



# SWAZILAND GOVERNMENT GAZETTE EXTRAORDINARY

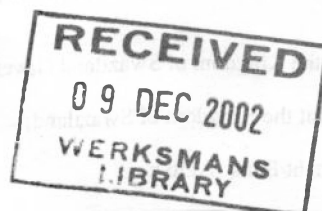
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# PART A

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## THE ADB LOAN (LOWER USUTHU SMALLHOLDER IRRIGATION PROJECT (LUSIP) BILL, 2002

(Bill No. 8 of 2002)

(To be presented by the Minister of Finance)

### MEMORANDUM OF OBJECTS AND REASONS

The object of this bill is to authorize the Minister of Finance to raise a loan not exceeding the equivalent to US\$37, 509,899 (thirty seven million, five hundred and nine thousand, eight hundred and ninety nine US Dollars) which is approximately E291,451,915 (two hundred and ninety one million, four hundred and fifty one thousand, nine hundred and fifteen Emalangeni) for the purpose of financing part of the foreign exchange cost and local cost of the Lower Usuthu Smallholder Irrigation (Project Phase One) and to provide for matters incidental thereto.

PHESHEYA M. DLAMINI

*Attorney-General*

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A Bill

Entitled

An Act to authorise the Minister of Finance to raise a loan for financing of the first phase of the Lower Usuthu Smallholder Irrigation Project and to provide for matters incidental thereto.

ENACTED by the King and the Parliament of Swaziland.

#### ***Short title and commencement***

1. This Act, may be cited as the ADB Loan (Lower Usuthu Smallholder Irrigation Project (LUSIP) Act, 2002, and shall come into operation on the date of publication.

#### ***Interpretation***

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

"Agreement" means the Loan Agreement with any amendments, modifications, revisions, annexures or other document forming part of the Agreement the Minister may, under section 3, be authorised to enter into with the African Development Bank as the Lender on one part and the Swaziland Government as the Borrower on the other part for the purposes specified under section 4;

"Borrower" means the Government of the Kingdom of Swaziland Government;

"Government" means the Government of the Kingdom of Swaziland;

"Lender" means the African Development Bank (ADB);

"Loan" means the loan raised by the Minister under section 3 in terms of the Agreement;

"Minister" means the Minister for Finance;

"Project" means the project to develop or support the development of the water resources of the Lower Usuthu and the promotion of irrigation infrastructure and credit funds to enable smallholder farmers to intensify their agricultural production building on existing market linkages with the private sector.

***Authority to raise Loan***

3. (1) 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\$37,509,899 (thirty seven million, five hundred and nine thousand, eight hundred and ninety nine US Dollars which is approximately E291,451,915 (two hundred and ninety one million, four hundred and fifty one thousand, nine hundred and fifteen Emalangeni), in terms in this Act and the terms and conditions of the Agreement as accepted by the Government.

(2) The Loan shall be a Fixed Interest Rate Loan.

***Purpose of the Loan***

4. The purpose of the Loan shall be to finance part of the foreign exchange cost and local cost of the Project and which shall consist of-

(a) upstream development, providing amongst other things, main and secondary irrigation and water delivery infrastructure;

(b) downstream development, supporting-

(i) development of policy and legal frameworks for land, water, resettlement and farmer organisations;

(ii) participatory planning and irrigated farm development;

(iii) development of irrigation management institutions; and

(iv) agriculture commercialisation;

(c) environmental mitigation for-

(i) the Comprehensive Mitigation Plan;

(ii) resettlement planning and compensation;

(iii) public health and environmental conservation; and

(iv) monitoring and external review; and

(d) project coordination and management, providing technical and material support.

***Repayment of the principal amount***

5. The Borrower shall repay the principal over the Loan over a period of fifteen (15) years, following a grace period of five (5) years commencing from the date of signature of the Agreement, in 30 equal and consecutive semi-annual instalments and the first such Principal Payment shall be payable on 1<sup>st</sup> February or 1<sup>st</sup> August as the case may be, whichever immediately follows the expiration of the grace period.

### ***Interest rate and payment***

6. (1) The Borrower shall pay an interest on the principal amount of the Loan withdrawn and outstanding from time to time for each Interest Period to Base Rate plus a Funding Cost Margin and one half of one per cent (0.50%) and the interest shall be reset semi-annually on 1<sup>st</sup> February and 1<sup>st</sup> August.

(2) The Borrower shall pay the interest semi-annually on 1<sup>st</sup> February and 1<sup>st</sup> August.

