

INTERNATIONAL DEVELOPMENT ASSOCIATION (DIGITAL MALAWI ACCELERATION PROJECT UNDER THE INCLUSIVE DIGITALIZATION IN EASTERN AND SOUTHERN AFRICA MULTI-PHASE PROGRAMMATIC APPROACH PROGRAM) (AUTHORIZATION AND RATIFICATION) BILL, 2024

MEMORANDUM

This Bill seeks to authorize and ratify a Financing Agreement made between the Minister of Finance, for and on behalf of the Government of the Republic of Malawi, and the International Development Association dated the 23rd day of July, 2024, under which the Association agreed to provide to the Government a grant, in various convertible currencies, not exceeding in the aggregate, the equivalent of fifty-three million, two hundred Special Drawing Rights (SDR 53,200,000) for the purpose of financing the Digital Malawi Acceleration Project under the Inclusive Digitalization in Eastern and Southern Africa Multi-Phase Programmatic Approach Program; and to authorise the charging, on the Consolidated Fund, of any payments required to be made under the Financing Agreement.

The objective of the Project is to increase access to, and inclusive use of, the internet and improve the capacity of Government to deliver digitally enabled services.

The Project aims to—

- (a) expand rural connectivity, including supporting private sector rollout of mobile broadband and closing last-mile gaps for Government institutions;
- (b) improve internet connectivity in the education sector, by providing internet to up to 2,000 schools and higher education institutions;
- (c) strengthen regional connectivity, address cross-border broadband gaps, and support integrated regional planning and demand aggregation for internet services;
- (d) enhance data hosting capacity and transition to cloud computing, including strengthening the National Data Centre and enabling cloud services;
- (e) develop the National Data Strategy;
- (f) implement next-generation digital identification and identity verification services;

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(g) extend the Boma Lathu data exchange platform;

(h) expand the functionality and e-services offering on the e-Services portal;

(i) enhance the policy and regulatory framework, including operationalizing the Data Protection Authority and supporting the Malawi Cybersecurity Emergency Response Team;

(j) enhance digital skills and digital literacy, including through performance-based grants to tech hubs and digital start-ups;

(k) provide technical assistance for developing a national e-waste strategy;

(l) conduct sectoral deep dives in digitalization for social protection, financial sector, disaster management, and land management; and

(m) operationalize the Malawi Information Technology Authority.

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ARRANGEMENT OF SECTIONS

SECTION

1. Short title
2. Authorization and ratification of the Financing Agreement
3. Application of the Grant
4. Payments charged on the Consolidated Fund
5. Exemption from taxes, charges, etc.

A BILL

entitled

An Act to authorize and ratify a Financing Agreement made between the Minister of Finance, for and on behalf of the Government of the Republic of Malawi and the International Development Association dated the 23rd day of July, 2024, for a grant in various convertible currencies, not exceeding in the aggregate, the equivalent of fifty-three million, two hundred Special Drawing Rights (SDR 53,200,000) and to provide for matters incidental thereto

PREAMBLE

WHEREAS the Minister of Finance, acting in accordance with powers conferred under the Public Finance Management Act, signed a Financing Agreement dated the 23rd day of July, 2024, with the International Development Association;

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WHEREAS, in pursuance to that signature and subject to the terms and conditions in the Financing Agreement, the International Development Association agreed to provide fifty-three million, two hundred Special Drawing Rights (SDR 53,200,000) (the “Grant”) to the Government, to be applied solely for the purpose of financing the Digital Malawi Acceleration Project under the Inclusive Digitalization in Eastern and Southern Africa Multi-Phase Programmatic Approach Program (the “Project”); and

WHEREAS under the Financing Agreement, the Government is required to pay a maximum commitment charge of one half of one per centum per annum on any unwithdrawn Financing balance;

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

Short title

1. This Act may be cited as the International Development Association (Digital Malawi Acceleration Project under the Inclusive Digitalization in Eastern and Southern Africa Multi-Phase Programmatic Approach Program) (Authorization and Ratification) Act, 2024.

Authorization and ratification of the Financing Agreement

2. The Financing 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 purposes, and the Government is hereby declared henceforth to be bound thereby without reservation, and to be subject to all provisions of the Financing Agreement, terms and conditions and to be solely and primarily liable for any obligation or liability arising thereunder as, or stated to be, an obligation or liability of the Government.

Application of the Grant

3. The proceeds of the Grant authorized and ratified by section 2 shall be appropriated and applied solely for the purposes of financing the Project, and for no other purpose.

Payments charged on the Consolidated Fund

4. Any payments required to be made, from time to time, by the Government to the International Development Association, under and in accordance with the provisions of the Financing 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 deductions for, and free from, any tax or charge whatsoever, and shall be free from all restrictions or limitations imposed by or under any written law of Malawi.

OBJECTS AND REASONS

The object of this Bill is to authorize and ratify a Financing Agreement dated the 23rd day of July, 2024, signed by the Minister of Finance, on behalf of the Government of the Republic of Malawi, and the International Development Association, under which the Association agreed to provide to the Government, a grant in various convertible currencies, not exceeding in the aggregate, the equivalent of fifty-three million, two hundred Special Drawing Rights (SDR 53,200,000) for the purpose of financing the Digital Malawi Acceleration Project under the Inclusive Digitalization in Eastern and Southern Africa Multi-Phase Programmatic Approach Program; and to charge, on the Consolidated Fund, any payments by the Government to the Association under the Agreement.

T. CHAKAKA-NYIRENDA
Attorney General