



SAINT LUCIA

CHAPTER 16.05

POVERTY REDUCTION FUND ACT

Revised Edition

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This edition contains a consolidation of the following laws—

POVERTY REDUCTION FUND ACT

Act 7 of 1998 in force 27 April 1998 (S.I.118/2002)

CHAPTER 16.05

POVERTY REDUCTION FUND ACT

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CHAPTER 16.05

POVERTY REDUCTION FUND ACT

(Act 7 of 1998)

AN ACT to establish a poverty reduction fund to provide assistance to alleviate socio-economic problems; to establish a mechanism for delivering basic services and infrastructure to the poor and the needy; to finance small-scale projects in selected areas to improve living conditions; to promote community participation in development projects; and to provide for related matters.

Commencement [27 April 1998]

PART 1 PRELIMINARY

1. SHORT TITLE

This Act may be cited as the Poverty Reduction Fund Act.

2. INTERPRETATION

In this Act, unless the context otherwise requires—

“**Board**” means the Poverty Reduction Fund Board established under section 9;

“**Executive Director**” means the Executive Director appointed under section 7(1);

“**Fund**” means the Poverty Reduction Fund established under section 3;

“**Minister**” means the Minister responsible for finance.

PART 2

ESTABLISHMENT AND OBJECTIVES OF THE FUND

3. ESTABLISHMENT OF FUND

- (1) A body to be known as the Poverty Reduction Fund shall be and is hereby established as an autonomous institution governed by the provisions of this Act.
- (2) The Fund may exercise any of the functions entrusted to it by or in accordance with the provisions of this Act or any regulations made thereunder and may exercise any other duties incidental or ancillary to, or consequential upon, the performance of its functions.

4. BODY CORPORATE

- (1) The Fund is a body corporate to which section 19 of the Interpretation Act applies.
- (2) The seal of the Fund shall be authenticated by the signatures of the chairperson or the Executive Director and one other Director authorised by the Board of Directors to act for that purpose, and the seal thus authenticated is judicially and officially noticed.
- (3) All documents made by the Fund, other than those required by law to be made under seal, is signified under the hand of the chairperson and the Executive Director or by a Director and the Executive Director.
- (4) The principal office of the Fund is in such place in Saint Lucia as the Board may decide.
- (5) The Board may establish regional or local offices in any location within Saint Lucia as it considers necessary.

5. OBJECTIVES OF THE FUND

The objectives of the Fund include the following—

- (a) establishing an efficient, complimentary and demand-driven mechanism for delivering basic services and infrastructure to the poor and the needy, utilising non-

- governmental organisations, community organisations and local government organisations;
- (b) financing small-scale projects in the following areas, namely, basic infrastructure and small-scale productive activities;
 - (c) providing assistance for the improvement of living conditions, promotion of community participation and improvement of infrastructure for health and education;
 - (d) providing assistance or employment opportunities to poor and needy persons to alleviate socio-economic hardship or otherwise.

6. FUNCTIONS OF THE FUND

- (1) The Board shall, subject to the availability of resources, approve projects and programmes and provide, either wholly or partially, financial and technical assistance to non-governmental organisations, community groups with development goals, and local government organisations, for the execution of such projects or programmes which will serve to provide basic services to the most severely affected groups in the country.
- (2) In approving a project or programme under subsection (1), the board shall have regard to all relevant matters, including the following—
 - (a) the financial aspects of the proposed project or programme;
 - (b) whether the proposed project or programmes can be commenced expeditiously;
 - (c) the time required for the completion of the proposed project or programme;
 - (d) whether the proposed project or programme has the capacity to achieve technical, environmental, institutional and economic viability according to established project approval criteria;
 - (e) whether the proposed project or programme is in the geographic or sectoral priority areas identified for poverty alleviation;

- (f) the operating costs in relation to the proposed project or programme; and
 - (g) whether the applicant is an organisation or other group of persons that falls within the geographic areas for poverty alleviation.
- (3) The Board shall have the power to approve—
- (a) the procedures and criteria for project and programme selection, and the projects and programmes submitted for its consideration in accordance therewith;
 - (b) the policies regarding the management of projects, programmes and activities, and financial regulations and its tendering, procurement and disbursement procedures;
 - (c) the budget; and
 - (d) the rules prescribing the procedures of, including the quorum for, the meetings of the Fund, and the manner in which it will transact its business.
- (4) In selecting projects and programmes for approval the Board shall be guided by the principle of equitable geographical distribution, as far as is possible.

PART 3 APPOINTMENT OF STAFF

7. APPOINTMENT OF STAFF

- (1) The Board may, with the approval of the Minister, appoint and employ, at such remuneration and subject to such terms and conditions as it thinks fit, an Executive Director.
- (2) The Board may appoint and employ, at such remuneration and subject to such terms and conditions as it thinks fit, such other officers, employees and agents as it considers necessary for the proper performance of its functions.

