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THE LOAN (NORTHERN MAIN ROAD PROJECT) BILL, 2000
(Bill No. 8 of 2000)

(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 four billion, four hundred and twelve million Japanese Yen (¥4,412,000,000) from the Japan Bank for International Co-operation for financing the construction of the Northern Main Road and for matters incidental thereto.

P. M. DLAMINI
Attorney-General

A BILL
entitled

An Act to authorise the Minister for Finance to raise a loan for financing the construction of the Northern Main Road.

Short title

1. This Act may be cited as the Loan (Northern Main Road Project) Act, 2000.

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 Japan Bank for International Co-operation;

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

“Minister” means the Minister responsible 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 four billion four hundred and twelve million Japanese Yen (¥4,412,000,000) upon terms and conditions specified in this Act and upon other terms and conditions as the Government may consider appropriate.

Loan charges and Repayment

4. (1) The Borrower shall repay the loan either:
- (a) in twenty (20) years, after a grace period of ten (10) years from the date of commencement of the Agreement, or at a rate of interest of two and two-tenths per cent (2.2%) per annum; or
 - (b) where part of the loan is made available to cover the payment of consultants, in thirty (30) years, after a grace period of ten (10) years from the date of commencement of the Agreement, at a rate of seventy-five-hundredths per cent (0.75%) per annum.
- (2) The Borrower shall pay interest on the principal amount of the loan withdrawn and outstanding from time to time the Lender.

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 the financing of the construction of the Northern Main Road.