



Tonga

TONGA CLIMATE CHANGE FUND ACT 2021

Act 5 of 2021



TONGA CLIMATE CHANGE FUND ACT 2021

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TONGA CLIMATE CHANGE FUND ACT 2021

Act 5 of 2021

AN ACT TO ESTABLISH A NATIONAL CLIMATE CHANGE FUND FOR TONGA, TO RECEIVE MONIES FROM NATIONAL AND INTERNATIONAL SOURCES AND TO FINANCE NATIONAL CLIMATE CHANGE PROJECTS WHICH DEAL WITH CLIMATE CHANGE AND CLIMATE CHANGE MITIGATION AND ADAPTATION

I assent,
TUPOU VI,
28th October 2021.

BE IT ENACTED by the King and Legislative Assembly of Tonga in the Legislature of the Kingdom as follows:

PART I - PRELIMINARY

1 Short Title

This Act may be cited as the Tonga Climate Change Fund Act 2021 .

2 Interpretation

In this Act, unless the context otherwise requires –

“**accountable officer**” for the purposes of this Act means —

- (a) a member of the Management Committee, Investment Committee, Secretary or Secretariat, but not including a Minister;
- (b) a person who is required to render an account under this Act for Fund monies;
- (c) a person who, pursuant to this Act, is charged with the duty of collecting, receiving or disbursing of Fund monies or who actually does receive or disburse Fund monies; and
- (d) a person who is charged with the purchase, receipt, custody or disposal of, or the accounting for, Fund monies;

“approved climate change programs, projects and activities” means activities for which the Fund may be used and which are approved by the Management Committee;

“a resilient Tonga” shall be as defined in the National Climate Change Policy of the Ministry, which has been approved by the Cabinet;

“Audit Office” means the Tonga Office of the Auditor General;

“Auditor General” means the Auditor General appointed under the Public Audit Act;

“Chief Executive Officer” means the Chief Executive Officer of the Ministry responsible for climate change;

“Civil Society Forum of Tonga” means the non-government organisation of that name registered under the Incorporated Societies Act;

“climate change” means a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods, the effects of which can be altered by climate change mitigation and climate change adaptation measures;

“climate change adaptation” refers to initiatives and measures to reduce the vulnerability of natural and human systems to actual or expected climate change effects;

“climate change mitigation” means technological change and substitution that reduces resource inputs and emissions per unit of output;

“Complaints Committee” means the Climate Change Fund Complaints Committee established under section 36;

“Co-ordinating Committee” means the National Climate Change Co-ordinating Committee established under section 18;

“donor” for the purposes of this Act includes reference to a development partner;

“donor contributor” means a person, including a natural or legal entity, that has made a contribution to the Fund under this Act;

“**financial statements**” for the purposes of this Act means financial statements required under this Act;

“**financial year**” means in relation to the Fund and financial statements of the Fund, a period of 12 months ending on 30th June; and

“**Gazette**” means the Tonga Government Gazette;

“**generally accepted accounting practice**” for the purposes of this Act means —

- (a) standards and practices promulgated by the International Federation of Accountants as applicable to Governments and public enterprises; or
- (b) if no standard or practice exists then accounting principles or practices which have the approval of the Chief Executive Officer for Finance and the Auditor General;

“**Government**” means the Government of the Kingdom of Tonga;

“**Government agency**” means an office, entity or instrument of the Government other than a Ministry or public enterprise;

“**Government allocations**” for the purposes of section 22 means allocations by the Government directly into the Fund and does not include allocations in the Ministry’s recurrent budget;

“**Investment Committee**” means the Climate Change Fund Investment Committee established under section 15;

“**Investment Policy**” means the Investment Policy for the Fund which has been endorsed by the Management Committee and approved by Cabinet under section 24;

“**Joint Secretariat**” means the Joint Secretariat established under section 14;

“**Management Committee**” means the Climate Change Fund Management Committee established under section 8;

“**Minister**” means for the administration of Parts I, II, III, IV, VII, VIII, IX and X of this Act, means the Minister responsible for climate change and for the administration of Parts V and VI means the Minister responsible for Finance;

“**Ministry**” means the Ministry responsible for climate change;

“**national climate change priorities**” means national climate change priorities proclaimed by the Minister under section 7;

“**project**” means activities to be implemented with the purpose of assisting or dealing with climate change mitigation and adaptation;

“**project application**” means an application submitted to the Secretariat under Part VII;

“**project funding**” means the funds allocated or payment made to a project implementer in relation to a project application that has been approved by the Management Committee in accordance with this Act;

“**project implementer**” means a person or entity that is awarded project funding in relation to a project application that has been approved by the Management Committee in accordance with this Act;

“**public enterprise**” shall have the same meaning as in the Public Enterprises Act (CAP.14.03);

“**public officer**” for the purposes of this Act means a person employed in the Tonga public service pursuant to the Public Service Act (CAP.2.11);

“**Secretariat**” means the Secretariat of the Fund which is established under section 13;

“**Technical Committee**” means the Climate Change Fund Technical Committee established under section 20;

“**the Fund**” means the Climate Change Fund established under section 4; and

“**Tonga Chamber of Commerce and Industries**” means the entity of that name registered under the Incorporated Societies Act (CAP.17.06).

3 Act binds the Crown

This Act binds the Crown.

4 Establishment of the Climate Change Fund

- (1) The Climate Change Fund is hereby established.
- (2) The Fund is, for all the purposes of the law of Tonga, a charitable purpose trust.
- (3) The Fund, its Management Committee, working committees and the Secretariat shall endeavour to comply with best practice fiduciary principles and standards in relation to all Fund operations.

5 Purposes of the Fund

For achieving a resilient Tonga, the purposes of the Fund are to –

- (a) collect resources and direct them toward approved climate change activities, programmes and projects that promote national climate change priorities, facilitate disaster risk reduction and build national resilience;
- (b) manage funds from public, private, multilateral and bilateral sources to maximise the Kingdom’s ability to advance national climate change priorities and ensure long-term sustainability of the Fund; and

- (c) assist the Kingdom to achieve the goals of the United Nations Framework Convention on Climate Change, the United Nations Convention on Biological Diversity, the United Nations Convention to Combat Desertification and other climate related Conventions.

6 Minister responsible

The Minister shall be responsible for the proper administration of this Act.

PART II – PROCLAMATION OF NATIONAL CLIMATE CHANGE PRIORITIES

7 National climate change priorities

- (1) Within 3 months from the coming into force of this Act, and at least once every 2 years thereafter, the Minister by notice in the Gazette will declare the most important national priorities for climate change mitigation and adaptation in Tonga.
- (2) The priorities declared by the Minister under subsection (1) of this section shall be aligned to national priorities identified in the most current national action plan relating to climate change mitigation and adaptation which has been approved by Cabinet.
- (3) Following the declaration of national climate change mitigation and adaption priorities by the Minister, the Management Committee shall, in accordance with this Act, receive, manage and disburse resources effectively to achieve these priorities.

PART III – GOVERNANCE OF THE FUND

8 Establishment of the Management Committee

- (1) The Tonga Climate Change Fund Management Committee is hereby established to oversee the management of the Fund and to achieve the purposes set out in section 5 of this Act.
- (2) Members of the Management Committee are –
 - (a) Minister (chair);
 - (b) Minister of Finance (deputy chair);
 - (c) Chief Secretary and Secretary to Cabinet;
 - (d) Chief Executive Officer of the Ministry;
 - (e) Chief Executive Officer of the Ministry of Finance;

- (f) one representative of civil society, appointed by the Minister on the recommendation of the Civil Society Forum of Tonga;
 - (g) one representative of the private sector, appointed by the Minister on the recommendation of the Tonga Chamber of Commerce and Industry; and
 - (h) Minister of Lands.
- (3) The Management Committee may co-opt any other person from time to time, to provide advice on a matter being considered by the Committee.
- (4) The term of appointment of –
- (a) a Minister, Chief Executive Officer or member of the public service shall be for the duration of time that he holds office in the position specified in subsections (2)(a), (2)(b), (2)(c) and (2)(d); and
 - (b) a non-Government member shall be the term approved by the Minister, but shall not exceed three consecutive years.
- (5) The Management Committee shall be accountable and report from time to time to the Cabinet on decisions made by the Committee.
- (6) The Director for Climate Change shall be the Secretary to the Management Committee but shall not have the right to vote as a full member.
- (7) The Secretariat under section 13, or the Joint Secretariat under section 14 as the case may be, shall provide secretariat services to the Management Committee.

