



REPUBLIC OF VANUATU

PUBLIC FINANCE AND ECONOMIC MANAGEMENT ACT [CAP 244]

Standing Appropriation for a Financial Emergency Order No. 30 of 2011

In exercise of the powers conferred on me by subsection 34C of the Public Finance and Economic Management Act [CAP 244], I, the Honourable MOANA CARCASSES KALOSIL Minister of Finance and Economic Management, with the prior approval of the Council of Ministers, make the following Order.

1 Authorisation for issue of monies from Public Fund

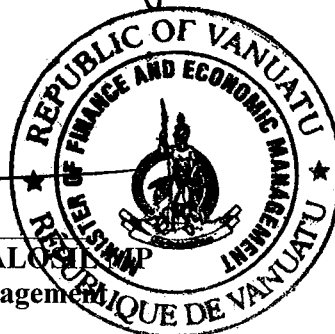
- (1) The amount of thirty five million five hundred thousand vatu (VT35.5Million) may be issued from the Public Fund to fund the disaster relief efforts of the Government in relation to Cyclone Vania in TAFEA Province.
- (2) The supplementary funds are to be credited as set out in the Schedule.

2 Commencement

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

Made at Port Vila this 25th day of February, 2011.

Honourable MOANA CARCASSES KALOSIL
Minister of Finance and Economic Management



SCHEDULE

Fund	Department	Activity	Amount (VT)
2	Finance and Treasury	MFEC 3512	35,500.000
		Total	35,500.000

SEKRET
KAONSEL BLONG MINISTAS PEPA

DEIT: Tosdei, 17 February 2011

JOINTLY TABLED BY: Hon.Moana Carcasses, MP
Minista blong Faenans & Ekonomik Manejmen, mo

Hon.Dunstan Hilton,MP
Minista blong Intenol Afeas

SABJEK: Prokumen blo 7,700 bags blo 25 kg rice blo ko lo Tafea province.

PURPOSE: Purpose blong submission i blong askem Kaonsel blong Ministas i acceptem recommendation blo Central Tendas Bod blo **prokumen blo 7,700 bags blo 25 kg rice blo ko lo Tafea province.**

BAKRAON:

Afta lo Tropikol Saeklon Vania lo manis blo Januari 2011, saeklon ibin livim bihaen bigfala damej lo ol aelans blo Tafea province wei kolosap 8,500 haosholds mo 36,660 pipol ibin affected lo category 2 cyclone ia.

Nasional Disasta Manejmen Ofis (NDMO), UN mo UNICEF ibin karemaot wan joen assessmen long ol affected erias mo rilisim wan ripot iko lo kavman lo 28/01/11. Folem ripot ia, Kaonsel blo ol Ministas i mit mo diklerem TAFEA Province ikam wan disasta zone mo setem aside VT35,500,000 aot lo Nasional badjet iko olsem pat blo Kavman kontribusen tuwods reflief program blo TAFEA.

Pat blo mane hemi blo pem ol 25 kg bag rice blo save fidim kolosap 8,500 haosholds wei oli kam victims blo saeklon Vania lo Tafea. NDMO i bin karemaot wan assessmen long ol mein saplias blo rice lo Port Vila mo identifiem 3 mein saplias; Punjas, Au Bon Marche mo Carpenters Cash & Carry. NDMO hemi pem rice finis lo Punjas from valiu blo hem i less blo ko tru lo tendas bod. Mekem se ABM mo Cash & Carry nomo hemi pas tru lo tenda bod blo considerem mo apprurum.

Sentrol Tendas Bod lo miting blo hem tudei hemi akri blo folem wan exception lo tendas rekulesen folem nature blo prokumen mo considarem olsem wan emergency expenditure, wei minim se bod bae no save karem aot wan full tenda process be bae folem wan difren process blo considerem mo apprurum ol quotations blo saplias mo rekomendem saplias iko stret lo Kaonsel blo Ministas blo akseptem. Tendas Bod hemi prosessem prokumen ia folem section 9, sab-seksen 1 mo 3 blo tendas rekulesen.

