

(2) The subsidy payable from the Fund shall be the amount necessary to finance the difference between the actual market household electricity connection cost and the National Standard Connection Cost.

5. (1) There is hereby instituted the National Electricity Standard Connection Cost, which shall be —

(a) the value of the price determined to be the applicable national standard cost required for a household to connect to the electricity grid owned by the Corporation; and

(b) the variable utilised to compute the amount payable from the Fund to enable households to connect to the electricity grid.

(2) The Minister of Minerals, Energy and Water Resources shall, on the recommendation of the Committee, determine the National Electricity Standard Connection Cost, from time to time, following periodic reviews of commercial electricity connection costs caused to be conducted by the Committee.

(3) The subsidy payable from the Fund shall finance electricity connections for households in recognised electrified settlements, villages, towns and cities declared as such by the respective local authority.

6. (1) The Permanent Secretary in the Ministry of Minerals, Energy and Water Resources, who shall be the Accounting Officer, shall be the public officer responsible for the administration of the Fund in accordance with the provisions of this Order.

(2) The Accounting Officer may exercise all such powers and perform all such duties as may be required to be exercised or performed for the proper discharge of his or her functions under this Order.

(3) The Accounting Officer may, in writing, authorise any other public officer or any agency of government to exercise or perform all or any of the powers and duties required by the Accounting Officer.

(4) Without derogating from the generality of the functions and powers of the Accounting Officer as provided in this paragraph, the Accounting Officer shall cause the Department to —

(a) be responsible for the day to day administration and management of the Fund;

(b) keep and maintain proper books of accounts and records of the Fund; and

(c) maintain an account into which shall be remitted all receipts into the Fund, all disbursements from the Fund, and the reconciliation of the monthly accounts of the Fund.

7. (1) The Accounting Officer shall appoint a National Electrification Fund Management Committee, which shall be responsible for the Fund as set out in this Order.

(2) The Accounting Officer shall appoint the following members to the Committee —

(a) the Deputy Permanent Secretary of the Ministry of Minerals, Energy and Water Resources as Chairperson;

(b) a member from the Department;

(c) a member from the Corporation; and

(d) three other members as he or she may find appropriate.

Institution of
National
Electricity
Standard
Connection
Cost

Administration
of Fund

Appointment
of National
Electrification
Fund
Management
Committee

(3) Without derogating from the generality of subparagraph (1), the functions of the Committee shall include to —

- (a) conduct periodic reviews of the market cost for households to connect to the Corporation electricity grid;
 - (b) make recommendations to the Minister of Minerals, Energy and Water Resources on the value of adjustments to be made to the —
 - (i) levy to be collected by the Corporation, and
 - (ii) National Electricity Standard Connection Cost;
 - (c) approve disbursement procedures for the subsidy and other payments from the Fund;
 - (d) monitor and review the sustainability of the Fund;
 - (e) address grievances from beneficiaries; and
 - (f) do all such other functions, as shall be necessary to meet the objectives of the Fund, as may be approved by the Accounting Officer.
- (4) The Committee shall determine its own procedure.

Receipts into
Fund
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2010

8. (1) There shall be paid into the Fund —
- (a) all monies received in respect of the levy charged under the Control of Goods (National Electrification (Levy)) Regulations;
 - (b) such interest as may accrue from the investment of monies of the Fund as provided under paragraph 9;
 - (c) such monies as may be appropriated by Parliament for the purpose of the Fund; and
 - (d) donations and contributions that may be made to the Fund.

Investment of
Fund monies

(2) The Department shall remit to the Fund the levy collected on a monthly basis.

9. (1) Any monies accruing to the Fund which is not required for immediate use for the purposes of the Fund shall be invested in Botswana in accordance with the directions of the Accounting Officer, and the interest earned from such investment shall immediately accrue to the Fund.

(2) The Accounting Officer shall give directions on investment of the monies accruing to the Fund after consultation with the Permanent Secretary of the Ministry of Finance and Development Planning and the Committee.

Payments out
of Fund

10. The Committee shall, with the approval of the Accounting Officer, cause to be paid out of the monies of the Fund, sums of money to cover the following —

- (a) the subsidy applicable for connections of electricity by households;
- (b) costs for capital expenditure for electricity projects as approved by the Accounting Officer; and
- (c) administrative costs relating to the —
 - (i) administrative management of the Fund,
 - (ii) audit expenses of the Fund,
 - (iii) sitting allowances or remunerations, and
 - (iv) other expenses for matters affecting the administration of the Fund.