9 Functions and responsibilities of the Management Committee

- (1) Functions of the Management Committee are to –
- (a) manage the Fund in accordance with this Act;
 - (b) provide general strategic policy advice through the Minister to Cabinet on matters relating to climate change mitigation and adaptation;
 - (c) confirm priority areas to be financed by the Fund based on the national climate change priorities declared by the Minister under section 7;
 - (d) approve or reject project funding applications and proposals, in accordance with criteria prescribed in regulations under this Act;
 - (e) approve, reject or terminate accreditation of agencies for project implementation in accordance with criteria prescribed in regulations under this Act;
 - (f) oversee and approve operational guidelines for effective disbursement of the Fund and to ensure accountability for its expenditure;
 - (g) make all necessary arrangements for investment of the Fund in accordance with the investment policy adopted under section 24; and
 - (h) do all such other things as are incidental or conducive to the fulfilment of the purposes of the Fund.

- (2) Members of the Management Committee are in a fiduciary relationship to the Fund and shall discharge their duties under this Act –
 - (a) in good faith with a view to the fulfilment of the purposes of the Fund; and
 - (b) with the care, diligence, and skill that a prudent business-person would exercise in managing the affairs of others.

10 Powers

The Management Committee shall have the power to –

- (a) approve or suspend a project;
- (b) recall project funds from an implementing agency if reliable evidence has been presented to the Management Committee that such funds have been, or are being mismanaged by the implementing agency;
- (c) approve, suspend or cancel the accreditation of an implementing agency;
- (d) terminate a project if the Management Committee is satisfied that the implementing agency has –
 - (i) misused or mismanaged project funds; or
 - (ii) failed to implement the project to the satisfaction of the Management Committee; or
- (e) exercise any other power provided under this or any other Act, provided that the exercise of powers of the Management Committee shall be in accordance with criteria established in regulations under this Act.

11 Meetings and quorum

- (1) Rules of procedure of the Management Committee are set out in Schedule 1 and may be amended by the Management Committee from time to time in accordance with subsection (2).
- (2) Except for matters under this section, the Management Committee may, subject to Cabinet approval, amend its rules of procedure as it thinks fit for the conduct of its business provided that –
 - (a) the rules of procedure shall be consistent with this Act; and
 - (b) on issues which would affect the functions and responsibilities of the Secretariat, Joint Secretariat, or a working committee established under this Act, the Management Committee will first consult with the Secretariat, Joint Secretariat or relevant committee for its input, but shall hold the power to make the final decision.

12 Conflict of interest

- (1) A member of the Management Committee who has, directly or indirectly, any financial or personal interest in any matter before it shall, prior to a meeting, fully disclose such interest to the Management Committee and shall not take part in discussions on the matter or vote on the matter,

Provided that such an interest, if so disclosed, shall not disqualify the interested party for the purpose of constituting a quorum.

- (2) A member of the Management Committee shall not accept any gift or advantage for himself, or on his behalf, for persons with whom he may have family, business, or financial connections, if the acceptance would result or give the appearance of resulting, in a diminution of his impartial devotion to duties under this Act.

PART IV – SECRETARIAT AND WORKING COMMITTEES

13 Secretariat of the Fund

- (1) The Secretariat for the Fund is hereby established.
- (2) The Secretariat shall consist of the following public officers designated by the Minister from the Ministry –
 - (a) Director for Climate Change;
 - (b) Technical officer;
 - (c) Finance officer; and
 - (d) any other officer as may be required from time to time.
- (3) Functions of the Secretariat are to –
 - (a) co-ordinate national climate change activities to ensure that national climate change priorities are effectively implemented;
 - (b) strengthen national capacity for the management, utilisation and monitoring of the Fund;
 - (c) provide secretariat services to the Management Committee and technical committees for project approval and implementation, as well as general administrative support;
 - (d) manage performance measurement, including monitoring, evaluation and reporting on activities and resource disbursement; and
 - (e) liaise with project implementers to ensure that project reporting obligations are fulfilled.
- (4) To the extent possible, the Secretariat shall -
 - (a) ensure that duplication of projects is avoided;
 - (b) enhance the possibilities for replication of successful projects; and

- (c) seek and obtain sources of funding for implementation of activities under the Act.

14 Joint Secretariat

- (1) Notwithstanding section 13, the Minister may, with the agreement of the Minister of Finance, appoint a Joint Secretariat –
 - (a) comprised of the officers in section 13(2) and officers appointed from the Ministry of Finance; and
 - (b) with these officers located at each respective Ministry or jointly at one Ministry,
who shall work together for the effective performance of the duties of the Secretariat.
- (2) Where a Joint Secretariat is established, each officer shall report to his own Minister and each Ministry shall be responsible for financing the salaries of its own officers.
- (3) Functions of the Joint Secretariat shall be the same as functions of the Secretariat set out in sections 13(3) and 13(4).

15 Establishment of the Investment Committee

- (1) The Climate Change Fund Investment Committee is hereby established.
- (2) Members of the Investment Committee are –
 - (a) Chief Executive Officer of the Ministry of Finance (chair);
 - (b) Chief Executive Officer of the Ministry (deputy chair); and
 - (c) a representative of the National Reserve Bank of Tonga.
- (3) The term of appointment for a member of the Investment Committee shall be the duration of time that the member holds office in the position in subsection (2).
- (4) The Investment Committee may co-opt any other person from time to time, including a finance specialist or person who specializes in providing investment advice of international standard, to advise the Investment Committee on a matter which is being considered.
- (5) Prior to co-opting a person in subsection (4), the Management Committee shall carry out due diligence enquiries to ensure that the person meets the following minimum requirements –
 - (a) holds an advanced degree in finance, investment, management or other relevant field;
 - (b) has relevant work experience in a developing country or in the Pacific; and

- (c) has a minimum of 5 years of demonstrated experience in designing, establishing, administering or advising on national funds; and
 - (d) does not have any criminal convictions, in Tonga or abroad.
- (6) Members of the Investment Committee stand in a fiduciary relationship to the Fund and shall, at all times, discharge their duties under this Act –
- (a) in good faith with a view to the fulfilment of the role of the Fund; and
 - (b) with care, diligence and skill that a prudent business-person would exercise in managing the affairs of the Investment Committee.
- (7) Rules of Procedure of the Investment Committee are set out in Schedule 2.
- (8) The Investment Committee may, with the consent of Cabinet, amend its Rules of Procedure.
- (9) The Secretariat shall provide secretarial services to the Committee.

16 General investment objectives of the Fund

- (1) General investment objectives for the Fund are to –
- (a) invest the Fund as permitted by this Act and by applicable laws;
 - (b) prudently manage all aspects of risk in relation to the Fund, including ensuring that assets –
 - (i) are adequately diversified; and
 - (ii) have an appropriate level of liquidity;
 - (c) ensure that any person to whom investment decision-making is delegated exercises integrity, prudence and professional skill in fulfilling the investment tasks delegated to him, and that the actions of that person are fully accountable to the Management Committee.
- (2) With the approval of the Management Committee, information, advice or reports provided by the Investment Committee under this section may be provided to the Secretariat and to the National Climate Change Co-ordinating Committee for information.

17 Functions of the Investment Committee

- (1) Functions of the Investment Committee are –
- (a) in furtherance of the general investment objectives of the Fund in section 16, to establish and maintain an investment policy for the Fund;
 - (b) advise and report to the Management Committee on –
 - (i) investment strategies for the Fund and any required changes to the investment policy for the Fund;
 - (ii) transparent and accountable fund management services to enhance coherence, effectiveness and efficiency of the Fund; and

- (iii) the investment of funds; and
 - (c) monitor financial aspects of the Fund and ensure proper compliance with government and donor contributor financial requirements, reporting and accountability.
- (2) The investment policy of the Fund shall be provided by the Investment Committee to the Management Committee by 1 December each year, to be endorsed by the Management Committee in accordance with section 24(1).
- (3) The investment policy of the Fund, including any subsequent amendments, shall be approved by Cabinet before an investment may be made by the Investment Committee under this Act.