RISONS BLO FOLEM DIFREN PROCESS

Sam long ol risons from wanem nao Tendas Bod hemi no save karem aot wan full tenda process hemi from;

- 1) Folem ol longfala delays blo mekem mane hemi available mo survey long ol affeekted erias lo Tafea, naoia ikat shortage blo kaikai, ol victims i stap long wan critical situesen blo kavman imas respond kwik taem

- 2) Blo karem aot wan full tenda process bae tekem kolosap wan manis bakegen mo hemia bae long taem tumas from ol victims blo saeklon oli nidim rice naoia
- 3) Ol ships we NDMO bae usim blo transpotem ol kaikai mo nara relief saplies ikat ol taet schedules mo sapos ikat moa delay bae NDMO i save lusum ol ships ia mo bae finem i had blo save finem shipping transpot kwik taem
- 4) Ol saplias isave salem aot ol stock blong olketa iko long ol nara kastomas sapos NDMO hemi delay blo pemaot ol rice ia kwik taem
- 5) Helt blo ol victims hemi stap olsem wan priority blo Kavman, mo sapos NDMO hemi delay moa, bae ol victims i save fesem ol nara helt complications.
- 6) Province blo Tafea hemi bin declared wan disasta zone, so hemi urgent tumas blo provaedem kwik taem fanding blo essential kaikai mo nara relief saplies, mekem so populesen blo province i save kat access lo kaikai mo nara saplies

CONSIDERATION BLO OL QUOTATIONS:

From limited stock blo rice lo kaontri, NDMO tim ibin mekem wan assessment lo ol bigfala saplias blo rice lo Port Vila. Tim i bin chekem kwaliti mo stock blo rice we saplia i save saplaem blo mitim demand blo 7,700 bags blo 25kg rice.

Ikat tufala saplias nomo wei kat capacity blo saplaem rice lo wan bigfala kwantiti; ABM blo saplaem 5,200 bags mo Cash & Carry blo saplaem 2,500 bags. Tufala saplias ia i comply wetem duty exemption wei Dipatmen blo Customs hemi apprimum.

Lo miting blo Sentrol Tendas Bod tudei, Bod hemi considerem quotations blo tufala saplias ia mo apprimum ol kwantitis we bae tufala saplaem.

FINANCIAL IMPLICATIONS:

Bae nokat eni faenansol implikesens from mane blo pem rice hemi available mo dipatmen blo faenans i redi blo rilisim

LEGAL IMPLICATIONS:

Bae hemi nokat eni fiuja o karen implikesens from kavman bae saenem kontraks wetem tufala saplias mo Steit Loa Ofis nao i priperem ol kontraks

RECOMMENDATION:

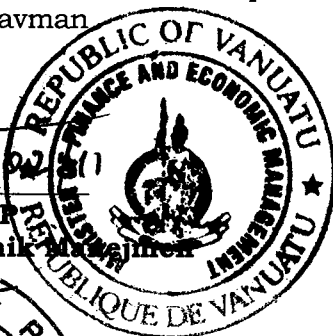
Central Tendas Bod i rekomendem folem tendas rekulesens, sab-seksens (1) & (3), se Kaonsel blong Ministas;

- 1) I acceptem mo awodem kontrak iko lo:
 - (i) **Au Bon Marche** blo saplaem **5,200** bags blo 25kg rice lo wan kontrak valiu blo **VT14,560,000**
 - (ii) **Carpenters Cash and Carry Limited** blo saplaem **2,500** bags blo 25kg Rice lo wan kontrak valiu blo **VT6,875,000**