Procedure for
awarding
payments out
of Fund

11. (1) The Committee shall approve a payment of a subsidy from the Fund to enable a household to meet part of the cost for the connection to the electricity grid upon being satisfied that the following procedure has been complied with —

- (a) the household has submitted an application for electricity connection to the Corporation;
- (b) the Corporation has undertaken an assessment of the connection requirements of the household and has issued a quotation to the household;
- (c) the quotation issued under paragraph 11(1)(b) includes information on the —

- (i) actual cost of connection,
 - (ii) National Electricity Connection Standard Cost amount, and
 - (iii) subsidy amount;
- (d) the Corporation and the household have entered into an agreement that includes the terms to apply for the full payment of the National Electricity Connection Standard Cost by the household; and
- (e) the Corporation has submitted a claim to the Department for payment of the subsidy from the Fund, being the difference between the National Electricity Connection Standard Cost amount and the cost of the actual connection, accompanied by the following documents —
- (i) the application by the household for electricity connection,
 - (ii) the Corporation's report on the assessment of the connection requirements,
 - (iii) the signed agreement between the Corporation and the household setting out the payment terms by the household for the National Electricity Connection Standard Cost.
- (2) The Department shall process the claim from the Corporation and effect payment accordingly.

Accounts of
Fund

12. (1) The Committee shall, under the direction of the Accounting Officer, cause the Department to keep proper books of accounts and records of all financial transactions, assets and liabilities of the Fund in respect of each financial year.

(2) The accounts of the Fund in respect of each financial year shall, within three months after the close of the financial year, be audited in accordance with generally accepted international standards by an independent auditor appointed with the approval of the Auditor General and the Accounting Officer.

(3) The auditor shall report in respect of the accounts for each financial year in addition to any other matter on which he or she considers it pertinent to comment, whether or not —

- (a) he or she received all the information and explanations which, to the best of his or her knowledge and belief, were necessary for the performance of his or her duty as auditor;
- (b) the accounts and related records of the Fund have been properly kept;
- (c) the Committee, in managing the Fund, has complied with all applicable financial requirements; and
- (d) the statement of accounts prepared by the Department was prepared on a consistent basis and represents a true and fair view of the transactions and financial affairs of the Fund.

(4) The report of the auditor and a copy of the audited accounts shall, within 14 days of the completion thereof, be forwarded to the Committee by the auditor.

(5) The Committee shall, within three months after the end of the financial year, submit to the Accounting Officer a report on the conduct of the business of the Committee.

(6) The Accounting Officer shall submit to the Accountant General, no later than six months after the end of the financial year, in such manner as the Accountant General may direct, the auditor's report accompanied by separate copies of the —

- (a) balance sheet for the financial year;
- (b) statement of income and expenditure for the financial year; and
- (c) statement of the proposed investment of monies accruing to the Fund, as provided under paragraph 9 (1).

(7) The balance sheet and statement of income and expenditure shall be included in the annual statement of the Fund submitted by the Accountant General to the Auditor General in accordance with section 34 (2) of the Finance and Audit Act.

Annual
report

13. (1) The Committee shall, within six months of the end of the financial year, cause a comprehensive report of the operations of the Fund during such year, together with the auditor's report and the audited accounts, to be prepared.

(2) The Committee shall submit the annual report prepared in accordance with subparagraph (1), to the Accounting Officer, who may approve its publication.

Formulation
of Fund
Guidelines

14. (1) The Committee may, after consultation with the Ministry of Finance and Development Planning, and with the approval of the Accounting Officer, formulate the following —

- (a) eligibility for receipt of subsidy from the Fund;
- (b) procedures for making payments out of the Fund;
- (c) selection of electrification projects to be financed from the Fund;
- (d) preparation of operating and capital expenditures;
- (e) formulation of investment policy and strategy;
- (f) risk management; and
- (g) procedures to monitor performance of the Fund.

(2) The guidelines formulated under subparagraph (1) shall be in accordance with the provisions of this Order, and where the guidelines are contrary to the provisions of this Order or are otherwise in conflict with this Order, the provisions of this Order shall apply.

MADE this 16th day of March, 2010.

O.K. MATAMBO,
*Minister of Finance and
Development Planning.*

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