18 Establishment of the Co-ordinating Committee

- (1) The National Climate Change Co-ordinating Committee is hereby established.
- (2) Members of the Co-ordinating Committee are –
 - (a) Chief Executive Officer of the Ministry (chair);
 - (b) Chief Executive Officer of the Ministry of Finance;
 - (c) Chief Executive Officer of the Ministry of Internal Affairs;
 - (d) Chief Executive Officer of the Ministry of Lands and Natural Resources;
 - (e) Chief Executive Officer of the Ministry of Education and Training;
 - (f) Chief Executive Officer of the Ministry of Health;
 - (g) Chief Executive Officer of the Ministry of Public Enterprises;
 - (h) Chief Executive Officer of the Ministry of Agriculture, Food and Forestry;
 - (i) Chief Executive Officer for the Ministry of Fisheries;
 - (j) Chief Executive Officer of the Ministry of Infrastructure;
 - (k) Chief Executive Officer of Ministry of Trade and Economic Development;
 - (l) Chief Executive Officer of the Ministry of Tourism;
 - (m) Secretary of Foreign Affairs;
 - (n) Solicitor General;
 - (o) Director of the Civil Society Forum of Tonga; and
 - (p) President of the Tonga Chamber of Commerce and Industry.
- (3) From time to time the Co-ordinating Committee may co-opt the one or more persons to a meeting of the Co-ordinating Committee.
- (4) Rules of Procedure of the Co-ordinating Committee are set out in Schedule 3.
- (5) The Co-ordinating Committee may, with the consent of Cabinet, amend its Rules of Procedure.

- (6) The Secretariat shall provide secretarial services to the Committee.

19 Functions of the Co-ordinating Committee

Functions of the Co-ordinating Committee are to –

- (a) consider recommendations of the Technical Committee in its assessment reports, and in accordance with its own procedures, provide recommendations to the Management Committee on whether or not to approve or reject a project application;
- (b) oversee and ensure the national co-ordination of all activities, government or otherwise relating to climate change, to ensure effective and efficient utilisation of the Fund; and
- (c) based on lessons learnt, provide recommendations to the Management Committee on how internal processes of the Fund can be improved or made more effective.

20 Establishment of the Technical Committee

- (1) The Climate Change Fund Technical Committee is hereby established.
- (2) Members of the Technical Committee shall be comprised of representatives nominated by the following Ministries, agencies and entities –
 - (a) Ministry (chair);
 - (b) Ministry of Finance;
 - (c) Ministry of Lands and Natural Resources;
 - (d) Ministry of Education and Training;
 - (e) Ministry of Health;
 - (f) Ministry of Internal Affairs;
 - (g) Ministry of Infrastructure;
 - (h) Ministry of Agriculture, Food, Forestry and
 - (i) Ministry of Fisheries;
 - (j) Ministry of Tourism;
 - (k) Tonga Water Board;
 - (l) Civil Society Forum of Tonga; and
 - (m) Tonga Chamber of Commerce and Industry.
- (3) The Technical Committee may co-opt additional representatives from a Government Ministry or agency, faith-based organisations or persons representing community interests, women's interests, commercial interests, or any other person by reason of any particular expert knowledge or skill, to assist or advise the Technical Committee on specific issues.

- (4) Rules of Procedure of the Technical Committee are set out in Schedule 4.
- (5) The Technical Committee may, with the consent of Cabinet, amend its Rules of Procedure.
- (6) The Secretariat shall provide secretarial services to the Technical Committee.

21 Functions and responsibilities of the Technical Committee

Functions of the Technical Committee are to –

- (a) evaluate project applications received by the Secretariat under Part VII and assess applications for eligibility, feasibility and sustainability;
- (b) prepare assessment reports for the Co-ordinating Committee, providing recommendations for approval or rejection of project applications; and
- (c) based on lessons learnt, provide recommendations to the Management Committee on how internal processes of the Fund can be improved or made more effective.

PART V – FINANCE

22 Resources of the Fund

- (1) The Fund shall consist of financial contributions received from the following sources –
 - (a) Government allocations;
 - (b) private contributors;
 - (c) bilateral sources;
 - (d) multilateral sources; and
 - (e) other sources.
- (2) When a new or ongoing contribution to the Fund is received from a source in subsection (1), and –
 - (a) the donor clearly identifies that a part of, or the entire amount of the contribution is intended for the Climate Change Fund, that part or the entire amount of the contribution which is earmarked by the donor will be deposited by the Ministry of Finance into the Endowment Account of the Fund; or
 - (b) the donor identifies that a part of, or the entire amount of the contribution is for national climate change priorities which are funded from the General Fund, the contribution will be deposited by the Ministry of Finance into the Development Fund of the Government, and shall be reflected in the Annual Budget of the Ministry as a revenue source for national climate change priorities in the next financial year.

- (3) A contribution to the Fund under this Part –
 - (a) shall be expended specifically for the purposes of the Fund and without further restrictions as to its use; and
 - (b) once deposited into the Fund, will not be refunded to a contributor.

23 Bank accounts of the Fund

- (1) All resources of the Fund are held in trust by the Management Committee and shall be utilised only for the purposes of the Fund and in accordance with this Act and the Public Finance Management Act.
- (2) The Fund will be managed through two accounts –
 - (a) an Endowment Account comprising such sums for investment purposes as the Management Committee determines in accordance with the Fund’s approved investment policy; and
 - (b) an Operational Account consisting of –
 - (i) all capital sums not allocated to the Endowment Account;
 - (ii) interest and capital gains (after the maintaining of the capital in real terms) earned on the Endowment Account; and
 - (iii) contributions made to the Fund for non-endowment purposes raised through the sources set out in section 24.
- (3) The Management Committee shall, with the consent of Cabinet, apply the following in relation to the two accounts –
 - (a) money in the Endowment Account will be held at a Tongan registered bank designated by the Minister of Finance, in consultation with Governor of the National Reserve Bank of Tonga, pending further investment in Tonga or abroad in accordance with the Fund’s approved investment policy in section 24; and
 - (b) the Operational Account will be held at a Tongan registered bank or the National Reserve Bank of Tonga as an Imprest Account, as designated by the Minister of Finance.
- (4) Subject to subsection (2), all monies received by the Fund shall be deposited into one of the two accounts set out in subsections (3)(a) and (3)(b).
- (5) Subject to subsection (6), the Fund shall not lend, borrow, mortgage or otherwise charge the assets of the Fund.
- (6) The Fund may, for the fulfilment of its purposes, provide loans on such terms as it thinks fit, by way of supplementation to private sector projects in respect of the public good components of those projects.

Provided that the administration of loans to the public shall be through a locally registered bank.

- (7) Subject to agreements governing donor funds and to the extent permissible under applicable law, the Fund shall be exempt from tax.

24 Investment Policy

- (1) The Management Committee shall, at its first meeting in every calendar year and no later than 30 January, endorse the investment policy for the Fund which will apply in the next financial year.
- (2) The investment policy which is endorsed by the Management Committee in subsection (1) –
 - (a) shall take into account advice from the Investment Committee; and
 - (b) may provide for investment in term deposits in registered banks in Tonga, or provide for investment in a balanced portfolio of diversified assets as the Management Committee may determine.
- (3) Once endorsed by the Management Committee, the Minister shall recommend the investment policy of the Fund to the Cabinet for approval.
- (4) The Cabinet shall consider and make a decision on the investment policy for the Fund no later than one calendar month after it is first referred to the Cabinet for approval.

25 Payments and disbursements

- (1) Payments from the Fund shall be made in a manner that is consistent with approved operational procedures of the Management Committee and the Public Finance Management Act.
- (2) Authorisation for payments from the Fund shall be made by written resolution of the Management Committee and shall be confirmed by the following two signatories –
 - (a) the Chair of the Management Committee and the Minister of Finance; or
 - (b) in the absence of the Minister of Finance, by the Chair of the Management Committee and the Chief Executive Officer of the Ministry of Finance.
- (3) For the purposes of subsection (2), the Ministry of Finance shall not disburse any monies from the Fund without the written resolution of the Management Committee and the provision of statutory signatories stated in subsection (2).
- (4) Upon receiving –
 - (a) the written resolution of the Management Committee with the statutory signatures; and
 - (b) a properly authorised voucher or such other documentation from the Secretariat in accordance with this section,

the Ministry of Finance shall process and disburse the payment in accordance with the internal processes of the Ministry of Finance.

- (5) To ensure efficient and timely disbursement of payments, the Ministry of Finance may nominate one or more designated officers within the Ministry of Finance to deal with all requests, processes and payments in relation to the Fund.

26 Unspent funds to be returned to the Fund

Where the Management Committee has approved funding to be awarded to a project implementer and –

- (a) the allocated funding has not been fully spent –
 - (i) at the completion of the project;
 - (ii) due to the accreditation of the project implementer being terminated by the Management Committee;
 - (iii) due to a suspension of project works by the Management Committee; or
- (b) part of, or all of the allocated funding has been recalled by the Management Committee,

such funds shall be returned and deposited into either the Endowment Account or the Operational Account as the Management Committee may direct in writing.

