

INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 132.

Loans and Assistance (International Agencies).

GENERAL ANNOTATION.

ADMINISTRATION.

The administration of this Chapter was vested in the Minister for Finance and Planning at the date of its preparation for inclusion.

The present administration may be ascertained by reference to the most recent Determination of Titles and Responsibilities of Ministers made under Section 148(1) of the Constitution.

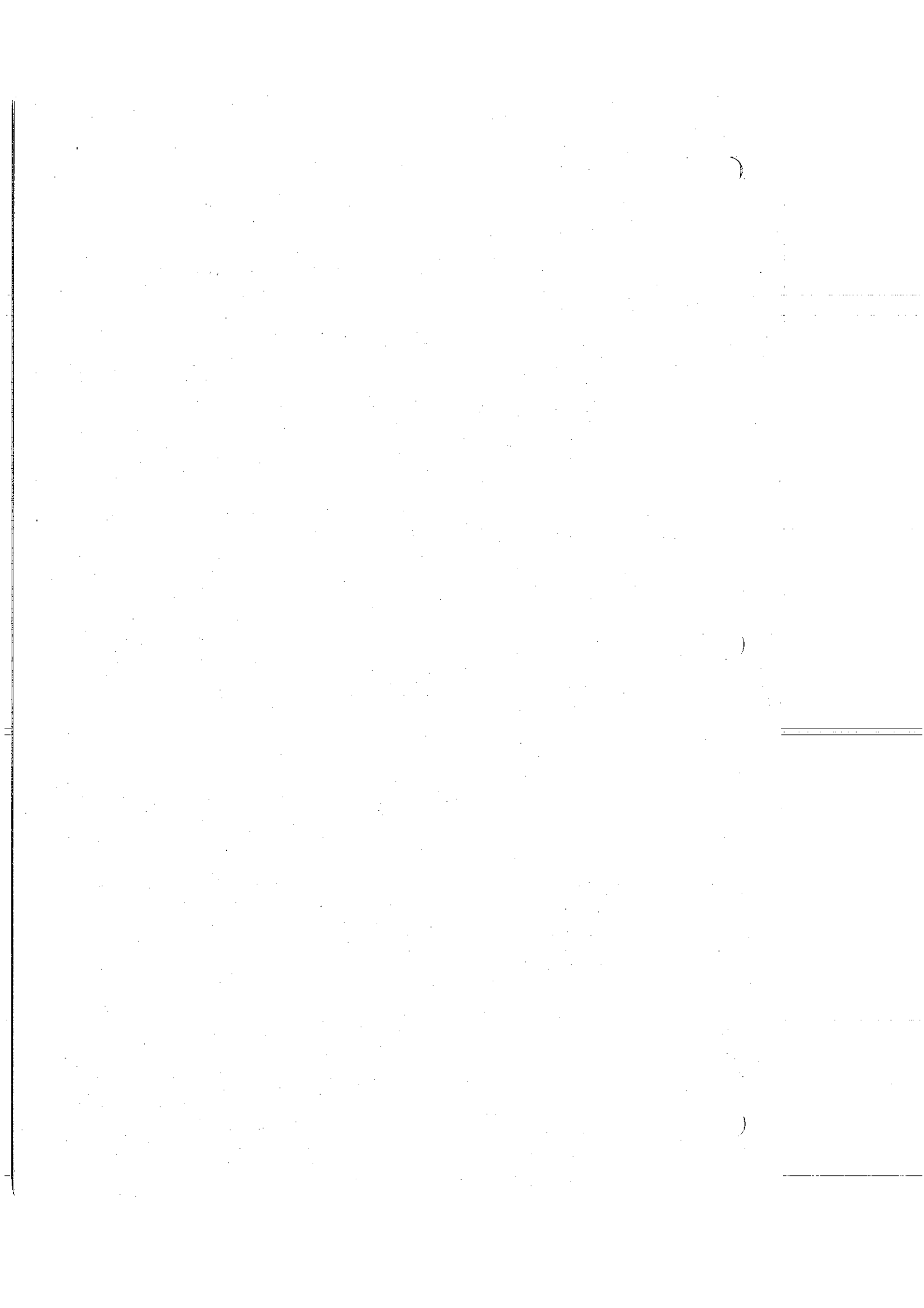
References in, or in relation to, this Chapter to—

“the Departmental Head”—should be read as references to the Secretary for Finance and Planning;

“the Department”—should be read as references to the Department of Finance and Planning.