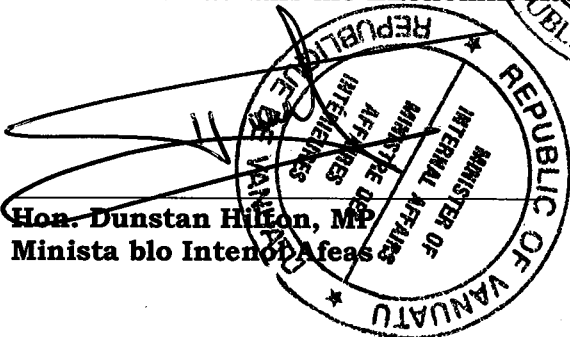
2) Steit Loa Ofis bae priperem ol kontraks we Saplias bae saenem wetem Minista blo Intenol Afeas lo behaf blo Kavman



24/11



Hon. Moana Carcasses Kalosil, MP
Minista blo Faenans mo Ekonomik



Hon. Dunstan Hilton, MP
Minista blo Intenol Afeas

GOUVERNEMENT DE
LA REPUBLIQUE DE VANUATU

MINISTERE DES FINANCES ET DE
LA GESTION ECONOMIQUE

SAC POSTAL PRIVE 9058, PORT
VILA, VANUATU

TEL: (678) 23032 FAX: (678)27937



GOVERNMENT OF THE
REPUBLIC OF VANUATU

MINISTRY OF FINANCE AND
ECONOMIC MANAGEMENT

PRIVATE MAIL BAG 9058, PORT
VILA, VANUATU

TEL:(678) 23032 FAX: (678)27937

OFFICE OF THE CENTRAL TENDERS BOARD

Thursday, 17 February 2011

COPIE

Mr George Bogiri
Director General
Ministry of Internal Affairs
Port Vila

Dear Mr Bogiri

Re: Procurement of 7,700 bags of 25kg Rice for Tafea Province

This is to inform you that in accordance with the Tenders Regulations, section 9, sub-sections (1) & (3), the Central Tenders Board at its meeting today 17/02/11 has considered and approved the following:

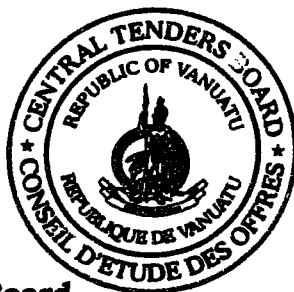
- 1) Supply of 5,200 bags of 25kg Rice is awarded to Au Bon Marche for a Contract Value of VT 14,560,000**
- 2) Supply of 2,500 bags of 25kg Rice is awarded to Carpenters Cash and Carry Limited for a Contract Value of VT6,875,000.**

A COM paper is being prepared for the Council of Ministers to endorse the Board's decision.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Betty Harry'.

Betty Harry
Secretary
Central Tenders Board



Cc: Mr Benjamin Shing, Acting DG MFEM
Mr Peter Korisa, Research & Planning Officer, NDMO

CARPENTERS CASH & CARRY LIMITED



Quotation (000365)

1000 - MAIN WAREHOUSE

Date : 12/02/2011 Sat Time : 12:28:48PM

Page : 1/1

Quotation No : 000365 Q.T. Date : 12/02/2011
Customer : COD
Reference No. :
Remark : NDMO Reason : 60 Quotation
Entry Date : 12/02/2011 Entry By : Daisy Ngwango

Product No	Description	Quotation Qty	Unit Price	STD Price	VAT	Total Amount
58-46-00014-0	Pearl Rice Grade AA 25KG	2,500.00	2,750.00	2,795.00	0.00	6,875,000.00
Total :		2,500.00			0.00	6,875,000.00

This Quotation is Valid for Fourteen (14) Days.