27 Financial statements

- (1) The Fund, through the Management Committee and the Secretariat, shall keep proper books and records of account of the assets, liabilities, income and expenditure, and all transactions of the Fund for each financial year.
- (2) The Management Committee shall prepare using generally accepted accounting practice, annual financial statements of the Fund which shall consist of the following –
 - (a) statement of financial position as at the end of the period;
 - (b) statement of changes in equity for the period;
 - (c) statement of comprehensive income for the period;
 - (d) statement of cash flows for the period; and
 - (e) notes comprising a summary of significant accounting policies and other explanatory information.
- (3) Annual financial statements of the Fund shall be submitted to the independent auditor appointed under section 29(1) within 3 months of the end of the financial year.

28 Generally accepted accounting practice

The Management Committee shall ensure that financial reports, financial statements, associated information and accounting procedures of the Fund are developed or implemented in accordance with generally accepted accounting practice.

29 Annual audit

- (1) The Management Committee, with the consent of the Auditor General, shall appoint an independent auditor to audit the Fund each year according to international accounting standards.
- (2) The Management Committee shall provide annual financial statements of the Fund to the independent auditor and comply with all lawful requests of the auditor in order to ensure that the audit of the Fund is carried out in a timely manner.
- (3) Within 5 months of the end of the financial year, a copy of the Auditor's Report shall be presented to the Management Committee.
- (4) Within 6 months of the end of the financial year, a copy of the report received by the Management Committee in subsection (3) shall be presented by the Management Committee to the Cabinet in accordance with section 8.

30 Cost of audit

Where a donor appoints an external auditor to carry out an audit of the Fund in relation to the donor's contribution, the donor shall absorb the costs of the external auditor.

31 Annual Report of the Fund

- (1) Within 6 months of the end of the financial year, the Minister shall present to Cabinet –
 - (a) an Annual Report of the Fund; and
 - (b) a copy of the Auditor's Report on the Fund, accounting for the management of the Fund in the preceding year.
- (2) The Annual Report of the Fund shall –
 - (a) summarise the main activities of the Fund during the preceding year;
 - (b) describe how the Fund has met the purposes set out in section 5; and
 - (c) present the audited account for the year just ended, together with the Auditor's Report on the accounts.
- (3) The Minister shall –

- (a) present a copy of the Annual Report of the Fund to the Legislative Assembly in the next available session following the period to which the reports relate; and
 - (b) make the Annual Report of the Fund available to a donor contributor, the donor community and to the public.
- (4) To meet the fiduciary requirements of a donor contributor, the Management Committee shall endeavour to provide, subject to section 48, any other documentation required by –
- (a) a donor contributor; or
 - (b) the administrator of a donor contributor.

PART VI – APPROPRIATION BY LEGISLATIVE ASSEMBLY

32 Appropriation of funds to be approved

- (1) The Minister responsible for finance shall ensure that the total sum which is to be allocated from the Endowment Account into the Operational Account of the Climate Change Fund in a financial year is included as part of the Ministry's Annual Budget which is submitted to the Legislative Assembly during the annual budgetary process of the preceding year.
- (2) At the commencement of this Act, the annual contribution of the government to the Climate Change Fund for climate change related activities, initiatives and programmes shall continue.

PART VII – APPLICATION FOR PROJECT FUNDING

33 Application for accreditation

- (1) An application for project funding may be made by the following entities –
 - (a) an organisation registered with the responsible Ministry as a Tongan registered company under applicable law;
 - (b) an organisation registered with the responsible Ministry as a non-profit organisation under applicable law;
 - (c) a community organisation recognised by the Ministry of Internal Affairs as a community organisation in the Kingdom; and
 - (d) a Ministry or Government agency in the Kingdom,
provided that an entity under subsection (1) shall be accredited in accordance with the prescribed process in regulations made under the Act.
- (2) An entity that –

- (a) has not been accredited in accordance with the prescribed process; or
 - (b) was accredited but has since lost its accreditation,
- shall not be eligible to apply for project funding under this Act.

34 Application for project funding

- (1) An application for project funding shall be submitted to the Secretariat by or before the advertised deadline and in the manner prescribed by regulations.
- (2) The Secretariat shall, free of charge, provide all relevant information for the benefit of applicants or beneficiaries, including types of available project funding, terms of reference, project application cycles, prescribed forms and prescribed reporting templates.
- (3) Criteria for the Management Committee's decision to approve or reject a project application shall be prescribed by regulations.

35 Monitoring, evaluation and verification

- (1) The Secretariat, in consultation with the Technical Committee, shall be responsible for monitoring, evaluating and verifying projects under this Act and reporting on outcomes to the Co-ordinating Committee.
- (2) In the process of monitoring and evaluating projects, the Secretariat shall collect baseline data for the establishment and maintenance of a database for the Ministry.
- (3) Subject to subsection (5), a project implementer shall provide the following reports to the Secretariat in the prescribed format –
 - (a) financial report;
 - (b) narrative report; and
 - (c) project completion report, which incorporates a full financial report.
- (4) The regularity of reports in subsection (3) will be determined by the Technical Committee and shall be included in the assessment report for the project.
- (5) Before implementation of a project, the Secretariat shall provide appropriate training for a person nominated by the project implementer to ensure that the project implementer will have the ability to comply with the reporting requirements under subsection (3).
- (6) A report provided by a project implementer under subsection (3) shall be submitted by the Secretariat to the Co-ordinating Committee as soon as it is reasonably practical for assessment of project progress and outcomes, and if necessary, for development of recommendations to the Management Committee.

PART VIII – COMPLAINTS COMMITTEE

36 Establishment of the Complaints Committee

- (1) The Climate Change Fund Complaints Committee is hereby established.
- (2) The Minister shall appoint three members who are independent from the administrative and technical processes of the Fund to constitute the Complaints Committee as follows –
 - (a) a person with legal expertise (chair);
 - (b) a person with technical experience; and
 - (c) a person with administrative experience.
- (3) A member of the Complaints Committee shall hold office for a term of three years and may be reappointed.
- (4) Rules of Procedure of the Complaints Committee are set out in Schedule 5.
- (5) The Complaints Committee may, with the consent of Cabinet, amend its Rules of Procedure.
- (6) The Complaints Committee shall appoint its own Secretary, who shall not be an employee of the Ministry or a member of the Secretariat.

37 Functions of the Complaints Committee

- (1) Functions of the Complaints Committee are to –
 - (a) investigate a complaint which has been lodged under section 38 and which cannot be resolved by the Secretariat of the Fund;
 - (b) facilitate a mediation hearing between an aggrieved party and a body established under this Act, if necessary;
 - (c) issue written recommendations to the Management Committee on a matter which has been the subject of a complaint; and
 - (d) provide recommendations to the Management Committee on how complaint processes of the Fund can be improved or made more effective.
- (2) Recommendations of the Complaints Committee in subsection (1)(c) shall be properly considered by the Management Committee and each governing body to which the recommendations are provided.
- (3) Where the recommendations of the Complaints Committee in subsection (1)(c) are not followed by the Management Committee or a governing body to which the recommendations are directed, the Management Committee or the governing body as the case may be, shall explain in writing why the recommendations were not followed.

38 Right to lodge a complaint

- (1) A person who is aggrieved about a process or a decision of a body under this Act may lodge a complaint to the Complaints Committee under this Part.
- (2) A written complaint shall be submitted to the Secretary of the Complaints Committee in accordance with, and within the timeframes prescribed in regulations made under this Act.

39 Meetings of the Complaints Committee

- (1) The Complaints Committee shall meet as and when required to determine a complaint which has been lodged under this Part.
- (2) The Management Committee shall in consultation with the Remuneration Authority, approve the meeting fees of members of the Complaints Committee prior to any fees being paid, taking into account the profession and level of expertise of each member.
- (3) The Fund shall provide resources required by the Committee to carry out its functions under this Part.

40 Reporting requirements

- (1) Within 3 months of the end of each financial year, the Chair of the Complaints Committee shall provide a written report to the Chief Executive Officer of the Ministry on the activities of the Committee for the preceding year.
- (2) The report of the Complaints Committee shall be incorporated into the Annual Report of the Ministry.

PART IX – DESIGNATION OF OFFICERS**41 Designation of an accountable officer**

- (1) An accountable officer under this Act shall be designated as follows –
 - (a) the Minister shall, on the recommendation of the Chief Executive Officer of the Ministry, designate a person from the Ministry as an accountable officer; and
 - (b) the Minister of Finance shall, on the recommendation of the Chief Executive Officer of the Ministry of Finance, designate a person from the Ministry of Finance as an accountable officer.
- (2) Prior to a designation under this section, the Ministry shall, jointly with the Ministry of Finance, train an accountable officer to be familiar with his functions under this Act and the Public Finance Management Act.

