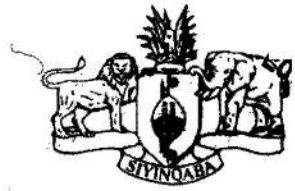


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THE LOAN (NHLANGANO - LAVUMISA ROAD PROJECT) BILL, 1999

(Bill No. 5 of 1999)

(To be presented by the Minister for Finance)

MEMORANDUM OF OBJECTS AND REASONS

The object of this Bill is to authorise the Minister for Finance to raise a loan not exceeding the equivalent of the sum of US\$7,500,000 (Seven Million Five Hundred Thousand United States Dollars) from the Arab Bank for Economic Development in Africa (BADEA) for the purpose of financing part of the foreign exchange costs of the second phase of the Nhlangano-Lavumisa Road Project and to provide for matters incidental thereto.

M. DWAMENA
Attorney-General

A BILL

Entitled

An Act to authorize the Minister for Finance to raise a Loan for the purpose of financing the second phase of the Nhlangano-Lavumisa Road Project and to provide for matters incidental thereto.

ENACTED by the King and the Parliament of Swaziland.

Short title.

1. This Act may be cited as the Loan (Nhlangano-Lavumisa Road Project) Act, 1999.

Interpretation.

2. In this Act, unless the context otherwise requires -

“Agreement” means the Agreement referred to in section 3 and includes any document related thereto;

“Borrower” means the Government of the Kingdom of Swaziland;

“Lender” means the Arab Bank for Economic Development in Africa (BADEA);

“Loan” means the loan raised by the Minister under section 3; and

“Minister” means the Minister for finance.

Authority to raise Loan.

3. The Minister is hereby authorised to enter into an Agreement with the Lender for the purpose of raising a loan not exceeding the equivalent of US\$7,500,000 (Seven Million Five Hundred Thousands United States Dollars), upon terms and conditions specified in this Act and upon such other terms and conditions which the Government may consider appropriate.

Loan charges and repayments.

4. (1) The Loan shall be payable in a period of fourteen (14) years after a grace period of four (4) years, commencing from the date of signature of the Agreement, in 28 consecutive semi-annual instalments and the first such principal payment shall be due six months after the expiration of the grace period.

(2) The Borrower shall pay interest at the rate of three percent (3%) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

(3) The principal amount of the Loan and interest charges shall be payable every six (6) months immediately after the expiration of the grace period.

Charging of Loan.

5. The Loan shall be charged upon the Consolidated Fund and the assets of the Borrower.

Application of Loan.

6. The proceeds of the Loan shall be used for financing part of the foreign cost of Phase II of the Nhlanguano-Lavumisa Road Project.