Customer Quotation

Quotation Number: 3457007

Date: 14/02/11

Attention:

Expiry Date:

SALE CASH

NATIONAL DISASTER MANAGEMENT OFFICE

CUSTOMS DUTY AND VAT EXEMPTED

Code	Description	Pack Quantity	Quantity	Price (inc VAT)	Amount (inc VAT)
	Other				
555	SUNRICE 25KG WHITE MEDIUM GRAIN R		3500.00	2800.0000	9800000.00
Total					9,800,000

Signature:

Name (Please Print):

Bano
Shereen Bano

14 / 2 / 11

(Date)

(7752139)

Sael - 5644104,

Customer Quotation

Quotation Number: 3461007

Date:

15/02/11

Attention:

Expiry Date:

SALE CASH

NATIONAL DISASTER MANAGEMENT OFFICE

CUSTOMS DUTY AND VAT EXEMPTED

Code	Description	Pack Quantity	Quantity	Price (inc VAT)	Amount (inc VAT)
	Other				
555	SUNRICE 25KG WHITE MEDIUM GRAIN R		1700.00	2800.0000	4760000.00
Total					4,760,000

Signature:

[Handwritten Signature]
SAEL PAT (REP)

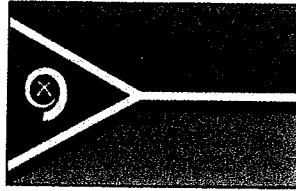
Name (Please Print):

15/02/2011

(Date)

QUOTATION

KAONSEL BLONG OL MINISTAS



Jointly Tabled by: **Honorable Sato KILMAN,**
Prime Minister

Hon. Moana Kalosil CARCASSES,
Minister of Finance & Economic Management

Taetol Blong Pepa: KAVA SUBSIDIES

Pepos Blong Pepa: Pepa hemi blong informem KBM long nid blong helpem Kava industry mo get rid long stock we l stap naeia.

Bakraon Blong Pepa:

1. Kava hemi wan traditional plant blong Vanuatu we recently i kam olsem wan commercial produkt we ol pipol blong yumi oli usum blong resem inkam blong olketa long hem.
2. Long 2007, akrikalja survei i faenem aot se total numba blong kava we oli plantem long Vanuatu i kassem 18 million plants.
3. Abaot 78% blong kava plant ia i kam long SANMA mo PENAMA. Table ia i showem klia provins we i produsum mo kava.

Kava Plants by Age and Province (x1,000)

	Total	Age of Plant (Years)		
		1 - 4	5 - 9	10
Vanuatu	18,016	15,387	2,247	380
Forba	356	321	23	11
Sanma	5,250	4,702	542	6
Penama	8,905	7,606	997	302
Malampa	1,664	1,188	444	31
Shefa	1,011	844	152	16
Tafea	830	727	88	14

High concentration of immature plants

High concentration of cultivation in two provinces

Agriculture Census 2007, National Statistics Office, Vanuatu

KAONSEL BLONG OL MINISTAS

Market blong Vanuatu Kava

4. Long saed blong local market i kat smol infomesen nomo is tap wetem praevet sekta mo kavman blong helpem umi long saed blong lokol konsumpsen blong kava.
5. Long saed blong Export, statistic i showem se kolosap 88% blong kava export i ko long New Caledonia. EU hemi remain olsem minor market blong kava blong Vanuatu.

Vanuatu Kava Exports by Destination (Quantity)

	Tons/Year				% of Total Exports		
	2007	2008	2009	2010*	2007	2008	2009
Total	482	837	477	184			
Australia	1	<1	<1		0.2%	<1%	<1%
EU	4.1	<1	0.1		0.9%	<1%	0.0%
New Caledonia	193.2	180.4	247		40.1%	21.6%	51.8%
New Zealand	0.3	0.4	0.7		0.1%	0.0%	0.1%
Other	50	49.3	55.2		10.4%	5.9%	11.6%
MSG	233.7	207.4	173.5		48.5%	24.8%	36.4%
South Korea	<1	<1	0.1		<1%	<1%	0.0%

* Jan - July

Vanuatu Kava Exports by Destination (Value: Million Vatu)

