

MALAWI GOVERNMENT

(Published 23rd, April, 2021)

ACT

No. 2 of 2021

I assent

DR. LAZARUS MCCARTHY CHAKWERA
PRESIDENT
17th, April, 2021

ARRANGEMENT OF SECTIONS

SECTION

1. Short title
2. Authorization and ratification of Loan Agreement
3. Application of the credit
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 for and behalf of the Government of Malawi as a borrower on one part, and the European Investment Bank (hereinafter referred to as the "Bank") on the other part, dated 29th December, 2020, for sums of money not exceeding twenty six million five hundred thousand Euros (EUR 26,500,000); and further to provide for matters incidental thereto and connected therewith.

WHEREAS by authorization in writing, the Minister of Finance acting in accordance with the powers conferred by the Public Finance Management Act, signed a Loan Agreement dated the 22nd December, 2020 with the Bank;

WHEREAS, in pursuance to that signature, the Bank has agreed to lend to the Government, subject to the terms and conditions thereof, sums of money not exceeding in the aggregate, the equivalent of twenty six million five hundred thousand Euros (EUR 26,500,000). The Loan is to be applied solely for the purpose of supporting the implementation of the Southern Region Water Board Water Supply and Sanitation Programme;

WHEREAS under the 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 five years after the date of approval of the Loan by the Executive Board of the Bank.

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

- Short title 1. This Act may be cited as the European Investment Bank (Southern Region Water Board Water Supply and Sanitation Programme) Loan (Authorization and Ratification) Act, 2021.
- Authority to borrow Euro 26,500,000 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 Southern Region Water Board Water Supply and Sanitation Programme, and for no other purpose.
- Repayment charged on the Consolidated Fund 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.
- Exemption from taxes, charges, etc. 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.

Passed in Parliament this twenty-sixth day of March, two thousand and twenty one.

FIONA KALEMBA
Clerk of Parliament