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INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 132.

Loans and Assistance (International Agencies) Act.

ARRANGEMENT OF SECTIONS.

PART I.—PRELIMINARY.

1. Interpretation—
 - “assistance agreement”
 - “financial assistance agreement”
 - “international assistance agency”
 - “international finance agency”
 - “loan”
 - “loan agreement”
 - “technical assistance agreement”.

PART II.—LOAN AGREEMENTS.

2. Borrowing from international finance agencies.
3. Issue of instruments under loan agreements.
4. Charges having priority.
5. Pre-appropriation of moneys for repayment of loans.

PART III.—ASSISTANCE AGREEMENTS.

6. Technical assistance from international assistance agencies.
- 6A. Financial assistance from international assistance agencies.
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8. Exemptions from taxation, etc.
9. Arbitration.
10. Operation of certain Acts.
- 10A. National Authorizing Officer.
- 10B. Agreements relating to proceeds of loans or grants.
11. Regulations.
 - Validation.

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INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 132.

Loans and Assistance (International Agencies) Act.

Being an Act to provide for the raising of loans and the obtaining of technical and financial assistance by the State from certain international organizations and agencies and for related purposes. (*Replaced by No. 71 of 1978, Schedule.*)

PART I.—PRELIMINARY.

1. Interpretation.

(1) In this Act—

“assistance agreement” means a technical assistance agreement or a financial assistance agreement;

“financial assistance agreement” means an agreement of a kind referred to in Section 6A:

“international assistance agency” means—

- (a) the International Bank for Reconstruction and Development; or
- (b) the International Development Association; or
- (c) the Asian Development Bank; or
- (d) the United Nations; or
- (e) the South Pacific Commission; or
- (f) the European Economic Community; or
- (g) the European Investment Bank; or
- (h) the Kuwait Fund for Arab Economic Development; or
- (i) any other prescribed organization or agency;

