

DEVELOPMENT FUND

Table of Contents

Page

Principal

Development Fund Act 2011

Table of Provisions	720,201
Table of Amendments	720,401
Development Fund Act 2011	720,601

[The next page is 720,201]

Development Fund Act 2011

TABLE OF PROVISIONS

Section

Title

PART 1 — PRELIMINARY MATTERS

- 1 Short title
- 2 Commencement
- 3 Definitions

PART 2 — DEVELOPMENT FUND

- 4 Establishment and purpose
- 5 Withdrawal from the Fund
- 6 Annual projections
- 7 Annual reporting requirements
- 8 Mid-financial year reporting requirements

PART 3 — MISCELLANEOUS

- 9 Regulations

PART 4 — TRANSITIONAL MATTERS

[The next page is 720,401]

Development Fund Act 2011

TABLE OF AMENDMENTS

The Development Fund Act 2011 No 10 was certified and commenced on 22 June 2011 (GN No 414/2011; Gaz 80/2011).

Amending Legislation	Certified	Date of Commencement
Development Fund (Amendment) Act 2021 No 6	31 March 2021	31 March 2021
Revised Written Laws Act 2021 No 7	1 June 2021	1 June 2021
Constitution (Amendment) (No 2) Act 2026 No 21	12 May 2026	s 5: 12 May 2026

[The next page is 720,601]

An Act to establish the Development Fund and for related purposes.

Enacted by the Parliament of Naoero as follows:

[cl am Act 21 of 2026 s 5, opn 12 May 2026]

PART 1 — PRELIMINARY MATTERS

1 Short title

This Act may be cited as the *Development Fund Act 2011*.

2 Commencement

This Act commences on the day it is certified by the Speaker under Article 47 and came into effect on 22 June 2011.

3 Definitions

In this Act:

‘annual projections’ refers to Projections of Fund, contained in Section 6;

‘development amount’ means an amount received by the Republic for the purpose of funding a development project, and does not include an amount received:

- (a) as revenue from a fee, charge, levy or tax imposed by the Republic or an instrumentality of the Republic;
- (b) as revenue from the sale of a product or the provision of a service by the Republic or an instrumentality of the Republic;
- (c) by way of loan; or
- (d) for the purpose of general budget support;

‘development project’ means a project designed to assist the Republic to meet its development goals;

‘financial year’ means the year commencing from the 1st day of July of a year and ending on 30th June of the following year;

[def insrt Act 6 of 2021 s 4, opn 31 Mar 2021]

‘first quarter’

[def rep Act 6 of 2021 s 4, opn 31 Mar 2021]

‘mid-financial year’ means the period from 1 July to 31 December in a financial year;

[def insrt Act 6 of 2021 s 4, opn 31 Mar 2021]

‘reportable deviation’ means a deviation from the annual projections for the Fund for a financial year that consists of an item of income or expenditure that:

- (a) is more or less than the amount specified in the annual projections by at least 10% of the projected amount or \$1,000, whichever is greater; or
- (b) was not included in the annual projections; and

[def am Act 6 of 2021 s 4, opn 31 Mar 2021]

‘second quarter’

[def rep Act 6 of 2021 s 4, opn 31 Mar 2021]

‘the Fund’ means the Development Fund established by Section 4(1).

[def am Act 6 of 2021 s 4, opn 31 Mar 2021]

‘third quarter’

[def rep Act 6 of 2021 s 4, opn 31 Mar 2021]

[The next page is 720,801]

PART 2 — DEVELOPMENT FUND

4 Establishment and purpose

- (1) The Development Fund is established for the purpose of facilitating the funding of development projects by enabling:
 - (a) the payment of development amounts and other amounts mentioned in subsection (3) into the Fund; and
 - (b) the withdrawal of development amounts and other amounts mentioned in subsection (3) from the Fund.
- (2) All development amounts shall be paid directly into the Fund without being first paid into the Treasury Fund.
- (3) The Fund consists of the following:
 - (a) development amounts paid into the Fund under subsection (2);
 - (b) any amount appropriated for the Fund from the Treasury Fund;
 - (c) any amount received by the Republic by way of interest from the deposit of the Fund in an interest-bearing account with a financial institution in the Republic or a foreign country; and
 - (d) any amount received in reimbursement of an amount withdrawn from the Fund.

5 Withdrawal from the Fund

- (1) A person shall not withdraw or authorise or permit a withdrawal of, an amount from the Fund unless:
 - (a) the purpose of the withdrawal has been approved by Cabinet in writing; and
 - (b) the procedures for the withdrawal prescribed by the regulations have been complied with.
- (2) A person who contravenes subsection (1) upon conviction is liable to an imprisonment term not exceeding 7 years.
- (3) The defendant bears the burden of proving the matters mentioned in subsection (1)(a) and (b).
- (4) The Cabinet may approve a withdrawal of an amount from the Fund for the purpose of paying the amount into the Treasury Fund.

6 Annual projections

- (1) The Minister shall table in Parliament projections of the income and expenditure of the Fund for each financial year (**‘annual projections’**).
- (2) The annual projections shall be tabled:
 - (a) before the start of the financial year; or
 - (b) if Parliament, by resolution, determines a later date for the tabling of the annual projections for the financial year, then, by the later date.
- (3) The projections shall:
 - (a) show each item of income and expenditure separately by reference to the development project to which it relates; and
 - (b) specify the source of each item of income.

7 Annual reporting requirements

- (1) The Minister shall table in Parliament a report showing the actual income and expenditure of the Fund for the whole of each financial year (the ‘*annual report*’).
- (2) The annual report shall be tabled:
 - (a) within 2 sitting days after the end of the financial year; or
 - (b) if Parliament, by resolution, determines a later date for the tabling of the annual report for the financial year, then, by the later date.
- (3) The annual report shall:
 - (a) show each item of income and expenditure separately by reference to the development project to which it relates;
 - (b) specify the source of each item of income;
 - (c) for each reportable deviation that occurred during the financial year, specify the reason for the deviation and its effect on the annual projections for the financial year; and
 - (d) include an update on the implementation of each development project mentioned in the annual projections or the annual report, including a description of the project activities undertaken for each project during the financial year.

[subs (3) am Act 6 of 2021 s 5, opn 31 Mar 2021]

8 Mid-financial year reporting requirements

- (1) The Minister shall table in Parliament a report showing the actual income and expenditure of the Fund for the first 6 months of the financial year (‘*mid-financial year report*’).
- (2) The report shall be tabled within 2 sitting days after the end of the 6 months period.
- (3) The report shall:
 - (a) show each item of income and expenditure separately by reference to the development project to which it relates; and
 - (b) specify the source of each item of income.

[s 8 subst Act 6 of 2021 s 6, opn 31 Mar 2021]

[The next page is 721,001]

PART 3 — MISCELLANEOUS

9 Regulations

- (1) The Cabinet may make regulations under this Act.
- (2) Without limiting subsection (1), the Cabinet may make regulations prescribing the following:
 - (a) the procedures that shall be followed before and after an amount is withdrawn from the Fund, including the form, in which Cabinet approval of the purpose of the withdrawal shall be evidenced; and
 - (b) additional reports that shall be given about the operation of the Fund.
- (3) The regulations may:
 - (a) give a person discretion to decide a matter, other than a matter that shall be decided by a person under this Act; and
 - (b) apply, adopt or incorporate, with or without changes, the whole or part of a document as in force or existing at a particular time or from time to time.

[The next page is 721,021]

PART 4 — TRANSITIONAL MATTERS

[Part 4 omitted by the Law Revision Commission under powers authorised by Act 10 of 2019]

[The next page is 750,001]