8. DUTIES OF THE EXECUTIVE DIRECTOR

- (1) The Executive Director shall, subject to the general policy decisions of the Board, be responsible for the management of the Fund including the organisation of staff in accordance with

the general terms and conditions of service established by the Board.

- (2) The Executive Director shall have authority—
 - (a) to sign jointly with another Director, reports, balance sheets and other financial statements;
 - (b) to delegate his or her powers provided for in paragraph (a) with the consent of the Board to another senior officer of the Fund.

PART 4 ADMINISTRATION

9. BOARD OF DIRECTORS

- (1) There shall be a Board of Directors of the Fund, constituted as provided in section 10, and which shall be the policy making organ of the Fund.
- (2) The Minister may give general policy directives to the Board concerning poverty reduction measures and the Board shall give effect to such directives.

10. COMPOSITION OF THE BOARD

- (1) The Board of Directors shall consist of the following persons—
 - (a) a representative from the Ministry of Planning;
 - (b) a representative from the Ministry of Health and Human Services;
 - (c) a representative from the Ministry of Education;
 - (d) a representative from the Ministry of Local Government;
 - (e) a representative selected from the non-governmental organisations;
 - (f) a representative selected from the private sector organisations;
 - (g) a representative selected from the credit unions;
 - (h) a representative selected from the women's groups;
 - (i) a representative from the Saint Lucia National Youth Council;

- (j) the Executive Director, *ex-officio*, without a right to vote.
- (2) The Directors referred to in subsection (1) shall be appointed by the Minister for such period not exceeding 2 years as may be specified in the instruments appointing them and, subject to subsection (3) and subsection (12), any such Director shall be eligible for reappointment on the expiration of his or her term of office.
- (3) A Director appointed under subsections (1)(e) to (1)(h) shall be appointed on the basis of rotation and is eligible for reappointment if there is no other representative of the specified organisations who is willing to serve as a Director of the Fund.
- (4) The Minister shall appoint one of the Directors to be chairperson of the Board and the chairperson shall hold office for a period of 2 years and shall be eligible for reappointment.
- (5) The Directors shall elect from their members a deputy chairperson who shall hold office for a period of 2 years and he or she shall be eligible for reappointment.
- (6) Where for any reason, the chairperson is unable to preside at any meeting of the Board—
 - (a) the deputy chairperson shall preside if he or she is present; and
 - (b) if the deputy chairperson is absent then the Directors present shall elect one of their members to preside.

11. MEETINGS OF THE BOARD

- (1) The Board of Directors shall meet as often as the business of the Board requires but not less frequently than once every 2 months in the year.
- (2) The chairperson, or in his or her absence, the deputy chairperson, shall summon a special meeting of the Board within 7 days of a requisition for that purpose addressed to him or her in writing by any 3 directors.
- (3) A quorum for any meeting of the Board shall be 5 directors, one of whom shall be the Executive Director.
- (4) Decisions of the Board shall be by majority of the votes cast provided that in any case in which the voting is equal, the

person presiding at the meeting shall have a second or casting vote.

- (5) The Board shall employ the services of an official or other member of the staff as Secretary and shall ensure that records are kept of its acts and decisions.

12. DISQUALIFICATIONS TO BE A DIRECTOR

- (1) A person shall not be appointed or remain a Director who is a member of the Parliament of Saint Lucia.
- (2) The Minister may terminate the appointment of the chairperson or any other Director only if the chairperson or such Director, as the case may be—
 - (a) by writing under his or her hand addressed to the person who selected him or her resigns his or her office;
 - (b) becomes subject to the disqualification specified in subsection (1);
 - (c) becomes bankrupt or insolvent, compounds with his or her creditors or benefits under the law for the relief of a bankrupt or makes any assignment in whole or in part of his or her income for the benefit of such creditors;
 - (d) is convicted of an offence involving dishonesty, or of any other offence punishable with not less than 3 years imprisonment (whether or not the convicted person is awarded such sentence);
 - (e) becomes totally or permanently incapable of performing his or her duties;
 - (f) is guilty of gross misconduct.
 - (g) absents himself or herself from 3 consecutive meetings of the Board without leave of the Board.
- (3) The Minister may by order published in the Gazette add to or delete from the number of Directors of the Board.
- (4) The names of all members of the Board as first constituted, their terms of office and every change in the membership shall be published in the Gazette.

13. DELEGATION OF POWERS

- (1) The Board may, in respect of any particular matter or class of matters, and in writing, delegate to the Executive Director or to any other Director, any of its functions under this Act except this power of delegation and the following functions—
 - (a) approving annual budgets or programme of activities;
 - (b) making regulations;
 - (c) carrying out activities which require expenditures not provided for in the budget.
- (2) Subject to any general directions given to him or her by the Board, the person to whom any powers are so delegated may exercise those powers in the same manner and with the same effect as if they had been conferred on him or her directly by this Act and not by delegation.
- (3) Every person purporting to act under a delegation under this section shall, in the absence of proof to the contrary, be presumed to be acting in accordance with the terms of the delegation.
- (4) Every delegation under this section shall be revocable at will, and no such delegation shall prevent the exercise of any power by the Board.