- (3) A designation under subsection (1) shall be made in the form prescribed in Schedule 6.

42 Powers of an accountable officer

An accountable officer shall exercise any power that is stated on his instrument of designation pursuant to section 41 of this Act.

43 Revocation of designation

- (1) The Minister or Minister of Finance may, depending on the designating authority, revoke the designation of an accountable officer under section 41.
- (2) An officer whose designation has been revoked under this section shall –
- (a) no longer hold any powers under this Act or in regulations or standard operating procedures made under the Act; and
 - (b) return his certificate of identity to the Chief Executive Officer.
- (3) A revocation under subsection (1) shall be made in the form prescribed in Schedule 7.

PART X – OFFENCES

44 Offences and penalties

- (1) A person who —
- (a) wilfully obstructs an accountable officer or officer in the exercise of a function under this Act;
 - (b) refuses or wilfully neglects to pay any Fund money into an account or fund into which it is payable;
 - (c) refuses or wilfully neglects to provide any report required under this Act;
 - (d) unlawfully over-commits or overspends Fund money under his control;
 - (e) unlawfully misuses Fund money under his control;
 - (f) knowingly provides false information, makes a false statement or declaration or gives a false certificate required under this Act;
 - (g) does any act for the purpose of procuring —
 - (i) the improper payment of Fund money;
 - (ii) the improper use of Fund property or resources; or
 - (iii) wilfully failing to carry out any duty or obligation imposed on that person under this Act; or

- (h) wilfully provides misleading or false information requested in accordance with this Act,
commits an offence and shall be liable upon conviction to a fine not exceeding \$10,000 or a term of imprisonment of up to 2 years, or both, or where the person is a body corporate to a fine not exceeding \$100,000.
- (2) Where a body corporate commits an offence against this Act, every director, chief executive, secretary, or other officer of the body corporate and every person purporting to act in any such capacity shall also be guilty of an offence unless that person satisfies the Court that either —
 - (a) the offence was committed without that person’s knowledge or consent;
 - (b) was not the result of that person’s gross negligence; or
 - (c) that person took all reasonable steps to prevent the commission of the offence.

45 Misuse of project funds by project implementer

- (1) The Management Committee shall not award a project to a project implementer that employs a person who has been convicted of an offence under section 44, in addition to the penalty imposed by the Court.
- (2) The Management Committee shall terminate the accreditation of a project implementer which has been convicted of an offence under section 44, in addition to the penalty imposed by the Court.
- (3) The termination of accreditation in subsection (2) shall be effective as soon as the conviction order is issued by the Court.

46 Failure to cease activity

- (1) Where a person is charged with an offence under this Act, the activity in respect of which that person is charged shall cease immediately.
- (2) A person who fails to comply with subsection (1) commits an offence and shall be liable on conviction to a fine not exceeding \$500, or in the case of a corporation to a fine not exceeding \$1,000, for each day that the non-compliance continues.

47 Disciplining of accountable officers

Where an accountable officer authorises expenditure or commitment of funds in excess of the approved limit for any programme, the Minister of Finance shall, in the case of –

- (a) a public servant, follow procedures in the Public Service (Grievance and Dispute Procedures) Regulations (CAP.2.11.01) or Public Service (Disciplinary Procedures) Regulations (CAP.2.11.02) as applicable; and

- (b) a person who is not a public servant, follow procedures as prescribed in regulations made under this Act.

PART XI – MISCELLANEOUS

48 Confidentiality

- (1) A person who has acquired knowledge in his capacity as a member, officer, employee, auditor or agent of the Fund, or when exercising any function under this Act, shall not disclose to any person any information in respect of the Fund except —
- (a) with the written authorisation of the Management Committee;
 - (b) when lawfully required to do so by any court of competent jurisdiction in Tonga or under the provisions of this Act or by any other law; or
 - (c) for the purpose of the performance of his duties under this Act;
- (2) A person to whom any information is disclosed pursuant to subsection (1) shall not disclose or use such information except as authorised or according to law.
- (3) As appropriate, the Management Committee will determine the classification and accessibility of documents held by or drawn up by the Fund.
- (4) A person who contravenes subsection (1) shall on conviction be liable to an offence and shall be punishable by a fine of up to \$5,000 or a term of imprisonment of up to 6 months, or both.

49 Accounts and records of the Fund

All accounts and records of the Fund shall be kept for a period of 7 years after the date of the transaction to which each account or record relates.

50 Disputes resolution

- (1) In the event of a dispute arising between the Fund and any other person during the life of the Fund or on its termination, the parties shall endeavour to settle the matter amicably.
- (2) Where a dispute is not resolved by the parties through consultation, the dispute may, with the consent of the parties, be referred to arbitration by an independent arbitrator that has been mutually appointed by the parties.
- (3) Costs of the independent arbitrator shall be borne equally by the parties.
- (4) The decision of the independent arbitrator shall be binding on the parties and final.

51 Personal immunity of officers and employees

A person acting under the direction of the Management Committee pursuant to this Act shall not be personally liable for an act or default of the Committee, if the person's action was –

- (a) done or omitted to be done in good faith; and
 - (b) without gross negligence,
- in the course of the operations of the Fund.

52 Termination of the Fund

In the event of the termination of the Fund for any reason –

- (a) monies in the Endowment Account and Operational Account will vest in the general revenue of the Kingdom under the Public Finance Management Act; and
- (b) assets of the Fund may be distributed at the written direction of the Management Committee, to entities in Tonga which have objects similar to those of the Fund and which can advance, as far as possible, the purpose or purposes for which funds were originally given.

53 Regulations

The Minister may, with the consent of Cabinet, make regulations which are consistent with this Act and for the proper and efficient administration of this Act.

54 Climate Change Fund Operational Manual

- (1) The Minister may, with the approval of Cabinet, adopt a Climate Change Fund Operational Manual for the Fund, which shall be consistent with this Act and regulations made under this Act.
- (2) The Operational Manual shall contain detailed information on –
 - (a) internal processes of the Fund; and
 - (b) working relationship between the Ministry, line Ministries, statutory bodies and relevant stakeholders, under this Act.
- (3) Every two years, the Minister will facilitate a review and update of the Operational Manual.
- (4) Substantive changes to the Operational Manual will inform proposed amendments to this Act and to regulations made under this Act.

55 Transitional provisions

At the commencement of this Act –

- (a) funds which were –
 - (i) received by the Government of Tonga on or before the coming into force of this Act; and
 - (ii) earmarked for the Fund to be utilised for the purposes in section 5, shall be paid into or transferred to the Endowment Account to be administered in accordance with this Act and the Public Finance Management Act; and
- (b) the Climate Change Trust Fund Board that was established by the Cabinet in 2014 shall be replaced by the Management Committee established under this Act and all processes of the Management Committee shall be governed by this Act.

Passed by the Legislative Assembly on **24th** day of **August** 2021.

SCHEDULE 1*(Section 11(1))***RULES OF PROCEDURE OF THE MANAGEMENT COMMITTEE**

Rules of procedure of the Management Committee are as follows –

1 Meetings and quorum

- (1) The Management Committee shall meet as often as required and not less than four times each year.
- (2) The quorum for a meeting of the Management Committee shall be five members, provided that the members present shall include –
 - (a) at least the chair or deputy chair; and
 - (b) both of the representatives of civil society and the private sector.
- (3) A decision by the Management Committee shall be by consensus of its members, provided that on any issue relating to the investment of the Fund, the decision shall be by a unanimous vote.

2 Annual general meeting of Management Committee

- (1) The Management Committee shall hold an annual general meeting in January of each year.
- (2) A notice of meeting, agenda and meeting materials shall be delivered to members of the Management Committee at least 3 working days before a meeting.
- (3) The Secretary shall specify in the meeting notice that the meeting will be the annual general meeting of the Management Committee.
- (4) A donor contributor shall be entitled to the following –
 - (a) receive a notification from the Secretary of the annual general meeting date at least 10 working days prior to the scheduled meeting date;
 - (b) submit a written request to the Chair of the Management Committee, requesting one or more issues to be included on the agenda of the meeting; and
 - (c) attend the annual general meeting and speak to the issue raised.
- (5) A donor contributor is not entitled to vote at an annual general meeting and may be excused from the meeting by the Chair once the issue tabled by the contributor on the agenda has been discussed.
- (6) The Management Committee shall make the final decision on all matters tabled at an annual general meeting.