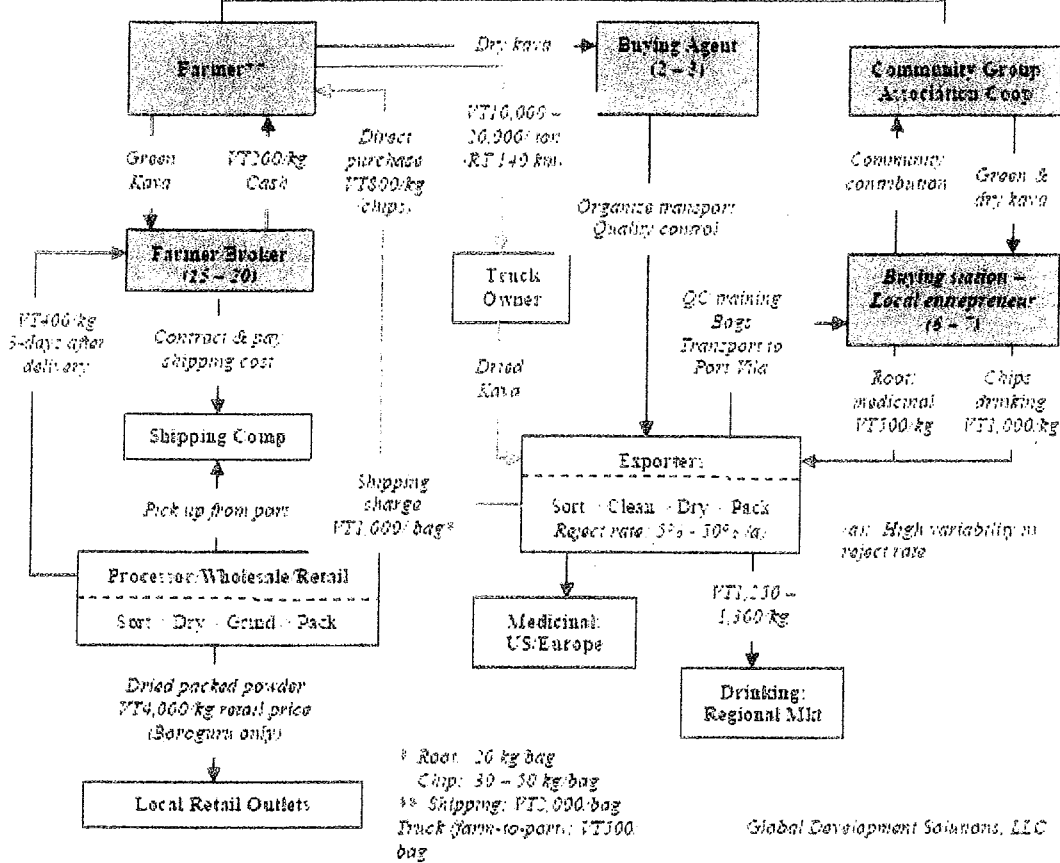
	Tons/Year				% of Total Exports		
	2007	2008	2009	2010*	2007	2008	2009
Total	679	616	616	185			
Australia	1.6	<1	<1		0.3%	<1%	<1%
EU	7.4	<1	0.1		1.5%	<1%	0.0%
New Caledonia	290	253.8	328.7		60.2%	30.3%	68.9%
New Zealand	0.4	0.9	1		0.1%	0.1%	0.2%
Other	69.1	97.2	110		14.3%	11.6%	23.1%
MSG	310.8	264.1	176.3		64.5%	31.6%	37.0%
South Korea	<1	<1	0.1		<1%	<1%	0.0%

* Jan - July

6. Pricing hemi very based long quality blong kava mo tu long different prodakt we u save karem aot long kava olsem roots mo "kavalactone". So Price blong VCMB long Kavalactone i high komperem long roots.
7. **Kava supply chain.** Normally farmer i salem long ol agents:
 - i. Farmers/brokers
 - ii. Direct sales
 - iii. Truck owners
 - iv. Buying agents
 - v. Community group association/cooperatives

KAONSEL BLONG OL MINISTAS

Kava Supply Chain Structure in Vanuatu



8. Transport Cost. Recent stud ii showem se farma hemi lus bikwan tae mi follem olketa different chain ia. Farma hemi benefit bikwan taem hem mekem direct sale. Table ia i showem different transport cost we wan farma i mitim.

