

REPUBLIC OF VANUATU

BILL FOR THE
PUBLIC FINANCE AND ECONOMIC MANAGEMENT
(AMENDMENT)
ACT NO. OF 2025

Explanatory Note

This Bill amends the Public Finance and Economic Management Act [CAP 244] (“the Act”).

The Bill provides for an improved framework for Government financial management during a state of emergency. It provides a more flexible provision for transfers between Ministries if required when a state of emergency is declared.

Furthermore, the Act does not authorise standing appropriation for the use of public funds during state of emergencies declared under the Disaster Risk Management Act No.23 of 2019. The Bill now authorises standing appropriations for the use of public fund during such state of emergencies.

Finally, the Bill ensures that donor funds are subject to standing appropriations to allow them to be used immediately when received rather than having to wait for formal appropriation. The use of such funds is subject to such terms and conditions as are negotiated with the donor partner. The Minister is required to lay before Parliament a statement showing the particulars of any expenditure under this arrangement.

Minister of Finance and Economic Management



REPUBLIC OF VANUATU

BILL FOR THE PUBLIC FINANCE AND ECONOMIC MANAGEMENT (AMENDMENT) ACT NO. OF 2025

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REPUBLIC OF VANUATU

BILL FOR THE PUBLIC FINANCE AND ECONOMIC MANAGEMENT (AMENDMENT) ACT NO. OF 2025

An Act to amend the Public Finance and Economic Management Act [CAP 244].

Be it enacted by the President and Parliament as follows-

1 Amendment

The Public Finance and Economic Management Act [CAP 244].is amended as set out in the Schedule.

2 Commencement

This Act commences on 1 June 2025.

SCHEDULE

AMENDMENTS OF THE PUBLIC FINANCE AND ECONOMIC MANAGEMENT ACT [CAP 244].

1 Subsection 34(1)

Delete “Subject to subsection (1A), at”, substitute “At”

2 Subsection 34(1A)

Repeal the subsection.

3 Paragraph 34(7)(b)

Delete “section 13 of the National Disaster Act [CAP 267]”, substitute “subsection 32(1) of the Disaster Risk Management Act No. 23 of 2019”

4 At the end of section 34A

Add

“(3) Despite subsection (1), an amount that has been appropriated for a program or an activity of an agency in a financial year may be drawn down from the Public Fund for a program or activity of another agency if a state of emergency has been declared under Article 69 of the Constitution or under subsection 32(1) of the Disaster Risk Management Act No. 23 of 2019.”

5 After subparagraph 34C(1)(a)(i)

“(ia) a state of emergency has been declared under subsection 32(1) of the Disaster Risk Management Act No. 23 of 2019; or”

6 Subsection 34C(2)

Delete “in a financial year”, substitute “for alleviating each declared state of emergency or each financial emergency”

7 After subsection 34C(2)

Insert

“(2A) To avoid doubt, the limit of 1.5% under subsection (2) applies to each declared state of emergency or each financial emergency and does not

limit the total amount to be drawn down from public funds under this section to 1.5% of the total amount appropriated by Parliament for that financial year.”

8 Section 35

Repeal the section, substitute

“35 Standing Appropriation for donor funds

- (1) For the purpose of this section, **donor funds** mean trust money for the purposes of paragraph 46(1)(f).
- (2) Donor funds may be drawn from the public fund at anytime within a financial year for the purposes to which that donor fund relates and under such conditions as are agreed to between the donor and the State.
- (3) The Minister must lay before Parliament a statement showing the particulars of any expenditure made under this section as soon as practicable after the expenditure has been made.”