“international finance agency” means—

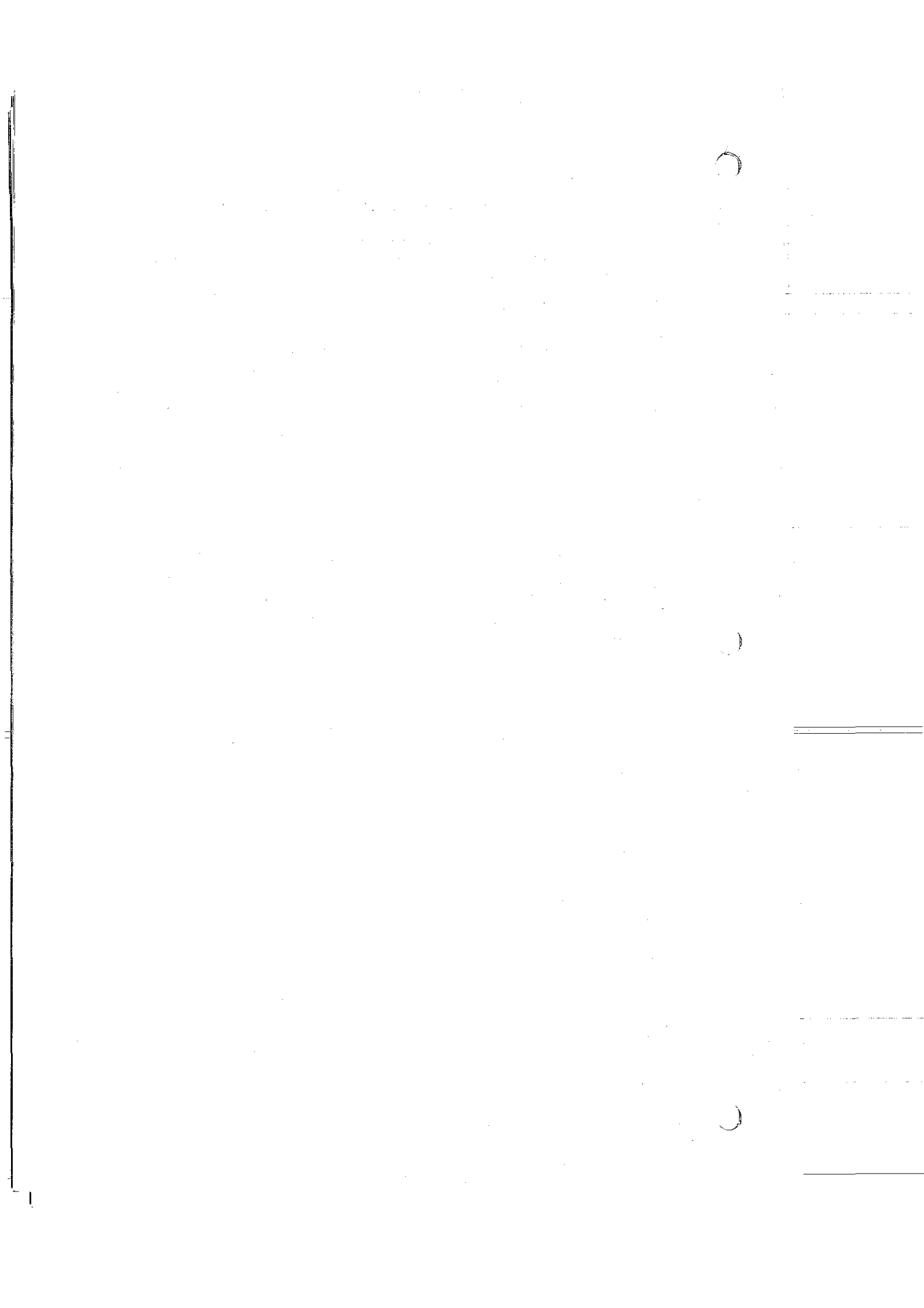
- (a) the International Bank for Reconstruction and Development; or
- (b) the International Development Association; or
- (c) the Asian Development Bank; or
- (d) the European Economic Community; or
- (e) the European Investment Bank; or
- (f) the Kuwait Fund for Arab Economic Development; or
- (g) any other prescribed organization or agency; and

“loan” includes a credit;

“loan agreement” means an agreement of a kind referred to in Section 2(1), whether known as a loan agreement or a credit agreement or otherwise;

“technical assistance agreement” means an agreement of a kind referred to in Section 6, but does not include a loan agreement.

(2) A reference in this Act to a loan agreement shall be read as including a reference to any bond, promissory note or other instrument issued under Section 3 for the purpose of giving effect to the terms of the agreement, and a reference to the principal of, or interest



PART III.—ASSISTANCE AGREEMENTS.

(Heading amended by No. 71 of 1978, Schedule)

6. Technical assistance from international assistance agencies.

(1) Where in his opinion it is necessary or desirable in the interests of Papua New Guinea—

- (a) the Head of State, acting on advice; or
- (b) a Minister empowered under Subsection (2),

may, on behalf of the State, enter into and execute an agreement with an international assistance agency for the supply of technical assistance to the State.

(2) For the purposes of this Act—

- (a) the Minister responsible for financial matters is empowered; and
- (b) the Minister responsible for foreign affairs matters is empowered,

to enter into agreements under Subsection (1) where the consideration to be paid or given by the State does not exceed K200 000.00.