14. PROTECTION OF FUND

An action, prosecution or other proceedings shall not be brought or instituted against the Fund or any Director thereof in respect of any act or omission done *bona fide* under or execution or intended execution of this Act.

15. RULES OF THE FUND

- (1) The Board may make rules for the Fund, not inconsistent with this Act, for all or any of the following purposes—
 - (a) regulating the proceedings of the Board;
 - (b) providing for the custody of the property of the Fund, and the custody and use of the common seal of the Fund;
 - (c) regulating the terms and conditions of employment of persons appointed under section 7;

- (d) the preparation of semi-annual or quarterly audits of the Fund; and
 - (e) providing for such other matters as may be necessary or expedient for the better carrying out of the functions of the Fund.
- (2) Notice in writing of every proposed resolution to make rules under this section or for the amendment or revocation of any rule so made, (including a copy of the proposed rules, amendment, or revocation) shall be given to every Director not less than 21 days before the meeting at which the proposal is to be moved, but an inadvertent failure to comply with this subsection shall not invalidate the making, amendment, or revocation of any rule at that meeting.

PART 5

FINANCIAL, PROVISIONS, ACCOUNTS AND REPORTS

16. REVENUES OF THE FUND

The revenues of the Fund shall consist of the following—

- (a) loans or grants from international financial or funding agencies;
- (b) revenues allocated from the Consolidated Fund;
- (c) any other money lawfully contributed, donated or bequeathed to the Fund or received by the Fund from any other source.

17. EXPENSES OF THE FUND

The expenses of the Fund, including the remuneration of members and staff thereof, shall be paid out of the funds and resources of the Fund.

18. BORROWING POWERS

- (1) Subject to the provisions of subsection (2), the Fund may borrow money required by it for meeting any of its obligations or discharging any of its functions.

- (2) The power of the Fund to borrow in excess of such limits as the Minister responsible for finance may fix is exercisable only with the approval of the Minister responsible for finance as to the amount, source of borrowing and the terms on which the borrowing may be effected, and an approval given for the purposes of this subsection may be general or limited to a particular borrowing or otherwise, and may be either unconditional or subject to conditions.

19. SUBMISSION OF BUDGET ESTIMATES

- (1) The Board shall, in such form and by such dates as may be prescribed by the Permanent Secretary, Ministry of Finance, prepare and submit to the Minister, estimates of income receivable and the expenditure to be incurred during each financial year (including any supplementary estimates), and the Minister shall present the said estimates to the House of Assembly and the Senate with such amendments, if any, as he or she may consider necessary.
- (2) Except with the approval of the Minister, no further sum shall be expended in any financial year other than that provided in the estimates relating to such financial year.

20. ACCOUNTS AND AUDIT

- (1) The Executive Director shall keep accounts and other records in relation to the business of the Fund and shall prepare annually a statement of accounts in a form satisfactory to the Minister, being a form which shall conform to the best commercial and accounting standards.
- (2) The accounts of the Fund shall be audited annually by an auditor appointed in each year by the Board with the approval of the Minister.

21. ANNUAL REPORT

- (1) Within 4 months after the end of each financial year, the Board shall cause to be made and shall submit to the Minister—
 - (a) a statement of its accounts audited in accordance with section 20(2); and

- (b) a report dealing generally with the proceedings and policies of the Fund during that financial year.
- (2) The Minister shall cause a copy of such report together with the annual statement of accounts and the auditor's report thereon to be tabled in the House of Assembly and the Senate.

PART 6 MISCELLANEOUS

22. VALIDITY OF THE BOARD'S ACTS

An act done or proceeding taken under this Act shall not be questioned or invalidated on the ground—

- (a) of the existence of any vacancy in the membership, or of any defect in the constitution of the Board; or
- (b) of any omission, defect or irregularity.

23. EXEMPTION FROM INCOME TAX, PROPERTY TAX AND STAMP DUTY

- (1) The Fund shall be exempt from the payment of income tax and property tax.
- (2) All instruments executed by or on behalf of the Fund is exempt from stamp duty.

24. REGULATIONS

- (1) The Board may, with the approval of the Minister, make such regulations as it considers necessary or expedient for the better carrying out of the provisions of this Act.
- (2) Without prejudice to the generality of subsection (1) above, such regulations may provide for all or any of the following:
 - (a) designation of severely affected areas or groups of persons deserving assistance from the Fund;
 - (b) maximum amounts which may be disbursed from the Fund for any type of project or activity; and
 - (c) the form of community equity participation in development projects financed by the Fund.