

(Published 8th May, 2020)

Act

No. 2 of 2020

I assent

PROF. ARTHUR PETER MUTHARIKA
PRESIDENT
30TH APRIL, 2020

ARRANGEMENT OF SECTIONS

SECTION

PART I.—PRELIMINARY

1. Short title
2. Authorization and Ratification of Loan Agreement
3. Application of the Loan
4. Repayment charged on the Consolidated Fund
5. Exemption from taxes, charges, etc.

An Act to authorize and ratify a loan Agreement made between the Minister of Finance, Economic Planning and Development for and on behalf of the Government, as Borrower on the one part, and the International Fund for Agricultural Development on the other part, dated 20th December, 2019, sums of money in various convertible currencies not exceeding in the aggregate the equivalent of an amount of thirty seven million, fifty thousand Special Drawing Rights (SDR 37,050,000); and further to provide for matters incidental and connected therewith

WHEREAS by authorization in writing, the Minister of Finance, Economic Planning and Development acting in accordance with the powers conferred by the Public Finance Management Act, signed a loan agreement dated the 20th of December, 2019 with the International Fund for Agricultural Development (hereinafter referred to as the "Fund");

WHEREAS, in pursuance to that signature, the Fund has agreed to lend to the Government, subject to the terms and conditions thereof, sums of money in various currencies not exceeding in the aggregate, the equivalent of thirty seven million fifty thousand Special Drawing Rights (SDR37,050,000). The Loan is to be applied solely for the purpose of supporting the implementation of the Transforming Agriculture through Diversification and Entrepreneurship Programme;

WHEREAS the under Loan Agreement, the Government is required to pay a commitment charge at the rate of three fourths of one per cent (0.75%) per annum payable semi-annually on the principal amount of the loan disbursed and outstanding from time to time;

AND WHEREAS, it is provided in the Loan Agreement that the principal amount lent thereunder shall be repaid by the Government in semi-annual installments, the first of such instalment being payable ten years after the date of approval of the Loan by the Executive Board of the Fund.

NOW THEREFORE, BE IT ENACTED by the Parliament of Malawi as follows—

PART I—PRELIMINARY

Short title

1. This Act may be cited as the International Fund for Agricultural Development (Transforming Agriculture through Diversification and Entrepreneurship) Loan (Authorization and Ratification) Act, 2020.

Authority to borrow SDR 37,050,000

2. The Loan Agreement, more particularly, recited in the preamble to this Act, and all of the provisions, terms and conditions therein contained, are hereby authorized and ratified for all the purposes, and the Government is hereby declared henceforth to be bound thereby without reservation, and to be subject to all of its provisions, terms and conditions, and to be solely and primarily liable for any obligation or liability arising thereunder as, stated to be, an obligation or liability of the Government.

Application of the Loan

3. The proceeds of the Loan authorized and ratified by section 2 shall be appropriated and applied to finance part of the Transforming Agriculture through Diversification and Entrepreneurship Programme, and for no other purpose.

4. The sums required, from time to time, for the repayment of the Loan, service charge and other payments to be made by the Government to the International Fund for Agricultural Development and in accordance with the provisions of the Agreement are hereby charged on the Consolidated Fund.

Repayment
charged on
the
Consolidated
Fund

5. All sums to be paid in accordance with section 4 shall, notwithstanding the provisions of any other written law, be paid without deduction for, and from, any tax or charge whatsoever, and shall be free from all restrictions or limitations imposed by or under any written law of Malawi.

Exemption
from taxes,
charges, etc.

Passed in Parliament this twenty seventh day of February, two thousand and twenty.

FIONA KALEMBA
Clerk of Parliament