(Replaced by No. 26 of 1978, s. 5. and amended by 71 of 1978, Schedule.)

6A. Financial assistance from international assistance agencies.

(1) Where in his opinion it is necessary or desirable in the interests of Papua New Guinea—

- (a) the Head of State, acting on advice; or
- (b) a Minister empowered under Subsection (2),

may, on behalf of the State, enter into and execute an agreement with an international assistance agency for the grant of financial assistance to the State.

(2) For the purposes of this Act—

- (a) the Minister responsible for financial matters is empowered; and
- (b) the Minister responsible for foreign affairs matters is empowered,

to enter into agreements under Subsection (1) where the consideration to be paid or given by the State does not exceed K200 000.00.

(Added by No. 71 of 1978, s. 1.)

6B. Pre-appropriation.

All charges payable by the State under a financial assistance agreement shall be paid out of the Consolidated Revenue Fund which is, to the necessary extent, appropriated accordingly.

(Added by No. 71 of 1978, s. 1.)

PART IV.—MISCELLANEOUS.

7. Effect of agreements.

(1) A loan agreement or assistance agreement entered into under this Act has the force of law as if contained in this Act, and applies notwithstanding anything in any other law. *(Amended by No. 71 of 1978, Schedule.)*

(2) The operation of Subsection (1) is not affected by reason only that the agreement is expressed in a foreign language. *(Added by No. 26 of 1978, s. 5.)*

8. Exemptions from taxation, etc.

Notwithstanding anything in any other law, where a loan agreement or assistance agreement provides that any person, income, matter or thing is exempt, wholly or partly, and absolutely or conditionally, from any rate, charge, tax, duty, levy, fee or imposition under any law, the person, income, matter or thing is exempt accordingly. (*Amended by No. 71 of 1978, Schedule.*)

9. Arbitration.

(1) Subject to the terms and conditions of the relevant loan agreement or assistance agreement, if any dispute between the State and an international finance agency or technical assistance agency arises under any loan agreement or assistance agreement, it shall be determined by arbitration as agreed between the parties. (*Amended by No. 71 of 1978, Schedule.*)

(2) Any award made in any such arbitration may be enforced as if it had been validly made under the *Arbitration Act*.

10. Operation of certain Acts.

(1) The *Loan Securities Act* does not apply to or affect this Act or any agreement entered into under this Act.

(2) The *Government Contracts Act* does not apply to or in respect of a loan agreement or assistance agreement made under this Act. (*Amended by No. 71 of 1978, Schedule.*)

10A. National Authorizing Officer.

(1) The Head of State, acting on advice, may, by notice in the *National Gazette*, appoint a person to be the National Authorizing Officer in relation to a loan agreement or assistance agreement.

(2) A National Authorizing Officer has such powers and functions as are conferred on him under the agreement.

(3) The reference in Subsection (1)—

(a) to a loan agreement, includes a proposed loan agreement; and

(b) to an assistance agreement, includes a proposed assistance agreement.

(*Added by No. 71 of 1978, s. 2.*)

10B. Agreements relating to proceeds of loans or grants.

Notwithstanding anything in the *Government Contracts Act*, the Minister may, on behalf of the State, enter into and execute an agreement with—

(a) a statutory corporation of a public nature; or

(b) a prescribed person or body (whether or not the body is a corporation),

in relation to the proceeds, or any part of the proceeds, of a loan or grant the subject of an agreement under this Act.

(*Added by No. 71 of 1978, s. 2.*)

11. Regulations.

The Head of State, acting on advice, may make regulations, not inconsistent with this Act, prescribing all matters that are necessary or convenient to be prescribed for carrying out or giving effect to this Act, and in particular for declaring organizations and agencies to be international assistance agencies or international finance agencies within the meaning of this Act.

(Replaced by No. 26 of 1978, s. 7.)

Note: No. 26 of 1978, Section 10 provides—

“10. Validation.”

