

**No. 9191**

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**UNION OF SOVIET SOCIALIST REPUBLICS  
and  
ZAMBIA**

**Agreement on economic and technical co-operation. Signed at  
Moscow, on 26 May 1967**

*Official texts: Russian and English.*

*Registered by the Union of Soviet Socialist Republics on 20 August 1968.*

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**UNION DES RÉPUBLIQUES SOCIALISTES SOVIÉTIQUES  
et  
ZAMBIE**

**Accord de coopération économique et technique. Signé à  
Moscou, le 26 mai 1967**

*Textes officiels russe et anglais.*

*Enregistré par l'Union des Républiques socialistes soviétiques le 20 août 1968.*

No. 9191. AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE GOVERNMENT OF THE REPUBLIC OF ZAMBIA ON ECONOMIC AND TECHNICAL CO-OPERATION. SIGNED AT MOSCOW, ON 26 MAY 1967

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The Government of the Union of Soviet Socialist Republics and the Government of the Republic of Zambia,

Proceeding from friendly relations existing between the Union of Soviet Socialist Republics and the Republic of Zambia, and

Guided by mutual desire for establishing and developing economic and technical co-operation based on the principles of equality, non-interference in the internal affairs and full respect for national dignity and sovereignty of both countries,

Have agreed as follows :

*Article 1*

The Government of the Union of Soviet Socialist Republics meeting the wishes of the Government of the Republic of Zambia through the relevant Soviet Organizations shall :

—render, for the purposes of rural electrification in the Republic of Zambia, technical assistance in construction of four Diesel power stations (three 375 kW Diesel power stations in the townships of Balowale, Mwinilunga and Kasempa and one 500 kW Diesel power station in the township of Kabompo);

—render technical assistance in equipping the Schools of Medicine and Engineering at the University of Zambia with such laboratory and other equipment required for training purposes as may be specified by the competent Organizations of the Parties and ensure assignment of the Soviet professors and teachers, ten persons in number, to work at the above Schools (five specialists per each School concerned), their specialities and periods of their stay to be agreed upon by the competent Organizations of the Parties. It is understood hereby that one person from among the said number of the specialists shall be experienced and qualified enough to be appointed Dean of the School of Medicine;

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<sup>1</sup> Came into force provisionally on 26 May 1967 by signature, and definitively on 8 January 1968 by the exchange of the instruments of ratification, which took place at Lusaka, in accordance with article 12.

—deliver road building machines and equipment in the scope to be agreed upon by the competent Organizations of the Parties as well as ensure sending Soviet specialists both to operate the above machines and equipment and to render assistance in road building.

## *Article 2*

1. The competent Soviet Organizations shall :

a) in pursuance of effecting technical assistance in construction of the power stations as per Article 1 hereof :

—carry out survey and designing works required for the construction;

—deliver from the USSR equipment, building machinery and materials which are not available in the Republic of Zambia;

—assign Soviet specialists to the Republic of Zambia for rendering assistance to the Zambian Organizations in selection of construction sites, in collection of initial data, required for designing, in the preparation of memoranda of instructions, in the provision of the designer's supervision and consultations in the course of construction, erection, adjustment and putting the equipment into operation;

b) for equipping the Schools of Medicine and Engineering :

—deliver from the USSR such laboratory and other equipment, required for training purposes, as may be specified by the competent Organizations of the Parties;

—at the request of the Government of the Republic of Zambia, assign Soviet specialists for giving consultations to the Zambian Organizations on the planning of the laboratory premises and study rooms of the Schools, collection of the initial data for working out the equipment specifications, co-ordination of the equipment specifications worked out by the Soviet Organizations and for rendering technical assistance in carrying out start up and adjustment works of the equipment delivered from the USSR;

c) for rendering technical assistance in training the national personnel for work at the projects to be constructed and equipped with technical assistance from the Soviet Union, assign to the Republic of Zambia Soviet specialists-instructors.

2. The Government of the Republic of Zambia through appropriate Zambian Organizations shall ensure :

—handing over to the Soviet Organizations the memoranda of instructions preliminarily agreed with them and the initial data available with the Zambian Party, required for designing of the construction of the power stations as per

Article 1 hereof as well as co-operation with the Soviet Organizations in collection and preparation of other necessary materials;

—consideration and approval of the project reports within the shortest possible time from the date of their submission by the Soviet Organizations;

—consideration and signing within the shortest possible time of the contracts submitted by the relevant Soviet Organizations;

—carrying out the construction and erection works for the projects stipulated in this Agreement, including provision with labour, local building materials, electric power, water, transport facilities and necessary auxiliary services, building of access roads and other communication lines to the construction site.

