

**GOVERNEMENT DE LA  
RÉPUBLIQUE DE VANUATU**

**LA SECRÉTAIRE-GÉNÉRALE**



**GOVERNMENT OF THE  
REPUBLIC OF VANUATU**

**COUNCIL OF MINISTERS**

Thursday 20<sup>th</sup> September 2018

Hon. Matai Seremiah NAWALU [MP]  
Minister of Agriculture, Livestock, Forestry, Fisheries and Biosecurity  
Government of Vanuatu.

Hon. Bob LOUGHMAN [MP]  
Minister of Trades, Cooperatives, Commerce and Industries  
Government of Vanuatu.

Hon. Jack Norris KALMET [MP]  
Minister of Health  
Government of Vanuatu.

Hon. Andrew S. NAPUAT [MP]  
Minister of Internal Affairs  
Government of Vanuatu.

Dear Hon. Minister(s),

**DECISION 157/2018: POLICY DIRECTIONS ON CANNABIS.**

The Council of Ministers had its 22<sup>nd</sup> Ordinary meeting on Thursday, 20<sup>th</sup> September 2018.

Then, COM discussed the submission and made the decision to:

1. Note the contents of the policy paper.
2. Note the difference between Hemp and Marijuana.
3. Agree to establish an ethical cannabis industry in Vanuatu.
4. Agree that Health and safety are primary subject matters and revenue is secondary in the establishment of the ethical industry. This is imperative so that revenue matters do not override health and safety concerns.

5. Agree that there shall be only 5 licenses issued.
6. Agree that of the 5 licenses there shall be 2 for medical cannabis and 3 for Industrial Hemp.
7. Agree that the exclusivity period shall be for 5 years.
8. Agree that the 5 licenses be granted via the CTB procurement process.
9. Agree that such procurement process be an open and public tender process.
10. Agree that bespoke tendering documents be developed by the implementing ministries and approved by the CTB.
11. Agree that the implementing Ministries be the MALFFB, MTCL, MOH & MOIA.
12. Address the issue of Marijuana by agreeing ( but not limited to) the following policy directions:
  - a. Hemp cultivation should be encouraged for cross pollination with marijuana and over time breed them out the uncontrolled marijuana in Vanuatu;
  - b. Vanuatu agrees to support the development of the hemp industry in Vanuatu. Where the cultivation of cannabis requires a high THC content strain, Government must specify its maximum percentage of THC. Anything over and above this percentage must be declared illegal. In terms of the cultivation of hemp and if it covers medical marijuana, THC content of hemp/products should be less than zero which cannot cause psychotic tendency.
  - c. No cultivation of marijuana for personal consumption.
  - d. All hemp products and pharmaceuticals should be exported and not sold in country until scientifically proven to have no harmful side effects. However, if any pharmaceuticals are proven to be medically beneficial, the Government reserves the right to require a certain percentage to be provided, free of charge, to the Ministry of Health (for medical treatment within Vanuatu). Such decision would require the approval of the Council of Ministers. The company may also offer to provide over and above the percentage required by Government through an arrangement with the Ministry of health. Such arrangement must also be approved by the Council of Ministers.
  - e. Applicants must provide evidence to the Government that the products that they produce are legal in the designated country(s) they intend to export the products to. Such evidence must come from the designated authorities from the country of import. Without such evidence, no products may be cleared for export by Biosecurity and other border control agencies in Vanuatu. This is important to protect Vanuatu's international reputation and to prevent the flow of potentially illegal goods.
  - f. The smoking of Cannabis in any form continues to be illegal throughout Vanuatu.
  - g. The Cultivation of Cannabis (Hemp or Marijuana) without a licence is also to continue to be illegal throughout the country.

13. Agree to the 3 parallel work streams namely;
  - a. Economic/Financial analysis
  - b. Legal analyse/due diligence
  - c. Drafting
14. Agree that a through economic analysis is to be done to identify, taxable activities, appropriate taxation regimes and appropriate taxation or levy rates.
15. Agree that the implementing Ministries develop TORs for this Economic Analysis in conjunction with MFEM.
16. Agree that Government through MFEM will provide funding for this important Economic Analyses work to be done.
17. Agree that the completed Economic analyses be provided to COM for Information.
18. Agree that the Economic Analysis be used by the implementing Ministries and MFEM to determine the taxation regimes, rates and levies to be imposed on the industries taxable activities.
19. Agree that capacity building is important and direct the implementing ministries to ensure that the cost of such capacity building is defrayed by the licensees.
20. Agree to ring fencing a percentage/portion of taxation levies for research, training and compliance/regulatory costs.
21. Direct the Implementing Ministries to consult with State Law Office on the extensive and exhaustive legal implications of adopting a policy to allow hemp and medical cannabis cultivation.
22. Agree that international legal due diligence to be conducted with a comparative analysis of how other jurisdictions have implemented hemp and medical cannabis legislative frameworks.
23. Direct implementing Ministries and State Law Office to complete the TORS for the international legal due diligence
24. Direct the Implementing Ministries and State Law Office to prepare requisite amendments to the following (but not limited to) legislations to allow the establishment of the industry in Vanuatu;
  - a. Dangerous Drugs Act
  - b. VIPA Act
  - c. Penal Code
  - d. Agriculture Act
  - e. Import and Export Duties Act(s)



- f. Plant importation Act
  - g. Industry Act
  - h. Business Licence Act
  - i. Any others that may be identified during the due diligence and consultations with SLO.
25. Direct that such amendments be tabled at the April 2019 session of parliament.
26. Instruct State Law Office to ensure that the amendments are scheduled for the April 2019 Parliament session.
27. Note and agree that this is a new industry and it needs to be developed carefully, given the legal sensitivities around the issue of cannabis domestically and internationally and direct all Government agencies to provide support to the implementing ministries for the development and ethical of this industry.
28. Agree that this new industry will require new legislation to be developed.
29. Direct the implementing Ministries and State law Office work on the development of a new Medical Cannabis and Industrial Hemp industry specific legislation and its related regulations to provide for the regulation of industry.
30. Direct that this be ready for Parliament in April 2019.

Thank you,

  
Armstrong MASANGA  
**Acting Secretary**



CC: Hon. Praem Minista  
Hon. DPM  
Everi Hon. Minista  
Everi DGs  
Everi 1<sup>st</sup> PA  
Atoni Jenerol  
Jeaman blong Pablik Sevis Komisen  
Daarekta Faenans  
Treseri Unit  
DSPPAC  
PRO