“(1) A loan agreement, or a borrowing under a loan agreement, shall not be invalid or liable to be challenged or called into question by reason only that the resolution under which the agreement and borrowing is made or purportedly made is expressed to authorize the Governor-General or the Head of State to borrow from an international finance agency, and such an agreement or borrowing shall be as valid and effectual as if the resolution was expressed to authorize the Minister for Finance to borrow from an international finance agency”.

“(2) In subsection (1), “resolution” means a resolution of the House of Assembly before Independence or a resolution of the National Parliament after Independence.”.

INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 132.

Loans and Assistance (International Finance Agencies) Regulation.

ARRANGEMENT OF SECTIONS.

1. International finance agencies.

SCHEDULE.—International Finance Agencies.

INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 132.

***Loans and Assistance (International Finance Agencies)
Regulation.***

MADE under the *Loans and Assistance (International Agencies) Act.*

1. International finance agencies.

The agencies specified in the Schedule are international finance agencies for the purpose of the Act.

SCHEDULE.

Act, Sec. 1(1).

INTERNATIONAL FINANCE AGENCIES.

The Overseas Economic Co-operation Fund.

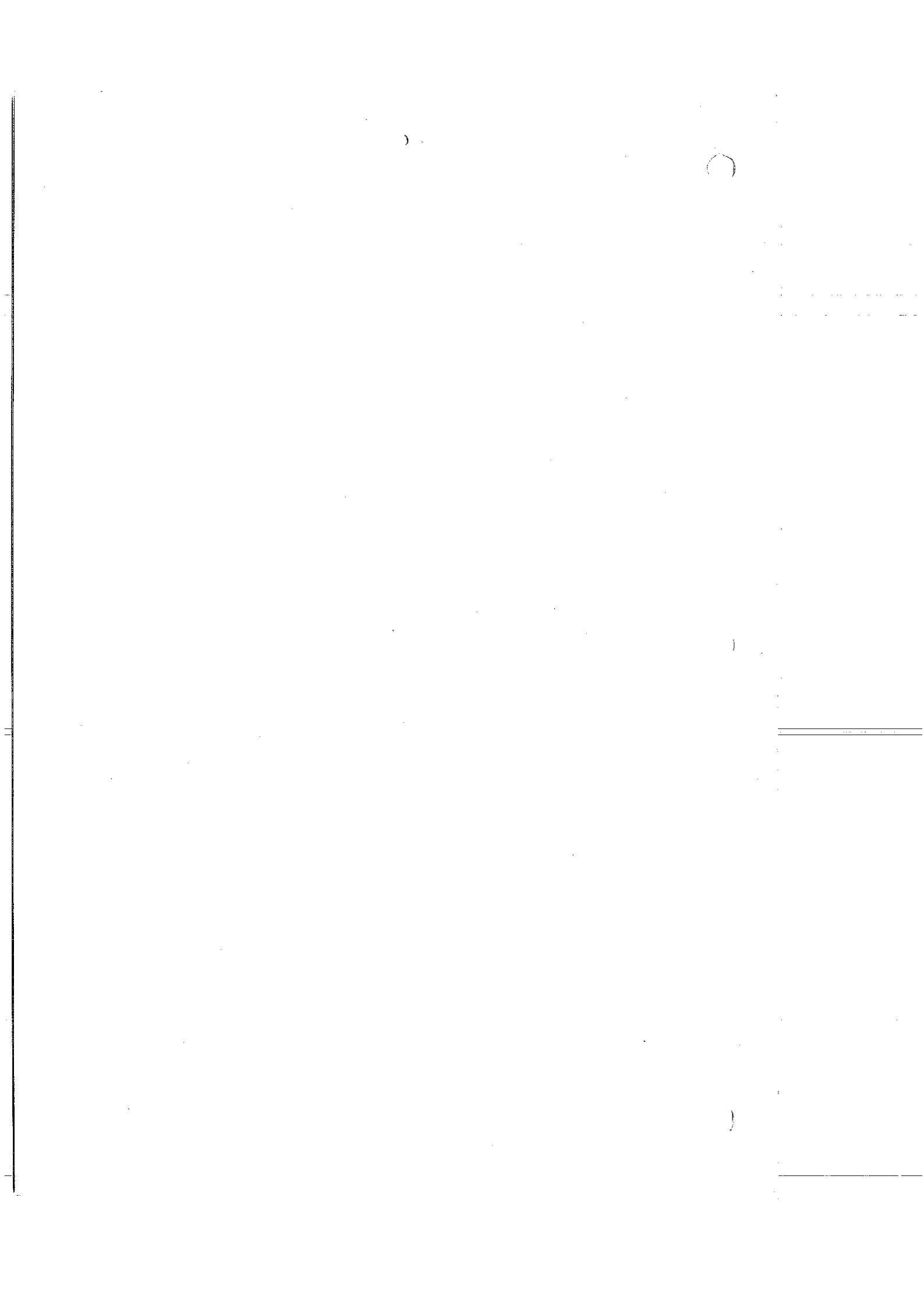
The Kreditanstalt für Wiederaufbau.