### *Article 3*

For the purpose of rendering economic assistance to the Republic of Zambia :

1. The Government of the Union of Soviet Socialist Republics shall :

(a) extend to the Government of the Republic of Zambia a credit to the amount of up to 5 (five) million roubles (1 rouble contains 0.987412 grams of fine gold) bearing the interest of 2.5 per cent per year in payment for :

—survey and designing works to be carried out by the Soviet Organizations for construction of the power stations as per Article 1 hereof;

—deliveries from the USSR to the Republic of Zambia c.i.f. port Dar-es-Salaam, Tanzania or any other port stipulated in the contract, of the equipment, building machinery and materials for constructing the above power stations and equipping the Schools of Medicine and Engineering;

—expenses connected with assigning Soviet specialists to the Republic of Zambia for rendering technical assistance in construction of the power stations and provision of equipment for the Schools of Medicine and Engineering except for the expenses within the territory of the Republic of Zambia to be paid by the Zambian Party in pounds sterling;

(b) agrees to accept as a partial compensation of expenses connected with assigning the professors and teachers to Zambia to work at the University 50 per cent of the basic salary together with the contract and child allowances payable by the University of Zambia to the expatriate professors and teachers as well as to reimburse to the Zambian party 3.75 per cent of the above basic salary for the provision of the furnished accommodation together with public utilities to the professors and teachers and 2.5 per cent of the above basic salary for medical services including hospitalization.

The Zambian Party agrees to pay in full the installation grant as well as to fully cover the travelling costs for the Soviet professors and teachers and members of their families on their passage from the USSR to Zambia and back together with costs of their luggage transportation at the beginning of the contract and upon its expiration as payable to the expatriate professors and teachers.

2. The competent Soviet Organizations shall grant to the corresponding Zambian Organizations deferment of payment up to 8 years for road building machinery and equipment to be delivered as per Article 1 of this Agreement. The payment for the said machinery and equipment at the rate of interest being 3.5 per cent per year on the unpaid part shall be effected by the Zambian Party in pounds sterling.

The specific time and other conditions of granting the deferment of payments shall be specified by the competent Organizations of the Parties when concluding the contracts.

#### *Article 4*

The Government of the Republic of Zambia shall repay the credit extended in accordance with Article 3 hereof separately for each project within twelve years by equal annual installments beginning after a year upon finalizing deliveries of complete equipment, building machinery and materials for each of the Diesel power stations and of laboratory and other equipment for each of the University Schools.

Interest on the credit shall be accrued from the date of utilizing the corresponding portion of the credit and paid within the first quarter of the year following the year for which it is accrued. The final payment of interest shall be effected simultaneously with the final installment in repayment of the principal.

The date of the On Board Bill of Lading for each shipment shall be considered as the date of utilizing the corresponding portion of the credit for payment for equipment and materials, while the date of the invoice shall be considered as the date of utilizing the corresponding portion of the credit for payment for designing and research work as well as for other kinds of technical assistance provided they are charged against credit.

The date of the Bill of Lading for shipment of the final consignment of equipment stipulated by the Contract shall be considered as the date of finalizing deliveries of complete equipment for each Diesel power station and for each University School.

Finalization of deliveries of complete equipment for each project shall be certified by an appropriate letter of the supplier.

*Article 5*

With a view to creation of favourable conditions for the fulfilment of this Agreement and without prejudice to the stipulations of Para. I (b), Article 3 of this Agreement the Zambian Party shall;

—provide free of charge the Soviet personnel (other than the professors and teachers to be assigned for the University of Zambia) to be sent to the Republic of Zambia in accordance with this Agreement with furnished accommodation including necessary public utilities, medical services and transport facilities to make official trips within the Republic of Zambia.

—ensure the fulfilment of all customs formalities, receipt of necessary import licences as well as payment, when required, of any customs duties and other charges which may be imposed on the equipment, building machinery and materials supplied from the USSR, the unloading of these from sea vessels at its own expense, transportation from the port to the construction site, storage at the construction sites as well as their insurance coverage from the port of unloading to the construction sites of projects in the Republic of Zambia;

—provide for the timely issue of visas to the Soviet personnel to be sent to the Republic of Zambia under this Agreement, upon the receipt of a notification indicating their names and other information required for the issue of visas.

*Article 6*

For the purpose of keeping record of the utilization and repayment of the credit extended by the Government of the USSR to the Government of the Republic of Zambia in accordance with Article 3 of this Agreement and payment of interest accrued thereon, the State Bank of the USSR or, on its authorization, the Bank for Foreign Trade of the USSR and the Ministry of Finance of the Republic of Zambia shall jointly establish an appropriate technical procedure of keeping the accounts and settlement of the credit in roubles.