(3) The interest rate shall be fixed subject to market conditions on 1<sup>st</sup> February and 1<sup>st</sup> August whichever immediately follows the date on which all the disbursements of the Loan have been completed and in the interim period between the first and the last disbursements the floating rate of interest shall apply on the Loan.

### ***Commitment charge***

7. The Borrower shall pay a commitment charge at the rate of three-quarters of one percent (0.75%) per annum on the un-disbursed portion of the Loan accruing sixty (60) days after the Date of Signature of the Agreement.

### ***Dates of payments***

8. The Borrower shall pay the principal Loan, interest and the commitment charge every six (6) months, that is, on the 1<sup>st</sup> February and 1<sup>st</sup> August of each year until the Loan, interest and the commitment charges are paid in full.

### ***Charging of Loan***

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

THE IFAD LOAN (LOWER USUTHU SMALLHOLDER IRRIGATION PROJECT  
(LUSIP) BILL, 2002

(Bill No. 9 of 2002)

(To be presented by the Acting Minister of Finance)

MEMORANDUM OF OBJECTS AND REASONS

The object of this bill is to authorize the Minister of Finance to raise a loan not exceeding Special Drawing Rights 11,900,000 (eleven million, nine hundred thousand Special Drawing Rights) equivalent to USD 14,979,006 (fourteen million, nine hundred and seventy-nine thousand and six US Dollars) which is approximately E116,386,877 (one hundred and sixteen million, three hundred and eighty six thousand, eight hundred and seventy seven Emalangeni) for the purpose of financing part of the cost of the Lower Usuthu Smallholder Irrigation Project (Phase 1 of the Project) and to provide for incidental matters.

PHESHEYA M. DLAMINI  
*Attorney-General*

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A Bill

Entitled

An Act to authorise the Minister of Finance to raise a loan with the International Fund for Agricultural Development for financing of part of the Lower Usuthu Smallholder Project (Phase 1 of the Project) and to provide for incidental matters.

ENACTED by the King and the Parliament of Swaziland.

***Short title and commencement***

1. This Act, may be cited as the IFAD Loan (Lower Usuthu Smallholder Irrigation Project (LUSIP) Act, 2002, and shall come into operation on the date of publication.

***Interpretation***

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

"Agreement" means the Project Loan Agreement with any amendments, modifications, revisions, annexures or other document forming part of the Agreement the Minister may, under section 3, be authorised to enter into with the International Fund for Agricultural Development as the Lender on one part and the Swaziland Government as the Borrower on the other part for the purposes specified under section 4;

"Borrower" means the Government of the Kingdom of Swaziland Government;

"Government" means the Government of the Kingdom of Swaziland;

"IFAD Reference Interest Rate" means the rate determined annually by the Fund as its reference rate for the computation of interest on its intermediate terms and ordinary terms;

“Lender” means the International Fund for Agricultural Development (IFAD);

“Loan” means the loan raised by the Minister under section 3 in terms of the Agreement;

“Loan Service Payment Currency” means the currency of the United States of America;

“Minister” means the Minister for Finance;

“Project” means the project to construct three dams to form an off-river reservoir to store water diverted from wet season flood flows in the Lower Usuthu River and includes, during the first phase implementation period of eight Years, the construction of main canals from the dams together with on-farm works to irrigate approximately 6,500 ha and the Borrower shall after completion of the first phase expand the Project to cover a further area of approximately 5,000ha enabling smallholder farmers to intensify their agricultural production building on existing market linkages with the private sector.

#### ***Authority to raise Loan***

3. (1) 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 Special Drawing Rights 11,900,000 (eleven million, nine hundred thousand Special Drawing Rights) or US Dollars 14,979,006 (fourteen million, nine hundred and seventy nine thousand and six US Dollars) which is approximately E116,386,877 (one hundred and sixteen million, three hundred and Eighty Six Thousand, Eight hundred and seventy seven Emalangen), in terms in this Act and on the terms and conditions of the Agreement as accepted by the Government.

(2) The Loan shall be on IFAD Reference Interest Rate.

#### ***Purpose of the Loan***

4. The purpose of the Loan shall be to finance part of cost of the Project and which shall consist of-

- (a) upstream development, providing amongst other things, surveys, investigations, designs, three dams to form an off-river storage, concrete-lined main canals and distribution system;
- (b) downstream development and commercialisation, supporting-
  - (i) development of policy and legal framework;
  - (ii) participatory planning and irrigated farm development;
  - (iii) development of irrigation management institution; and
  - (iv) agriculture commercialisation;
- (c) environmental mitigation for-
  - (i) the finalisation of the Comprehensive Mitigation Plan;
  - (ii) resettlement planning and compensation;
  - (iii) public health and environmental conservation; and

(iv) monitoring and external review; and

(d) project coordination and management through the various agencies.