The Norwegian Agency for International Development.

The International Fund for Agricultural Development.

The International Monetary Fund.

The OPEC Fund for International Development. (*Added by No. 18 of 1983, s. 1.*)



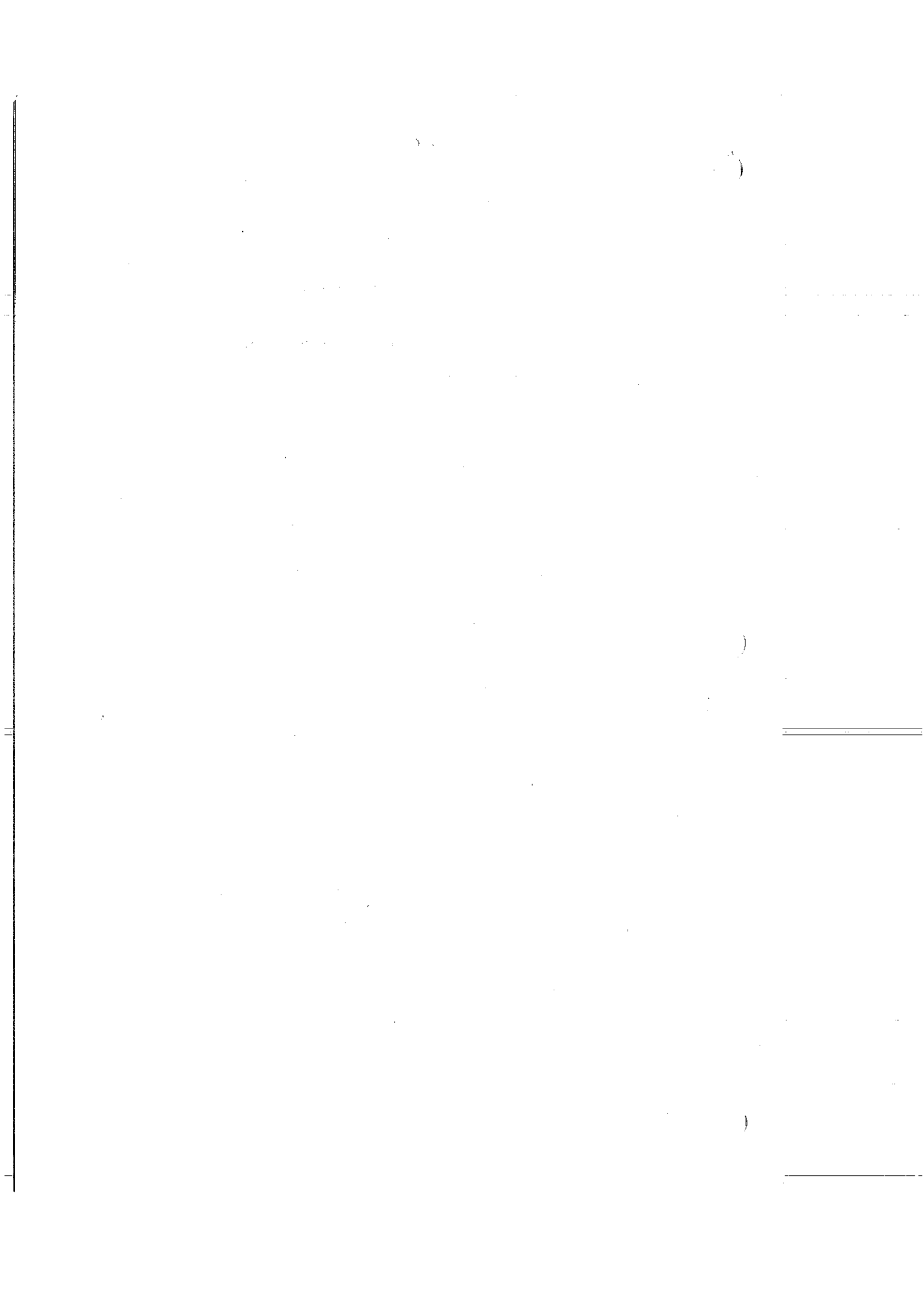
INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO.132.

