



Government of the Cook Islands

**POLICY GOVERNING
THE
ESTABLISHMENT AND OPERATION
OF
THE COOK ISLANDS DISASTER EMERGENCY
TRUST FUND (CI DE-TF)**

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PREPARED BY EMERGENCY MANAGEMENT COOK ISLANDS IN
COLLABORATION WITH THE MINISTRY OF FINANCE AND ECONOMIC
MANAGEMENT

BACKGROUND

In May 2011 Cabinet Minute CM (11) 0157 approved the establishment of the **Cook Islands Disaster Emergency Trust Fund** (CI DE-TF) in accordance with Section 46 of the Ministry of Finance and Economic Management Act (Act No. 21 of 1995/96). It was further agreed that an amount of NZ\$200,000 be transferred from the Government's Reserve Trust Fund during the 2011-2012 financial year towards the establishment of the Disaster Emergency Trust Fund and that the Ministry of Finance and Economic Management (MFEM) and the Office of the Prime Minister (OPM) develop a policy on how the fund is to be expended.

PURPOSE OF THE TRUST FUND

The purpose of the CI DE-TF is to enable a swift and coordinated response by the Disaster Response Executive once a State of Emergency or Disaster is activated. The fund is limited to **emergency response** as typified by the following:

- deployment of Initial Damage Assessment team(s) to provide an immediate assessment of the situation;
- reestablishment of essential services such as communications, power, health, water supplies;
- support to the Cook Islands Red Cross, if required, for provision of temporary shelter (e.g. tents), food, water, blankets and clothing;
- deployment of appropriate ministry staff from Rarotonga to assist or relieve staff on the Outer Islands;
- deployment of skilled volunteers, tools, parts and machinery to assist with clearance, immediate repairs, and get essential services back into operation;
- transport, accommodation, food, water for volunteers and relief workers; and
- all costs associated with either air or sea freight

The fund is **not intended for longer-term recovery** (rehabilitation and reconstruction) which comes into play once a Recovery Coordinator and Committee has been appointed and a recovery plan is approved by Cabinet.

SOURCE OF FUNDING AND AGREEMENT

The Fund has been initiated with a \$200,000 transfer from the Government's Reserve Trust Fund in 2011-2012 financial year.

The funds are to be invested in an interest bearing bank account the details of which are available from the Director of Emergency Management Cook Islands (ccarlson@emci.gov.ck).

Interest earned and bank fees incurred will be processed back into the Trust Fund.

The Trustees (as outlined below) of the CI DE-TF will endeavour to seek contributions from donor agencies and partners in support of the Fund. The target amount for the Fund is positioned at \$500,000 – this is considered the amount required to meet the cost of emergency response and recovery, and is based on the cost incurred in the Aitutaki Cyclone Disaster in 2010 (Refer Cab Submission dated 27 April 2011).

Additional sources of funding may include:

- donor contributions;
- private sector contributions; and
- any other innovative alternative income sources that may be identified, from time to time, by the Fund Managers

The Trust Fund will not be allowed to operate in deficit.

TRUSTEES AND ADMINISTRATOR OF THE FUND

The Fund is to be administered by the Ministry of Finance and Economic Management (MFEM) through the office of the Financial Secretary and will be administered in accordance with Cook Islands Government Financial Policies and Procedures, specifically the MFEM Act (Act No. 21 of 1995/96), and the draft Trust Fund Procedures. The **Financial Secretary** will appoint a **Fund Administrator**.

The **Trustees** of the Fund, referred to as the **Fund Management Committee**, will be the **Disaster Response Executive**. The Fund Management Committee will consist of the:

- National Controller (Police Commissioner);
- Director of Emergency Management Cook Islands (EMCI);
- Secretary of the Ministry of Infrastructure and Planning (MOIP); and
- Financial Secretary of Ministry of Finance and Economic Management.

In the event that any of the Trustees are absent or unable to perform their duties as required of them in the event of an emergency, the Trustees may appoint a representative to the Fund Management Committee by way of writing to the Fund Administrator.

POLICY TO DRAW DOWN ON THE TRUST FUND

The principles of **transparency**, **accountability**, and **contestability** must be adhered to when spending trust funds monies.

The Cook Islands Disaster Emergency Trust Fund **can only be drawn down** following the declaration of a **State of Disaster** by the Prime Minister in terms of Part 4 of the Disaster Risk Management Act (Act No 33 of 2007), or the declaration of a **State of Emergency** by either the Prime Minister or the Director of EMCI in terms of Part 5 of the Disaster Risk Management Act. In the event that either of these Officials are absent from the country, then the designated Acting Prime Minister, and/or Acting Director (EMCI) may declare the State of Disaster or Emergency. The Fund may only be used for activities described under 'Purpose of the Fund' above.

The **Fund Management Committee** is responsible for drawing down and reporting on the use of the Fund and funds so used will not need to be appropriated (as per Point 2.2 of the MFEM draft Trust Fund Procedure).

At the end of each year **MFEM** will complete a reconciliation of the **Trust Fund financials** to be signed by the **Financial Secretary** to acknowledge that the funds have been spent in accordance with the purposes of the Trust.

Trust Fund activities will be **audited** at year end together with MFEM's financial audit.

The **Fund Management Committee** will meet at **the end of the financial year**, following receipt of an audited report on the Fund's annual performance from the **Fund Administrator**. A report of the meeting and the Fund's performance is to be submitted annually to the Chair of the Disaster Risk Management Council as well as to Parliament.

Additional meetings of the Fund Management Committee will be **on an ad hoc, as needed basis**, either during and following an Emergency or Disaster, or to allow new avenues of funding to be explored as they arise.