3 General meetings of the Management of Committee

- (1) A general meeting of the Management Committee shall be called by the Chair.
- (2) A member of the Management Committee shall be provided with –
 - (a) a written notice of a general meeting;
 - (b) copy of the agenda; and
 - (c) copy of meeting papers,
at least 2 working days prior to each meeting.

4 Chair of the Management Committee

- (1) The Minister shall be the chair at a meeting of the Management Committee.
- (2) At a meeting where the Minister is absent, the Minister of Finance shall be the chair.

5 Functions of the Chair

Functions of the Chair shall include but not be limited to the following –

- (a) chair each meeting of the Management Committee; and
- (b) ensure that –
 - (i) proper minutes of each meeting are kept;
 - (ii) proceedings of the Committee are carried out in an impartial manner and are free from conflict of interest;
 - (iii) decisions and recommendations of the Management Committee are consistent with criteria in the Act and regulations made under the Act; and
 - (iv) the Management Committee fulfils all its functions under the Act.

6 Functions of the Secretary

Functions of the Secretary shall include but not be limited to the following –

- (a) keep proper minutes of a meeting of the Management Committee;
- (b) oversee the timely distribution of a meeting notice, agenda and meeting materials;
- (c) liaise between the Management Committee and –
 - (i) the Ministry as necessary, and ensure effective communication between the Management Committee and the Ministry;
 - (ii) a donor contributor as necessary, and endeavour to maintain effective communication between the Management Committee and a donor contributor; and

- (iii) members of the public, key stakeholders and the media as is required from time to time;
- (d) ensure that confidential information of the Management Committee are
 -
 - (i) kept in secure storage; and
 - (ii) released only according to the instructions of the Chair of the Management Committee; and
- (e) comply with any other lawful direction of the Chair of the Management Committee.

7 Minutes of meetings

The minutes of a meeting of the Management Committee, properly signed by the Secretary and the Chair, shall be evidence that the proceedings took place.

8 Co-opted members

- (1) A person who is not a member of the Management Committee or of the Secretariat may be invited by the Chair to attend a meeting of the Committee as a co-opted member pursuant to section 8 of the Act.
- (2) A co-opted member will have the right to speak at a meeting but not the right to vote.
- (3) The Chair shall, prior to the start of a meeting, require a co-opted member to agree to maintain confidentiality in respect of matters discussed at the meeting and also to declare any actual or perceived conflict of interest.

9 Voting

Voting at a meeting of the Management Committee may be by show of hands or by secret ballot.

10 Meeting fees

There will be no meeting fee or sitting fee for a member of the Management Committee.

11 Resignation of a member

- (1) A person may resign or vacate his office by submitting a written letter of resignation to the Chair of the Committee, through the Secretary of the Committee.

- (2) To the extent possible, a person shall give at least one-month's notice of his intention to resign or to vacate his office.
- (3) In the event that a person resigns or otherwise vacates his position on a Committee, the Management Committee will appointment a suitable replacement as soon as possible.

12 Extra-ordinary vacancies

- (1) A member may be removed from office by the Cabinet, on the recommendation of the Management Committee, if the member –
 - (a) resigns from his position in Government or ceases membership in the organisation which he is representing on the Management Committee;
 - (b) engages in conduct or an activity that –
 - (i) creates a conflict of interest with his position on the Management Committee;
 - (ii) is considered by the Management Committee as constituting serious misconduct; or
 - (c) is convicted of a criminal offence in Tonga or abroad.
- (2) If a member of the Management Committee resigns or is removed from office, the vacancy created shall be deemed to be an extraordinary vacancy and shall be filled by the appointment of a member by the Cabinet in accordance with section 8(2) of the Act.

13 Confidentiality

- (1) Every member of the Management Committee and every person engaged or employed in connection with the work of the Management Committee shall maintain and assist in maintaining the confidentiality of all matters which are considered by the Committee.
- (2) The breach of confidentiality may, after due deliberation and consideration by the Management Committee, constitute serious misconduct under article 12(1)(b)(ii) of this Schedule.

14 Members not personally liable

A member of the Management Committee shall not be personally liable for any act or omission made by the Management Committee in good faith in pursuance or intended pursuance of the powers, duties and functions of the Management Committee under the Act.

15 Communications with the media and the public

- (1) Except as otherwise specified in writing by the Management Committee, a member of a Management Committee shall not divulge, provide or proffer any opinion or statement to the media or members of the public on behalf of the Management Committee.
- (2) The Secretary of the Management Committee shall be the only body who is authorised to deal with enquiries by the media, members of the public or third party organisations.
- (3) The nature of the information to be provided by the Secretary to the media, members of the public or to third parties organisations, shall first be approved by the Committee concerned.

SCHEDULE 2*(Section 15(7))***RULES OF PROCEDURE OF THE INVESTMENT COMMITTEE**

Rules of Procedure of the Investment Committee are as follows –

1 Meetings and quorum

- (1) The Investment Committee shall meet as often as required and not less than four times each year.
- (2) The quorum for a meeting of the Investment Committee shall be all of its members.
- (3) A decision of the Investment Committee shall be by the unanimous vote of its members.
- (4) A notice of meeting, agenda and meeting materials shall be delivered to members of the Investment Committee at least 2 working days before a meeting.

2 General Meetings

- (1) A general meeting of the Investment Committee shall be called by the Secretary in consultation with the chair of the Committee.
- (2) The Secretary shall ensure that proper minutes are recorded and maintained in respect of all meetings of the Investment Committee.
- (3) Where a member is unable to attend a meeting of the Investment Committee, the member shall notify the Secretary so that an appropriate meeting date is scheduled. To the extent possible, the Secretary will schedule and fix all meetings of the Investment Committee at the beginning of each project cycle.

3 Co-opted members

- (1) A person who is not a member of the Investment Committee or of the Secretariat may be invited by the Chair to attend a meeting of the Committee as a co-opted member.
- (2) A co-opted member will have the right to speak at a meeting but not the right to vote.
- (3) The Chair shall, prior to the start of a meeting, require a co-opted member to agree to maintain confidentiality in respect of matters discussed at the meeting and also to declare any actual or perceived conflict of interest.

4 Minutes of meetings

The minutes of a meeting of the Investment Committee, properly signed by the Secretary and the Chair, shall be evidence that the proceedings took place.

5 Meeting fees

There will be no meeting fee or sitting fee for a member of the Investment Committee.

6 Conflict of interest

- (1) A member of the Investment Committee who has, directly or indirectly, any financial or personal interest in any matter before it shall fully disclose such interest to the Investment Committee prior to the start of a meeting and shall take no part in the discussion on any such matter or vote on such matter:

Provided that such an interest, if so disclosed, shall not disqualify the interested party for the purpose of constituting a quorum.

- (2) A member of the Investment Committee shall not accept any gift or advantage for himself or, in his behalf, for persons with whom he may have family, business, or financial connections if the acceptance thereof would result, or give the appearance of resulting, in a diminution of his impartial devotion to duties under the Act and regulations.

7 Resignation of a member

- (1) A person may resign or vacate his office by submitting a written letter of resignation to the Chair of the Investment Committee, through the Secretary of the Investment Committee.
- (2) To the extent possible, a person shall give at least one-month's notice of his intention to resign or to vacate his office.
- (3) In the event that a person resigns or otherwise vacates his position on the Investment Committee, the Investment Committee will appointment a suitable replacement as soon as possible.

8 Extra-ordinary vacancies

- (1) A member may be removed from office by the Cabinet, on the recommendation of the Investment Committee, if the member –
 - (a) resigns from his position in Government or ceases membership in the organisation which he is representing on the Investment Committee;
 - (b) engages in conduct or an activity that –
 - (i) creates a conflict of interest with his position on the Investment Committee;

- (ii) is considered by the Investment Committee as constituting serious misconduct; or
 - (c) is convicted of a criminal offence in Tonga or abroad.
- (2) If a member of the Investment Committee resigns or is removed from office, the vacancy created shall be deemed to be an extraordinary vacancy and shall be filled by the appointment of a member by the Cabinet in accordance with section 8 of the Act.

9 Confidentiality

- (1) Every member of the Investment Committee and every person engaged or employed in connection with the work of the Investment Committee shall maintain and assist in maintaining the confidentiality of all matters which are considered by the Investment Committee.
- (2) The breach of confidentiality may, after due deliberation and consideration by the Investment Committee, constitute serious misconduct under article 8(1)(b)(ii) of this Schedule.

