coordination has the following responsibilities:

(a) to monitor and evaluate the activities under the approved project; and

(b) to ensure that these activies are in accordance with this Regulation and the Act.

### 19 Audit

The Fund is subject to an annual financial audit that is to be carry out by the Auditor General in accordance with the Act.

### 20 Misuse of Funds

A person who knowingly misuses, misapplies, or improperly accounts for any monies received under the Fund, commits an offence under this Regulation.

### 21 Conflict of interest

(1) A member of the Committee or the Board who has an interest or a potential conflict of interest in any matter before the Committee or the Board must:

(a) declare that interest; and

(b) not be present during any deliberation of that matter by the Committee or the Board; and

(c) not vote on that matter.

(2) The member's declaration under subsection (1) must be recorded in the minutes of the meeting.

**22 General offence**

A person who contravenes any provisions under this Regulation commits an offence punishable on conviction:

(a) in the case of an individual – by a fine not exceeding VT600,000 or imprisonment for a term not exceeding 1 year or both; or

(b) in the case of a body corporate- by a fine not exceeding VT1,000,000.

**23 Commencement**

This Regulation commences on the day on which it is made.

**Made at Port Vila this** 2nd **day of** July **, 2025.**

**Honourable SAMSON SAMSEN**
**Minister of Trade and Commerce**