*Article 7*

In the event of change of Rouble's gold parity referred to in Article 3 of this Agreement the State Bank of the USSR or, on its authorization, the Bank for Foreign Trade of the USSR and the Ministry of Finance of the Republic of Zambia shall carry out the recalculation of balances remaining on the credit accounts as per Article 6 of this Agreement, as on the day of Rouble's gold parity change in proportion corresponding to this change. Similarly the amount of the unutilized credit shall be recalculated.

*Article 8*

Repayment of the credit and payment of interest accrued thereon shall be effected by the Government of the Republic of Zambia by way of setting down the corresponding amounts in pounds sterling to a separate account which shall be opened at a Bank in Zambia, approved and guaranteed by the Ministry of Finance of the Republic of Zambia, in the name of the State Bank of the USSR or, on its authorization, in the name of the Bank for Foreign Trade of the USSR.

The amounts set down to this account may be utilized by Soviet Organizations for purchasing at the world market prices in the Republic of Zambia of copper and other commodities being of interest to the Soviet Organizations.

The recalculation of roubles into pounds sterling shall be effected proceeding from the gold parity of Rouble and Pound Sterling as on the day of payment.

If the Zambian Party will not provide the abovementioned goods for the purchase by Soviet foreign trade Organizations, then, upon the expiration of a six-month term from the date of setting down the respective amounts to the separate account opened at a Bank in Zambia as above according to his Article, the remaining unutilized amounts shall be transferred on the instruction of the State Bank of the USSR or the Bank for Foreign Trade of the USSR to the corresponding accounts in third countries. The recalculation of the unutilized amounts in pounds sterling into other freely convertible currency shall be effected proceeding from the gold parity of these currencies as on the day of this conversion.

In the event of change of the gold parity of Pound Sterling which at present is equal to 2.48828 grams of fine gold, the balance of the abovementioned separate account at a Bank in Zambia as above shall be recalculated in proportion to the change occurred.

The Parties shall issue import and export licences if and when required in accordance with legislation and rules in force in the territory of each of the Parties concerned. The terms on which the licences shall be issued shall not be less favourable than those on which they are issued to any third country.

The same treatment shall be accorded to the imports and exports of commodities as regards customs duties, taxes and levies with reference to the manner of collection and to the regulations and procedures applicable to the commodities concerned when being cleared through customs.

*Article 9*

The Government of the Republic of Zambia, in accordance with Para. I (a), Article 3 of this Agreement, shall reimburse the Soviet Party for the expenses incurred by Soviet Organizations for the upkeep of Soviet specialists in the Republic of Zambia assigned under this Agreement, by way of setting down the

relevant amounts in pounds sterling to the separate account stipulated in Article 8 of this Agreement.

#### *Article 10*

Fulfilment of survey and designing works, supply of equipment, machinery and materials, assignment of Soviet specialists to the Republic of Zambia, as well as provision of other kinds of technical assistance as stipulated by this Agreement shall be effected on the basis of contracts subject to the conclusion between competent Soviet and Zambian Organizations.

The contracts shall stipulate the nomenclature, scope, times, prices (determined on the basis of world market prices), rates of indemnity for the work of Soviet specialists, guaranties and other terms and conditions of meeting liabilities by the Parties under this Agreement.

#### *Article 11*

The Soviet Organizations shall, if required by the Zambian authorities, render assistance to the Zambian Organizations in operation of the projects as per this Agreement. For this purpose Soviet specialists shall be assigned as well as completing articles, materials, spare parts and replaceable equipment supplied to the Republic of Zambia.

Expenses incurred by Soviet Organizations in connection with rendering this technical assistance shall be paid in pounds sterling by the Zambian Party.

#### *Article 12*

Representatives of the Parties shall meet not less than once a year at the proposal of one of the Parties for the purpose of reviewing the progress of implementation of this Agreement and preparation, if regarded necessary, of the appropriate recommendations. These recommendations shall be submitted for the consideration of the Governments of the contracting Parties.

The above meetings shall be held either in Moscow or Lusaka, as may be agreed between the Parties.

This Agreement shall come into force provisionally on the day of its signing and finally—on the day of exchanging the instruments of ratification which will take place in Lusaka in the shortest time possible.

DONE in Moscow, on May 26, 1967, in two original copies each in Russian and English, both texts being equally authentic.

On behalf of the Government  
of the Union of Soviet Socialist  
Republics :

АРХИПОВ [АРКHIPOB]

On behalf of the Government  
of the Republic of Zambia :

A. WINA