

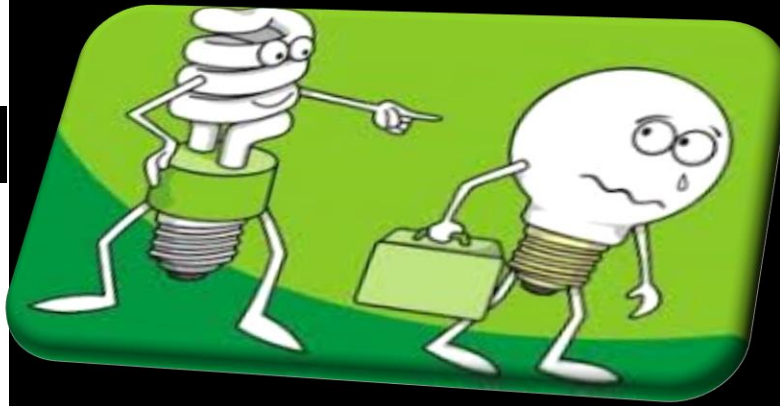


Low Carbon Fund (LCF)

DEVELOPMENT BANK OF TUVALU

LCF FUND

- Low Carbon Fund
- Project executed by IUCN (*International Union for Conservation of Nature and Natural Resources*) and implemented by UNEP (*United Nation Environment Programs*)
- *Low Carbon islands targets includes : Niue, Nauru and Tuvalu*
- Approximately US\$80,000.00 worth



LCF Overall Purpose/Target

- Aim to promote renewable energy and energy efficiency technology in the project countries targeting private sector engagement.
- This is in line with the efforts of Government and the TEC office to **decrease the dependency of Tuvalu on fossil fuel through targeting energy demand and supply.**

Appliances target by LCF

- The appliances targeted by the fund are
 - 1. washing machines,
 - 2. fridges /freezers,
 - 3. solar system – Personal Usage
 - 4. T5 and T8 fluorescent tubes
- that according to recent Tuvalu Energy Survey data, make up most of the energy demand in the country.

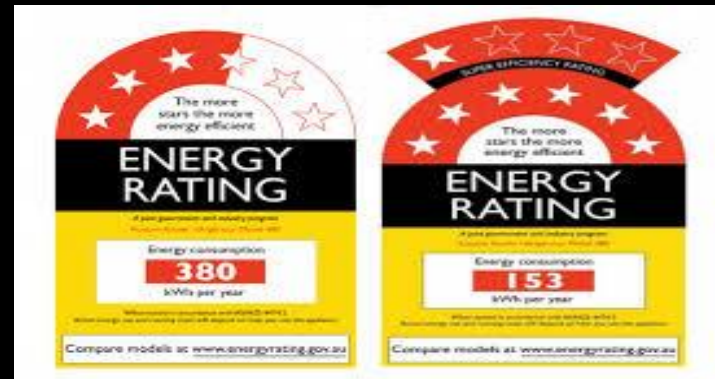


Eligibility Criteria

- Washing machine: 4 or more stars
- Refrigerators & Freezers: 3.5 or above stars
- Solar System: assess by Technical officers
- Fluorescent tubes: assess by Technical officers

LCF Customers

-CUSTOMER A



- Customer A: willing to buy appliances directly without processing a loan.
- IF Approved by The Energy Department,
a 25 % of the receipt will be refunded to the
customer (A) in AUS dollars.

LCF Customers

-CUSTOMER B



- Willing to buy appliances through credit or loan with DBT

IF Eligible, the customer will receive the benefits :

1. Lowest interest rate of 3%



Eligibility for Customer B

- [?] Proven to have secured source(s) of income/revenue
- [?] Confirm to be financially capable of servicing the debt
- [?] Proven to secure commitment level, which is 40% of net pay


Cont'

Cont'

- One genuine guarantor is needed to guarantee the LCF loan for any single applicant. Every guarantor should submit his genuine consent in writing or sign the LCF Agreement upon his approval to guarantee this LCF loan. It is compulsory to bind the applicant/s or guarantor (where necessary) Provident Fund Investment as security under the LCF loan.



Terms & Conditions

- Minimum loan of \$200.00
 - Maximum loan of \$30,000.00
 - Interest Rate: 3%
 - Minimum Term of 1 year
 - Maximum Term of 2 years
- 

Fees

- **Application Fees**

Application Fees is \$30.00 and shall be paid in cash on the acceptance of loan application.

- **Arrears Fees**

Arrears Fees shall be charged on a flat rate of \$10.00 per month.

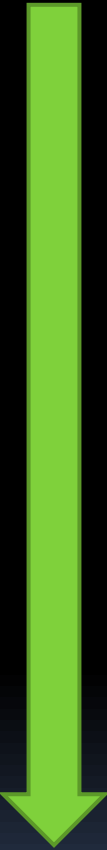
- **Accounting Keeping Fee**

Account keeping and service fee **\$5.00 per month**

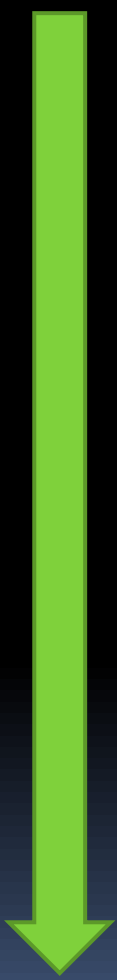
- **Bill of Sale Fee**

A Bill of Sale fee shall be \$1.50 per application.

Customer A- steps

- 
- The appointed officer will follow the next steps (in order) to decide if the application is successful or not:
 - Receive and file the Application Form;
 - Receive and file the Receipt, providing a copy to the Customer for product service/warranty purposes (Only Original Copy will be accepted to prevent customers from abusing the system by sending in applications more than once for the same item);
 - Check if the application meets the Eligibility Criteria outlined in Section 3.2.1;
 - If the Customer meets the Eligibility Criteria, the appointed office should submit the Application Form and the Receipt to the Director of DBT for approval and signature;
 - After Approval, disburse the funds (with Receipt) equal to 25% of the price of the Item as reported in the Receipt provided by the Customer;
 - File Application Form, Receipt provided by the Customer A, and Receipt of Disbursement of Funds.

Customer B- steps

- 
- The appointed officer, in addition to the application process already in place for loan schemes, will follow the following steps (in order):
 - Receive and File the Application Form;
 - Check the Eligibility Criteria outlined in Section 3.2.1;
 - If the Customer meets the Eligibility Criteria together with DBT regulations for loan schemes, the appointed officer should submit the Application Form to the Director of DBT for his approval and signature;
 - After approval, the total amount of the appliance purchase will be paid directly to the retailer to avoid potential use of the loan for purposes different from the purchase of the stated appliance. Interest on loan will be 3 and the customer will have to repay only 90% of the total amount as 10% will be covered by Fund;
 - File Application Form and Loan Contract.

Faafetai Lava

- Question??