***Loans and Assistance (International Agencies) (Prescribed Body)
Regulation.***

ARRANGEMENT OF SECTIONS.

1. Prescribed body with whom an agreement relating to proceeds of loans or grants may be entered into.



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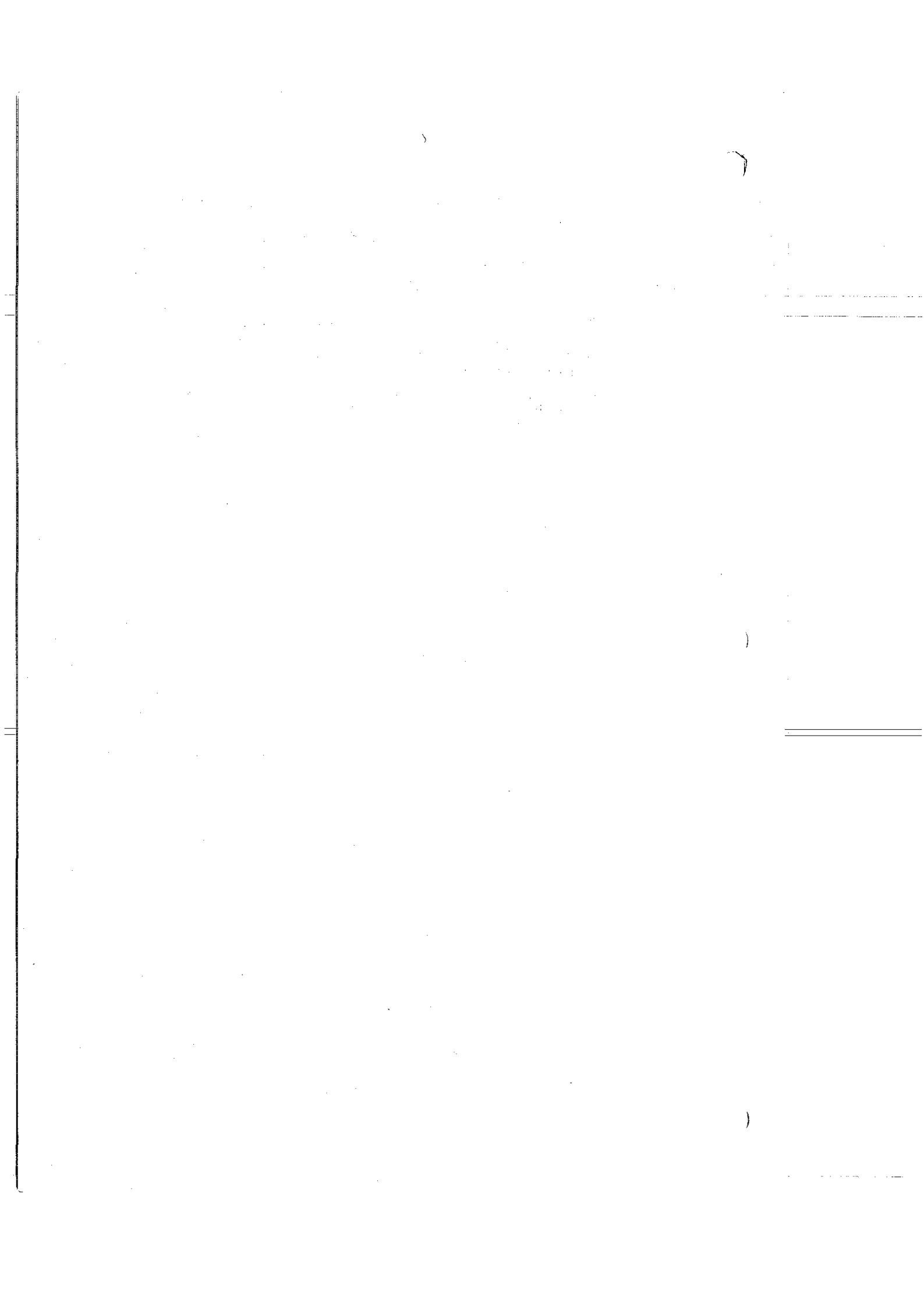
CHAPTER NO. 132.

