ESTABLISHMENT, OBJECTIVES, FUNCTIONS & MANDATE OF THE NATIONAL ENERGY FUND

1. NEF Establishment

The National Energy Fund ("NEF" or the "Fund") is an extra-budgetary statutory body established in terms of the Petroleum Products and Energy Act, 1990 ("PPE Act") as amended. NEF operates in the Ministry of Mines and Energy ("MME") as a division within the Directorate of Energy Funds. The MME Executive Director is responsible for the administration of the Fund and is the accounting officer responsible for moneys received by and paid out of the Fund during each financial year ending on 31 March.

The Director and Deputy Director of the Fund, the executives appointed in terms of the Public Service Act, and staff designated by the Executive Director of MME are responsible for the day-to-day administration of the Fund. The executives are responsible for the execution of the administrative work of the Fund, and for directing, organizing, planning and executing the Fund's activities under the control of the Executive Director.

2. NEF Strategic Objectives

The strategic objectives of NEF are to ensure security of supply, accessibility, and affordability of energy and to improve energy infrastructure by:

- Maintaining/Equalising the basic fuel prices.
- Subsidising the transportation of fuel to rural and remote areas of the country;
- Funding NAMCOR to carry out upstream and downstream activities in the country;
- Subsidising Nampower electricity prices on imported electricity;
- Investing in energy infrastructure such as the National Oil Storage Facility in Walvis Bay for petroleum;
- Funding rural electrification;
- Electrifying peri-urban areas;
- Upgrading electricity infrastructure by funding the Regional Electricity Distributors such as Nored and Cenored; and
- Funding to the Electricity Control Board in respect of the National Electricity Support Tariff (NEST) mechanism.

3. Functions of NEF

The functions of NEF are to:

- Receive or collect the moneys that may be paid into the Fund;
- Manage and administer the slate-account established by agreement between the Government and suppliers of petroleum products;
- Make payments out of the Fund as provided in the PPE Act;
- Administer funding provided to approved State agencies;
- Collect levies on behalf of the Motor Vehicle Accident Fund and the National Road Safety Council;
- Receive electricity levy from and make electricity subsidy payments to Nampower;
- Manage and administer the subsidy for fuel delivery by road to the rural or remote areas of the country; and
- Fund approved State agencies to finance energy related projects.

4. NEF Source of Funds

NEF receives money from:

- Levies on energy sources such as petroleum products, electricity, natural gas or liquefied natural gas, hydropower or windpower, biomass, or any other energy source;
- Suppliers of petroleum products for receipts in excess of the basic fuel price;
- Capital repayment and interest earned from funding provided to approved agencies;
- Interest earned from investment of surplus funds;
- Donations or grants;
- Fines or bail money recovered in connection with offences underå the PPE Act; and
- Any other source, if approved by the Minister with the concurrence of the Minister of Finance.

	Petrol N$c/l	Diesel N$c/l	Electricity N$c/kw
Petroleum levy	1.367	1.107	
- Equalisation levy	0.671	0.411	
- Namcor levy	0.076	0.076	
- NOSF levy	0.600	0.600	
Electricity levy			**0.016**
Motor Vehicle Accident Fund levy	0.477	0.477	
Road Safety Fund levy	0.026	0.026	

5. NEF Uses of Funds

NEF uses the moneys received for the following purposes:

- Money payable by the State to the suppliers of petroleum products for receipts less than the basic fuel price;
- Providing funding, as determined by the Minister, to any statutory body having a function relating to the energy sector;
- Providing funding approved agencies of the State;
- Defraying the administrative expenses of the National Energy Council; and
- Any other purpose which the Minister may direct or approve, with the concurrence of the Minister of Finance.