***Repayment of the principal amount***

5. The Borrower shall repay the outstanding principal amount of the Loan in twenty-nine (29) semi-annual instalments of SDR 396,667 (three hundred and ninety six thousand and six hundred and sixty seven SDR) payable on each 1<sup>st</sup> June and 1<sup>st</sup> December, commencing on 1<sup>st</sup> June, 2007, and one last instalment of SDR396,657 (three hundred and ninety-six thousand and six hundred and fifty-seven Special Drawing Rights) payable on 1<sup>st</sup> December, 2021, in the Loan Service Payment Currency.

***Interest rate and payment***

6. The Borrower shall pay an interest on the principal amount of the Loan outstanding from time to time at a rate of one-half of the IFAD Reference Rate, payable semi-annually on each 1<sup>st</sup> June and 1<sup>st</sup> December in the Loan Service Payment Currency.

***Charging of Loan***

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

THE BADEA LOAN (LOWER USUTHU SMALLHOLDER IRRIGATION) PROJECT  
(LUSIP) BILL, 2002

(Bill No. 10 of 2002)

(To be presented by the Minister of Finance)

MEMORANDUM OF OBJECTS AND REASONS

The object of this bill is to authorize the Minister for Finance to raise a loan not exceeding the equivalent of US\$ 11,680,000 (eleven million, six hundred and eighty thousand US Dollars) which is approximately E90,753,600 (ninety million, seven hundred and fifty three thousand, six hundred Emalangeni) for the purpose of financing part of the foreign exchange cost and local cost of the Lower Usuthu Smallholder Irrigation Project and to provide for matters incidental thereto.

PHESHEYA M. DLAMINI

*Attorney-General*

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A Bill

Entitled

An Act to authorise the Minister for Finance to raise a loan with the Arab Bank for Economic Development in Africa for financing of part of the Lower Usuthu Smallholder Irrigation Project and to provide, for matters incidental thereto.

ENACTED by the King and the Parliament of Swaziland.

***Short title and commencement***

1. This Act, may be cited as the ADB Loan (Lower Usuthu Smallholder Irrigation Project (LUSIP) Act, 2002, and shall come into operation on the date of publication.

***Interpretation***

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

“Agreement” means the Loan Agreement with any amendments, modifications, revisions, annexures or other document forming part of the Agreement the Minister may, under section 3, be authorised to enter into with the Arab Bank for Economic Development in Africa as the Lender on one part and the Swaziland Government as the Borrower on the other part for the purposes specified under section 4;

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

“Government” 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 in terms of the Agreement;

"Minister" means the Minister for Finance;

"Project" means the project to develop or support the development of the water resources of the Lower Usuthu and the promotion of irrigation infrastructure and credit funds to enable smallholder farmers to intensify their agricultural production building on existing market linkages with the private sector.

#### ***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\$11,680,000 (eleven million, six hundred and eighty thousand US Dollars) which is approximately E90,753,600 (ninety million, seven hundred and fifty three thousand, six hundred Emalangen), in terms in this Act and the terms and conditions of the Agreement as accepted by the Government.

#### ***Purpose of the Loan***

4. The purpose of the Loan shall be to finance, part of the cost of goods and services required for the Project and which shall consist of-

- (a) upstream development, providing amongst other things, main and secondary irrigation and water delivery infrastructure;
- (b) downstream development, supporting-
  - (i) development of policy and legal frameworks for land, water, resettlement and farmer organisations;
  - (ii) participatory planning and irrigated farm development;
  - (iii) development of irrigation management institutions; and
  - (iv) agriculture commercialisation;
- (c) environmental mitigation for-
  - (i) the Comprehensive Mitigation Plan;
  - (ii) resettlement planning and compensation;
  - (iii) public health and environmental conservation; and
  - (iv) monitoring and external review;
- (d) project coordination and management, providing technical and material support.

#### ***Repayment of the principal amount***

5. The Borrower shall repay the principal over the Loan over a period of twenty (20) years, following a grace period of five (5) years commencing from the date of signature of the Agreement, in 40 semi-annual instalments and the first such Principal Payment shall be payable on the first day of the month following the first withdrawal from the loan account, as the case may be, whichever immediately follows the expiration of the grace period.

### **Interest rate and payment**

6. The Borrower shall pay an interest on the principal amount of the Loan withdrawn and outstanding from time to time for each Interest Period of two percent (2%) per annum.