10 Members not personally liable

A member of the Investment Committee shall not be personally liable for any act or omission made by the Investment Committee in good faith in pursuance or intended pursuance of the powers, duties and functions of the Investment Committee under the Act.

11 Communications with the media and the public

- (1) Except as otherwise specified in writing by the Management Committee, a member of the Investment Committee shall not divulge, provide or proffer any opinion or statement to the media or members of the public on behalf of the Investment Committee.
- (2) The Secretary of the Management Committee shall be the only body who is authorised to deal with enquiries by the media, members of the public or third party organisations.
- (3) The nature of the information to be provided by the Secretary to the media, members of the public or to third parties organisations, shall first be approved by the Committee concerned.

SCHEDULE 3*(Section 18(4))***RULES OF PROCEDURE OF THE CO-ORDINATING COMMITTEE**

Rules of procedure of the Co-ordinating Committee are as follows –

1 Meetings and quorum

- (1) The Co-ordinating Committee shall meet as often as required and not less than two times each year.
- (2) The quorum for a meeting of the Co-ordinating Committee shall be at least half of its permanent members.
- (3) A decision of the Co-ordinating Committee shall be by consensus of its members.
- (4) A notice of meeting, agenda and meeting materials shall be delivered to members of the Co-ordinating Committee at least 2 working days before a meeting.

2 General meetings

- (1) Meetings of the Co-ordinating Committee shall be called by the Secretary in consultation with the chair of the Committee.
- (2) The Secretary shall ensure that proper minutes are recorded and maintained in respect of all meetings of the Co-ordinating Committee.
- (3) Where a member is unable to attend a meeting of the Co-ordinating Committee, the member shall notify the Secretary so that an appropriate meeting date is scheduled. To the extent possible, the Secretary will schedule and fix all meetings of the Co-ordinating Committee at the beginning of each project cycle.

3 Co-opted members

- (1) A person who is not a member of the Co-ordinating Committee or of the Secretariat may be invited by the Chair to attend a meeting of the Committee as a co-opted member.
- (2) A co-opted member will have the right to speak at a meeting but not the right to vote.
- (3) The Chair shall, prior to the start of a meeting, require a co-opted member to agree to maintain confidentiality in respect of matters discussed at the meeting and also to declare any actual or perceived conflict of interest.

4 Minutes of meetings

The minutes of a meeting of the Co-ordinating Committee, properly signed by the Secretary and the Chair, shall be evidence that the proceedings took place.

5 Meeting fees

There will be no meeting fee or sitting fee for a member of the Co-ordinating Committee.

6 Conflict of interest

- (1) A member of the Co-ordinating Committee who has, directly or indirectly, any financial or personal interest in any matter before it shall fully disclose such interest to the Co-ordinating Committee prior to the start of a meeting and shall take no part in the discussion on any such matter or vote on such matter:

Provided that such an interest, if so disclosed, shall not disqualify the interested party for the purpose of constituting a quorum.

- (2) A member of the Co-ordinating Committee shall not accept any gift or advantage for himself or, in his behalf, for persons with whom he may have family, business, or financial connections if the acceptance thereof would result, or give the appearance of resulting, in a diminution of his impartial devotion to duties under the Act and regulations.

7 Resignation of a member

- (1) A person may resign or vacate his office by submitting a written letter of resignation to the Chair of the Co-ordinating Committee, through the Secretary of the Co-ordinating Committee.
- (2) To the extent possible, a person shall give at least one-month's notice of his intention to resign or to vacate his office.
- (3) In the event that a person resigns or otherwise vacates his position on the Co-ordinating Committee, the Co-ordinating Committee will appointment a suitable replacement as soon as possible.

8 Extra-ordinary vacancies

- (1) A member may be removed from office by the Cabinet, on the recommendation of the Co-ordinating Committee, if the member –
 - (a) resigns from his position in Government or ceases membership in the organisation which he is representing on the Co-ordinating Committee;
 - (b) engages in conduct or an activity that –

- (i) creates a conflict of interest with his position on the Co-ordinating Committee;
 - (ii) is considered by the Co-ordinating Committee as constituting serious misconduct; or
 - (c) is convicted of a criminal offence in Tonga or abroad.
- (2) If a member of the Co-ordinating Committee resigns or is removed from office, the vacancy created shall be deemed to be an extraordinary vacancy and shall be filled by the appointment of a member by the Cabinet in accordance with section 8 of the Act.

9 Confidentiality

- (1) Every member of the Co-ordinating Committee and every person engaged or employed in connection with the work of the Co-ordinating Committee shall maintain and assist in maintaining the confidentiality of all matters which are considered by the Committee.
- (2) The breach of confidentiality may, after due deliberation and consideration by the Co-ordinating Committee, constitute serious misconduct under article 8(1)(b)(ii) of this Schedule.

10 Members not personally liable

A member of the Co-ordinating Committee shall not be personally liable for any act or omission made by the Co-ordinating Committee in good faith in pursuance or intended pursuance of the powers, duties and functions of the Co-ordinating Committee under the Act.

11 Communications with the media and the public

- (1) Except as otherwise specified in writing by the Management Committee, a member of the Co-ordinating Committee shall not divulge, provide or proffer any opinion or statement to the media or members of the public on behalf of the Co-ordinating Committee.
- (2) The Secretary of the Management Committee shall be the only body who is authorised to deal with enquiries by the media, members of the public or third party organisations.
- (3) The nature of the information to be provided by the Secretary to the media, members of the public or to third parties organisations, shall first be approved by the Committee concerned.

SCHEDULE 4*(Section 20(4))***RULES OF PROCEDURE OF THE TECHNICAL COMMITTEE**

Rules of Procedure of the Technical Committee are as follows –

1 Meetings and quorum

- (1) The Technical Committee shall meet as often as required and not less than two times each year.
- (2) The quorum for a meeting of the Technical Committee shall be seven members.
- (3) A decision of the Technical Committee shall be by consensus of its members.
- (4) A notice of meeting, agenda and meeting materials shall be delivered to members of the Technical Committee at least 2 working days before a meeting.

2 General meetings

- (1) Meetings of the Technical Committee shall be called by the Secretary in consultation with the chair of the Technical Committee.
- (2) The Secretary shall ensure that proper minutes are recorded and maintained in respect of all meetings of the Technical Committee.
- (3) Where a member is unable to attend a meeting of the Technical Committee, the member shall notify the Secretary so that an appropriate meeting date is scheduled. To the extent possible, the Secretary will schedule and fix all meetings of the Technical Committee at the beginning of each project cycle.

3 Co-opted members

- (1) A person who is not a member of the Technical Committee or of the Secretariat may be invited by the Chair to attend a meeting of the Technical Committee as a co-opted member.
- (2) A co-opted member will have the right to speak at a meeting but not the right to vote.
- (3) The Chair shall, prior to the start of a meeting, require a co-opted member to agree to maintain confidentiality in respect of matters discussed at the meeting and also to declare any actual or perceived conflict of interest.

4 Minutes of meetings

The minutes of a meeting of the Technical Committee, properly signed by the Secretary and the Chair, shall be evidence that the proceedings took place.

5 Meeting fees

There will be no meeting fee or sitting fee for a member of the Technical Committee.

6 Conflict of interest

- (1) A member of the Technical Committee who has, directly or indirectly, any financial or personal interest in any matter before it shall fully disclose such interest to the Technical Committee prior to the start of a meeting and shall take no part in the discussion on any such matter or vote on such matter:

Provided that such an interest, if so disclosed, shall not disqualify the interested party for the purpose of constituting a quorum.

- (2) A member of the Technical Committee shall not accept any gift or advantage for himself or, in his behalf, for persons with whom he may have family, business, or financial connections if the acceptance thereof would result, or give the appearance of resulting, in a diminution of his impartial devotion to duties under the Act and regulations.

7 Resignation of a member

- (1) A person may resign or vacate his office by submitting a written letter of resignation to the Chair of the Technical Committee, through the Secretary of the Committee.
- (2) To the extent possible, a person shall give at least one-month's notice of his intention to resign or to vacate his office.
- (3) In the event that a person resigns or otherwise vacates his position on a Technical Committee, the Technical Committee will appointment a suitable replacement as soon as possible.

8 Extra-ordinary vacancies

- (1) A member may be removed from office by the Cabinet, on the recommendation of the Technical Committee, if the member –
 - (a) resigns from his position in Government or ceases membership in the organisation which he is representing on the Technical Committee;
 - (b) engages in conduct or an activity that –
 - (i) creates a conflict of interest with his position on the Technical Committee;

- (ii) is considered by the Technical Committee as constituting serious misconduct; or
 - (c) is convicted of a criminal offence in Tonga or abroad.
- (2) If a member of the Technical Committee resigns or is removed from office, the vacancy created shall be deemed to be an extraordinary vacancy and shall be filled by the appointment of a member by the Cabinet in accordance with section 8(2) of the Act.