Transport costs		
Truck to port (VT/bag)	500	500
Truck to port (VT/plant)	16.7	65.7
Shipping (VT/bag) (3)	1,500	1,500
Shipping (VT/plant)	50.1	197.1
Total transport cost (VT/plant)	66.9	262.9
Farmer's non-labor costs (VT/plant)	67	263
Gross income (VT/plant)	518	3417
Total Gross income (VT/plant)	3,935	

Global Development Solutions, LLC

KAONSEL BLONG OL MINISTAS

Challenges blong sekta ia

- Limited sapplae blong ol mature plants
- No formal replanting prokram
- Transport kosts i hae
- I no kat organaesesen blong ol farmers
- Limited knowledge long price mo markets

9. Nao everi industry long world tudei oli karem sam form blong assistens blong helpem olketa blong grow long wan base we i strong mo viable.

10. Kavman hemi wandem injektem wan grant long form blong subsidies i ko long industry blong kava blong helpem ol rural farmers

Issues blong Konsiderem

From we fullap ol export buyers oli no pem kava lo praes we VCMB i setem i mekem se VCMB i tekemaut export license blong olgeta.

Ol Praes i ko olsem:

Drae Kava blong export we oli salem I kam Vila/Santo:

- Roots VT500
- Chips VT1,000

Drae Kava blong export we oli salem long aelan:

- Roots VT300
- Chips VT800

Ol buyers we oli pem lo praes antap oli no save pemaut evri kava ia mo tedei lo Santo ikat 80 ton kava istap blo pem be from few buyer nomo istap mekem oli short blo pemaut kava ia.

Gavman iwantem investem VT30million iko long VCMB blo assistim ol buyers ia blo pemaut kava ia. Afta oli salemaut kava ia iko lo ol exporters bae oli rifandem ol main ia I kambak.

KAONSEL BLONG OL MINISTAS

Konsaltesen:

Office Blong Praem Minista mo Ministry blong Finance mo Ekonomik Manajemen i bin konsaltesed long pepa ia.

Faenansol Implikesen:

Kavman i rikwestem VT30Million blong kamaot long grant we Chinise Kavman i kivim long kavman blong kivim long kava buyers through long VCMB.

Money ia umi save rekooverem back long sale blong kava.

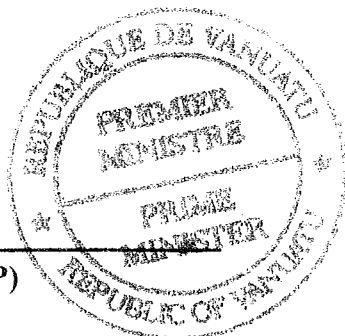
Likol Implikesen:

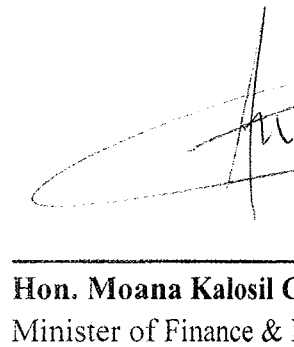
Act blong VCMB oli ripilim finis mo I stap long process blong kavman i gazetem.

Rikomendesen:

- Kaonsel Blong ol Minista i appruvum VT30 million blong kamaot long Chinis Grant blong sappotem kava industry.


Hon. Sato KILMAN (MP)
Prime Minister




Hon. Moana Kalosil CARCASSOLE (MP)
Minister of Finance & Economic Management