***Loans and Assistance (International Agencies) (Prescribed
Body) Regulation.***

MADE under the *Loans and Assistance (International Agencies) Act.*

1. Prescribed Body with whom an agreement relating to proceeds of loans or grants may be entered into.

For the purposes of Section 10B(b) of the Act, the Milne Bay Estates Pty. Ltd., is a prescribed body.



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CHAPTER NO. 132.

Loans and Assistance (International Agencies).

APPENDIXES.

APPENDIX 1.

SOURCE OF THE LOANS AND ASSISTANCE (INTERNATIONAL AGENCIES)
ACT.

Part A.—Previous Legislation.

Loans and Assistance (International Agencies) Act 1971 (No. 52 of 1971)

as amended by—

Loans and Assistance (International Agencies) (Effect) Act 1972 (No. 32 of 1972)

Loans and Assistance (International Agencies) (Amendment) Act 1978 (No. 26 of 1978).

Loans and Assistance (International Agencies) (Financial Assistance) Act 1978 (No. 71 of 1978).

Part B.—Cross References.

Section, etc., in Revised Edition.	Previous Reference ¹ .
1	4
2	5
3	6
4	7
5	8
6	9
6A	9A
6B	9B
7	10
8	11
9	12
10	13
10A	13A
10B	13B
11	14

¹Unless otherwise indicated, references are to the Act set out in Part A.

APPENDIX 2.

SOURCE OF THE LOANS AND ASSISTANCE (INTERNATIONAL FINANCE AGENCIES) REGULATION.

Previous Legislation.

Loans and Assistance (International Finance Agencies) Regulation

as amended by—

Loans and Assistance (International Finance Agencies) Regulation 1983 (No. 18 of 1983).

APPENDIX 3.

SOURCE OF THE LOANS AND ASSISTANCE (INTERNATIONAL AGENCIES) (PRESCRIBED BODY) REGULATION.

Part A.—Previous Legislation.

Loans and Assistance (International Agencies) (Prescribed Body) Regulation 1985 (Statutory Instrument No. 9 of 1985).

Part B.—Cross References

Section, etc. in Revised Edition.	Previous Reference ¹
1	1

¹Unless otherwise indicated, references are to the regulation set out in Part A.