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Statutory Instrument No. 117 of 2022

PUBLIC FINANCE MANAGEMENT ACT
(Cap. 54:01)

**PUBLIC FINANCE MANAGEMENT (AGRICULTURAL CREDIT
GUARANTEE SCHEME FUND) ORDER, 2022**
(Published on 29th September, 2022)

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IN EXERCISE of the powers conferred on the Minister of Finance by section 38 of the Public Finance Management Act, the following Order is hereby made —

1. This Order may be cited as the Public Finance Management (Agricultural Credit Guarantee Scheme Fund) Order, 2022. Citation
2. In this Order, unless the context otherwise requires — Interpretation
 - “Accounting Officer” means the Permanent Secretary in the ministry responsible for finance appointed as such under paragraph 5;
 - “arable farming” refers to crop production;
 - “Committee” means a Management Committee appointed under paragraph 6;
 - “Fund” means the Public Finance Management (Agricultural Credit Guarantee Scheme Fund); continued under paragraph 3;
 - “large scale farming” means farming or ploughing more than 150 hectares with employees of about 100 or above with the farm making an annual income turnover of more than P 8 000 000;
 - “levy” means the annual premiums that are imposed on the Scheme as per the Agricultural Credit Guarantee Scheme Guidelines;
 - “medium scale farming” means farming or ploughing with employees of between 26 and 99 with the farm making an annual income turnover of between P 1 500 001 and P 8 000 000; and
 - “small scale farming” means farming or ploughing with employees between 6 and 25 with the farm making an annual income turnover of between P 60 000 and P 1 500 000.

Continuation of Fund established under S.I. No. 74 of 1987	<p>3. The Agricultural Credit Guarantee Scheme Fund established under the Agricultural Credit Guarantee Scheme Fund Order by section 38 (1) of the Act, is hereby continued under the Special Fund known as the Public Finance Management (Agricultural Credit Guarantee Scheme) Fund and shall continue to exist as if established by this Order.</p>
Purpose of Fund	<p>4. The purpose of the Fund is to provide financial assistance to small, medium and large scale farmers of arable rain fed farms in any part of the country that has been declared by the Government to be an area stricken by drought, floods, hailstorm or frost by guaranteeing, for a fee to be paid by both parties, all or part of the seasonal agricultural input loans obtained by the said farmers from any bank.</p>
Administration of Fund	<p>5. (1) The Permanent Secretary in the Ministry responsible for finance shall be the Accounting Officer and he or she shall be responsible for the administration of the Fund.</p> <p>(2) The Accounting Officer may exercise all such powers and perform all such duties as may be required to be exercised or performed for the proper discharge of his or her functions.</p> <p>(3) The Accounting Officer may, in writing authorise any other public officer to exercise or perform all or any of the powers or duties required of him or her under this Order.</p>
Management of Fund	<p>6. (1) The Minister shall, after consultation with the Accounting Officer appoint a Management Committee for the Fund.</p> <p>(2) The Committee appointed under subparagraph (1) shall consist of —</p> <p>(a) the Secretary of Economic and Financial Policy, who shall be the Chairperson of the Committee;</p> <p>(b) a representative from the Ministry responsible for finance under the section responsible for insurance and pension;</p> <p>(c) a representative from the Ministry responsible for Local Government and rural development;</p> <p>(d) a representative from the Department responsible for Meteorological Services;</p> <p>(e) a representative from the Citizen Entrepreneurial Development Agency;</p> <p>(f) a representative from the National Development Bank;</p> <p>(g) a representative from the Ministry responsible for Agriculture;</p> <p>(h) a representative of any Farmers Association; and</p> <p>(i) a representative from the Office of the Accountant-General.</p> <p>(3) The section responsible for finance and banking shall provide secretarial services to the Committee.</p> <p>(4) The Committee shall be responsible for —</p> <p>(a) overseeing the management of the Fund;</p> <p>(b) advising the Accounting Officer with respect to the performance of the Fund; and</p> <p>(c) determine the disbursement procedures and investment strategy of the Fund in accordance with the Act.</p> <p>(5) The members of the Committee shall be appointed for a period of three years and shall be eligible for re-appointment for a further term not exceeding three years.</p>
Receipts into Fund	<p>7. There shall be paid into the Fund —</p> <p>(a) such monies as may from time to time be appropriated by the National Assembly for the purposes of the Fund; and</p> <p>(b) such monies as may be levied as a fee on the borrower and the lending bank against the guarantee given the Fund.</p>

8. There shall be paid from the Fund, claims arising from the participating financial institutions following the declaration of drought, floods, hailstorm or frost, by the Government in accordance with the objectives of the Fund. Disbursement from Fund
9. If the Fund is in surplus at the end of a financial year, such surplus shall remain as part of Fund balance and be carried forward to the following financial year. Surplus in Fund
10. Any monies accruing in the Fund which is not required for immediate use may be invested in accordance with the objectives of the Fund as the Accountant-General may direct and interest from such investment shall accrue to the Fund. Investment of Fund monies
11. The Accounting Officer shall — Accounts of Fund
- (a) keep and maintain, or cause to be kept and maintained, proper books of accounts and records of all financial transactions, assets and liabilities of the Fund in respect of each financial year;
 - (b) maintain an account into which all receipts into the Fund and all disbursements from the Fund shall be recorded and monthly reconciliation of the Fund accounts shall be carried out; and
 - (c) prepare, sign and transmit to the Accountant-General and Auditor-General a statement of income and expenditure and a balance sheet of the Fund in respect of the financial year, containing such information in the manner that the Minister, in consultation with the Accountant-General may direct, within a period of two months after the close of each financial year.
12. The Agricultural Credit Guarantee Scheme Fund Order is hereby revoked. Revocation of S.I. No. 74 of 1987

MADE this 6th day of September, 2022.

PEGGY O. SERAME,
Minister of Finance.