Statutory Instrument No. 116 of 1999.

FINANCE AND AUDIT ACT
(Cap. 54:01)

MICRO CREDIT ENTERPRISES FUND ORDER, 1999
(*Published on 17th December, 1999*)

ARRANGEMENT OF PARAGRAPHS

PARAGRAPH

IN EXERCISE of the powers conferred on the Minister of Finance and Development Planning by section 25 of the Finance and Audit Act, the following Order is hereby made —

1. This Order may be cited as the Micro Credit Enterprises Fund Order, 1999. **Citation**

2. In this Order, unless the context otherwise requires — **Interpretation**

"Accounting Officer" means the Permanent Secretary in the Ministry of Commerce and Industry appointed as such under paragraph 5 of this Order;

"Fund" means the Micro Credit Enterprises Fund established by paragraph 3 of this Order;

"micro enterprise" means a business with an annual income of not more than P 40 000; and

"Minister"means the minister responsible for finance.

3. There is hereby established a special fund to be known as the Micro Credit Enterprises Fund. **Establishment of Fund**

4. (1) The purpose of the Fund is to foster, by means of funding, the development of a self-sustaining micro enterprises sector. **Purpose of Fund**

(2) Without prejudice to the generality of sub-paragraph (1), the Fund may provide for —

(*a*) appropriate funding of micro enterprises;

(*b*) training programmes for micro enterprises; and

(*c*) institutional support programmes for micro enterprises.

5. (1) The Permanent Secretary in the Ministry of Commerce and Industry (hereinafter referred to as "the Accounting Officer") shall be the public officer responsible for the administration of the Fund. **Administration of Fund**

(2) The Minister shall appoint the National Development Bank established under the National Development Bank Act to undertake the day to day activities of the Fund. Cap. 74:05

6. There shall be paid into the Fund — **Payments into Fund**

(*a*) P80 000 000 (eighty million Pula) by the Ministry of Finance and Development Planning;

(*b*) such other monies as may be received from government; and

(*c*) income from the investment of monies of the Fund.

Investment of Fund monies

7. The National Development Bank shall invest the monies of the Fund not immediately required for payments from the Fund on such terms as shall contribute to the achievements of the objectives of the Fund, and interest earned from such investment shall accrue to the Fund.

Disbursements from Fund

8. (1) There shall be paid from the Fund loans ranging from P500 to P20 000 to any type of business that qualifies as a micro enterprise in accordance with provisions of this Order, which loans shall be repayable at an interest rate of 18 per cent per annum over a period of between six months and thirty six months.

(2) The Fund shall grant loans to Botswana citizens and Botswana citizen-owned businesses only.

(3) Every person granted a loan by the Fund shall be required to give a personal guarantee to the National Development Bank.

(4) Every person granted a loan by the Fund shall undergo such financial management course as the Accounting Officer shall direct.

(5) The costs of the financial management course shall be borne by the Government of Botswana, save that every person who undergoes such financial management course shall be required to pay a fee of P20, such other amount as may be declared by the Accounting Officer, before he embarks on such course.

Guidelines for disbursements from Fund

9. The National Development Bank shall develop guidelines for the payment of monies from the Fund to micro enterprises.

Accounts of Fund

10. (1) The Accounting Officer shall cause the —

(*a*) keeping and maintenance of proper accounts and records of the Fund;

(*b*) preparation for each financial year, of a balance sheet and statement of income and expenditure in such form and manner as the Accountant-General may approve; and

(*c*) maintenance of an account in which shall be recorded all receipts into the Fund, all disbursements from the Fund, and the reconciliation of the monthly accounts of the Fund.

MADE this 6th day of December, 1999.

B. GAOLATHE,
Minister of Finance and Development Planning.

L2/7/97 III