GAZETTE EXTRAORDINARY
The Malawi Gazette Supplement, dated 17th September, 2019, containing a Bill

NOTICE

The following Bill, for introduction in Parliament, is published for general information.

LILONGWE, 17th September, 2019.

Fiona Kalemba
Clerk of Parliament

EUROPEAN INVESTMENT BANK (NORTHERN REGION WATER BOARD WATER EFFICIENCY PROJECT) (ADDITIONAL FINANCING) LOAN (AUTHORIZATION) BILL, 2019

MEMORANDUM

This Bill seeks to authorize the Minister of Finance, Economic Planning and Development, on behalf of the Malawi Government, to borrow from the European Investment Bank, a credit in an amount of four million Euros (Euro 4,000,000) (the “Credit”) as an additional financing of the Euro 20,500,000 Northern Region Water Board Water Efficiency Project (the “Project”) which Parliament approved in February, 2017. The project is currently being implemented in Mzuzu City and Ekwendeni Town.

The objective of the Project is to contribute to Malawi’s economic development by improving the health and livelihoods of the residents of Mzuzu City and Ekwendeni Town through the rehabilitation and expansion of the existing water supply systems in order to provide reliable and sustainable potable water services by increasing the capacity of Ekwendeni treatment plant from 1,000 m$^3$ to 6,000 m$^3$ per day and by increasing the storage capacity of the Mzuzu service reservoirs from 12,465 m$^3$ to 18,315 m$^3$. In addition, the Project is rolling out prepaid water meters and implementing Water Demand Management strategies to control water loss. The Project will impact positively, water supply services for a population of 55,400 in Ekwendeni Town and 345,450 in Mzuzu City by year 2030. However, some of the components in the Project still remain to be commenced and hence the need for additional financing.

The additional financing will finance construction of two raw water intakes across Lunyangwa River in Mzuzu and Ekwendeni, raising of the Lunyangwa Dam crest by 1.5 metres, extension of the Chintheche Water Supply System and construction of a Laboratory in Mzuzu. Feasibility studies, preliminary designs and Environmental Impact Assessments for the construction of the two river intakes on the Lunyangwa River and raising of the Lunyangwa Dam Crest by
European Investment Bank (Northern Region Water Board Water Efficiency Project) (Additional Financing) Loan (Authorization)

1.5 meters have been implemented and completed under the current financing. However, there are no adequate resources in the current financing to cover the costs of completing the remaining project components.

The Additional Project consists of the following six broad components—

1. Component 1: —Raising the existing dam at Lunyangwa by 1.5 meters

This component aims at increasing the storage capacity of the Lunyangwa Dam and providing additional 1,500 m³/day of the raw water supply to Mzuzu City and surrounding areas. This component will cost Euro 1 million.

2. Component 2: —Construction of a weir on the tributary to the Lunyangwa River:

This component aims at increasing the raw water supply available from stream flow on the tributary downstream of Lunyangwa Dam to 10,000 m³/day. This component will cost Euro 0.3 million.

3. Component 3: —Construction of Weir on Lunyangwa River at Ekwendeni

This component was included in the initial Project and aims at increasing the raw water supply available from stream flow in the Lunyangwa River from 1,300 m³/day to 15,000 m³/day. This component will cost Euro 0.5 million.


This component of the project aims at upgrading and extending the water supply distribution system to Chihami and Chituka-Kande. This component includes the establishment and operationalization of a Water Users Association, sanitation marketing and hygiene promotion in the cited areas. This component will cost Euro 1.6 million.

5. Component 5: —Construction of a Laboratory in Mzuzu

This component aims at improving water quality in Mzuzu and Ekwendeni by facilitating testing and regulating quality of water. This component will cost Euro 0.25 million.

6. Component 6: —Consulting Services for Works and Supervision in Mzuzu and Ekwendeni

This component of the project aims at the supervision of the Works for the raising of the Dam and construction of an intake weir in Mzuzu and the construction of a weir on Lunyangwa River in Ekwendeni. This component will cost Euro 0.2 million.

7. Component 7: —Consulting Services for Works and Supervision in Chintheche

This component of the project aims at the supervision of the works in Chintheche Water Supply Scheme. This component will cost 0.15 million Euro.

The total cost estimate for additional financing for these seven components is Euro 4 million.
ARRANGEMENT OF SECTIONS

SECTION
1. Short title
2. Authority to borrow Euro 4,000,000
3. Application of the credit
4. Repayment charged on the Consolidated Fund
5. Exemption from taxes, charges, etc.
6. Finalization and signature of the Agreement

A BILL

entitled

An Act to authorize the Government to borrow from the European Investment Bank a credit in an amount four million Euros (Euro 4,000,000)

ENACTED by the Parliament of Malawi as follows—

1. This Act may be cited as the European Investment Bank (Northern Region Water Board Water Efficiency Project) (Additional Financing) Loan (Authorization) Bill, 2019.

2.—(1) The Minister of Finance, Economic Planning and Development, on behalf of the Government, is authorized to borrow from the European Investment Bank, sums of money amounting to four million Euros (Euro 4,000,000), for the purpose specified in section 3 at the times and upon the terms and conditions which the Minister may, in his discretion, agree with the European Investment Bank.
2 The terms and conditions which the Minister of Finance, Economic Planning and Development shall agree with the European Investment Bank shall be reduced to writing. Such written agreement is hereinafter referred to as the “Agreement”.

3. The proceeds of the credit authorized by section 2 shall be appropriated and applied to finance part of the Northern Region Water Board Water Efficiency Project, and for no other purpose.

4. The sums required, from time to time, for the repayment of the credit, interest and other payments to be made by the Government to the European Investment Bank under and in accordance with the provisions of the Agreement are hereby 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.

6. The Minister of Finance, Economic Planning and Development, or such other person as he may appoint, is authorized—

(a) to settle the terms of the Agreement, but not so as to affect the general purpose thereof nor to increase the amount of the Credit;

(b) to sign the Agreement on behalf of the Government; and

(c) to do such other things as may be necessary to implement the terms of the Agreement.

OBJECTS AND REASONS

The object of this Bill is to authorize the Minister of Finance, Economic Planning and Development, on behalf of the Malawi Government, to borrow from the European Investment Bank, a credit in an amount of four million Euros (Euro 4,000,000) (the “Credit”) to contribute towards the additional financing of the Northern Region Water Board Water Efficiency Project.

KALEKENI KAPHALE, SC
Attorney General

B. No. 25