9 Confidentiality

- (1) Every member of the Technical Committee and every person engaged or employed in connection with the work of the Technical Committee shall maintain and assist in maintaining the confidentiality of all matters which are considered by the Committee.
- (2) The breach of confidentiality may, after due deliberation and consideration by the Technical Committee, constitute serious misconduct under article 8(1)(b)(ii) of this Schedule.

10 Members not personally liable

A member of the Technical Committee shall not be personally liable for any act or omission made by the Technical Committee in good faith in pursuance or intended pursuance of the powers, duties and functions of the Technical Committee under the Act.

11 Communications with the media and the public

- (1) Except as otherwise specified in writing by the Management Committee, a member of the Technical Committee shall not divulge, provide or proffer any opinion or statement to the media or members of the public on behalf of the Technical Committee.
- (2) The Secretary of the Management Committee shall be the only body who is authorised to deal with enquiries by the media, members of the public or third party organisations.
- (3) The nature of the information to be provided by the Secretary to the media, members of the public or to third parties organisations, shall first be approved by the Committee concerned.

SCHEDULE 5*(Section 36(4))***RULES OF PROCEDURE OF THE COMPLAINTS COMMITTEE**

Rules of Procedure of the Complaints Committee shall be as follows –

1 Meetings and quorum

- (1) The Complaints Committee shall meet as and when required to determine a complaint which has been lodged under the Act.
- (2) The quorum for a meeting or hearing of the Complaints Committee shall be all of its members.
- (3) A decision of the Complaints Committee shall be by unanimous vote of its members.
- (4) A notice of meeting or a hearing of the Complaints Committee shall be delivered to members of the Complaints Committee at least 2 working days before the scheduled date.

2 General meeting or hearing

- (1) A general meeting or hearing of the Complaints Committee shall be called by the Secretary in consultation with the chair of the Committee.
- (2) The Secretary shall ensure that proper minutes are recorded and maintained in respect of all meetings of the Complaints Committee.
- (3) Where a member is unable to attend a meeting of the Complaints Committee, the member shall notify the Secretary so that an appropriate meeting date is scheduled.

3 Co-opted members

- (1) A person who is not a member of the Complaints Committee or of the Secretariat may be invited by the Chair to attend a meeting of the Complaints Committee as a co-opted member.
- (2) A co-opted member will have the right to speak at a meeting but not the right to vote.
- (3) The Chair shall, prior to the start of a meeting, require a co-opted member to agree to maintain confidentiality in respect of matters discussed at the meeting and also to declare any actual or perceived conflict of interest.

4 Minutes of meetings

The minutes of a meeting of the Complaints Committee, properly signed by the Secretary and the Chair, shall be evidence that the proceedings took place.

5 Meeting fees

Members of the Complaints Committee shall receive meeting fees in accordance with section 39 of the Act.

6 Conflict of interest

- (1) A member of the Complaints Committee who has, directly or indirectly, any financial or personal interest in any matter before it shall fully disclose such interest to the Complaints Committee prior to the start of a meeting and shall take no part in the discussion on any such matter or vote on such matter:

Provided that such an interest, if so disclosed, shall not disqualify the interested party for the purpose of constituting a quorum.

- (2) A member of the Complaints Committee shall not accept any gift or advantage for himself or, in his behalf, for persons with whom he may have family, business, or financial connections if the acceptance thereof would result, or give the appearance of resulting, in a diminution of his impartial devotion to duties under the Act and regulations.

7 Resignation of a member

- (1) A person may resign or vacate his office by submitting a written letter of resignation to the Chair of the Complaints Committee, through the Secretary of the Complaints Committee.
- (2) To the extent possible, a person shall give at least one-month's notice of his intention to resign or to vacate his office.
- (3) In the event that a person resigns or otherwise vacates his position on a Complaints Committee, the Complaints Committee will appointment a suitable replacement as soon as possible.

8 Extra-ordinary vacancies

- (1) A member may be removed from office by the Cabinet, on the recommendation of the Complaints Committee, if the member –
 - (a) resigns from his position in Government or ceases membership in the organisation which he is representing on the Complaints Committee;
 - (b) engages in conduct or an activity that –

- (i) creates a conflict of interest with his position on the Complaints Committee;
 - (ii) is considered by the Complaints Committee as constituting serious misconduct; or
 - (c) is convicted of a criminal offence in Tonga or abroad.
- (2) If a member of the Complaints Committee resigns or is removed from office, the vacancy created shall be deemed to be an extraordinary vacancy and shall be filled by the appointment of a member by the Cabinet in accordance with section 8(2) of the Act.

9 Confidentiality

- (1) Every member of the Complaints Committee and every person engaged or employed in connection with the work of the Complaints Committee shall maintain and assist in maintaining the confidentiality of all matters which are considered by the Committee.
- (2) The breach of confidentiality may, after due deliberation and consideration by the Complaints Committee, constitute serious misconduct under article 8(1)(b)(ii) of this Schedule.

10 Members not personally liable

A member of the Complaints Committee shall not be personally liable for any act or omission made by the Complaints Committee in good faith in pursuance or intended pursuance of the powers, duties and functions of the Complaints Committee under the Act.

11 Communications with the media and the public

- (1) Except as otherwise specified in writing by the Management Committee, a member of the Complaints Committee shall not divulge, provide or proffer any opinion or statement to the media or members of the public on behalf of the Complaints Committee.
- (2) The Secretary of the Management Committee shall be the only body who is authorised to deal with enquiries by the media, members of the public or third party organisations.
- (3) The nature of the information to be provided by the Secretary to the media, members of the public or to third parties organisations, shall first be approved by the Committee concerned.

SCHEDULE 6

(Section 41(3))

DESIGNATION OF AN ACCOUNTABLE OFFICER



Ministry responsible for Climate Change
Nuku'alofa, Tonga

Designation of an Accountable Officer

Pursuant to section 41(3) of the Tonga Climate Change Fund Act, I hereby designate OFFICER'S NAME as an accountable officer under the Act.

You shall hereby hold and exercise the following powers –

(a)

(b)

This designation shall be effective as of today and shall continue in full force and effect until the date specified below or until the designation is renewed or revoked in accordance with the Act.

Unless renewed, your designation as an accountable officer will commence on and automatically lapse on[insert date].

Designation No. :

Issued at Nuku'alofa on this day ofmonth, 20..... year.

.....

Hon. [insert name]

Minister responsible for Climate Change



Ministry responsible of Finance
Nuku'alofa, Tonga

Designation of an Accountable Officer

Pursuant to section 41(3) of the Tonga Climate Change Fund Act, I hereby designate OFFICER'S NAME as an accountable officer under the Act.

You shall hereby hold and exercise the following powers –

- (a)
- (b)

This designation shall be effective as of today and shall continue in full force and effect until the date specified below or until the designation is renewed or revoked in accordance with the Act.

Unless renewed, your designation as an accountable officer will commence on and automatically lapse on[insert date].

Designation No. :

Issued at Nuku'alofa on this day ofmonth,
20..... year.

.....
Hon. [insert name]
Minister responsible for Finance

SCHEDULE 7

(Section 43(3))

REVOCATION OF DESIGNATION OF AN AUTHORISED OFFICER



Ministry responsible for Climate Change
Nuku'alofa, Tonga

Revocation of a designation of an Accountable Officer

Pursuant to section 43 of the Tonga Climate Change Fund Act, I hereby revoke the designation of OFFICER'S NAME as an accountable officer under the Act.

All powers of an accountable officer under the Act which were issued to you under Designation no. are hereby revoked.

This revocation is effective immediately.

Revocation No.:

Issued at Nuku'alofa on this day ofmonth,
20..... year.

.....

Hon. [insert name]

Minister responsible for Climate Change



Ministry responsible for Finance
Nuku'alofa, Tonga

Revocation of a designation of an Accountable Officer

Pursuant to section 43 of the Tonga Climate Change Fund Act, I hereby revoke the designation of OFFICER'S NAME as an accountable officer under the Act.

All powers of an accountable officer under the Act which were issued to you under Designation no. are hereby revoked.

This revocation is effective immediately.

Revocation No.:

Issued at Nuku'alofa on this day ofmonth,
20..... year.

.....

Hon. [insert name]
Minister responsible for Finance