

No. 16622

**UNITED STATES OF AMERICA
and
ZAIRE**

Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed or insured by the United States Government and its agencies (with annexes). Signed at Washington on 17 June 1977

Authentic texts: English and French.

Registered by the United States of America on 27 April 1978.

**ÉTATS-UNIS D'AMÉRIQUE
et
ZAÏRE**

Accord concernant la consolidation et le rééchelonnement de certaines dettes relatives aux crédits consentis, garantis ou assurés par le Gouvernement des États-Unis et ses institutions (avec annexes). Signé à Washington le 17 juin 1977

Textes authentiques : anglais et français.

Enregistré par les États-Unis d'Amérique le 27 avril 1978.

AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF ZAIRE REGARDING THE CONSOLIDATION AND RESCHEDULING OF CERTAIN DEBTS OWED TO, GUARANTEED OR INSURED BY THE UNITED STATES GOVERNMENT AND ITS AGENCIES

The United States of America (the "United States") and the Republic of Zaire ("Zaire") agree as follows:

Article I. APPLICATION OF THE AGREEMENT

1. In accordance with the provisions of the understanding reached on June 16, 1976 (the "Understanding") among representatives of certain nations, including the United States, and agreed to by Zaire, the United States and Zaire hereby agree to consolidate and reschedule certain Zairian debts which are owed to, guaranteed by or insured by the United States or its Agencies, as provided for in this Agreement.

2. This Agreement shall be implemented by separate agreements (the "Implementing Agreements") between Zaire and the United States with respect to P.L. 480 Agreements, and between Zaire and each of the following United States Agencies: the Agency for International Development, the Export-Import Bank of the United States, the Department of Defense, and the Commodity Credit Corporation.

Article II. DEFINITIONS

1. "Original Agreements" means those agreements listed in Annex A.

2. "Consolidated Debt" means eighty-five percent (85%) of the sum of dollar principal and interest payments due from January 1, 1975 through June 30, 1976 and remaining unsettled on June 16, 1976, and eighty-five percent (85%) of the sum of dollar principal payments due from July 1, 1976, through December 31, 1976, in accordance with the respective terms of each of the Original Agreements.

3. "Non-consolidated Debt" means fifteen percent (15%) of the sum of dollar principal and interest payments due from January 1, 1975 through June 30, 1976 and remaining unsettled on June 16, 1976, and fifteen percent (15%) of the sum of dollar principal payments due from July 1, 1976, through December 31, 1976, in accordance with the respective terms of each of the Original Agreements.

4. "Consolidation Period" means the period from January 1, 1975 through December 31, 1976.

5. "Consolidated Interest" means interest on the Consolidated Debt. "Non-consolidated Interest" means interest on the non-consolidated debt. Consolidated Interest and Non-consolidated Interest shall begin to accrue on the respective due dates specified in each of the Original Agreements for each payment of principal or interest which is part of the Consolidated Debt or the Non-consolidated Debt, and shall continue to accrue until the Consolidated Debt or the Non-consolidated Debt, as the case may be, is repaid in full.

6. "Agency" means an agency or instrumentality of the United States.

¹ Came into force on 30 August 1977, the date when the Government of the United States of America notified the Government of Zaire in writing that its domestic laws and regulations had been complied with, in accordance with article V.

Article III. TERMS AND CONDITIONS OF PAYMENT

1. Zaire agrees to repay the Consolidated Debt in United States dollars in accordance with the following terms and conditions:

(a) The Consolidated Debt amounting to \$10.1 million relating to installments of principal and interest due during 1975 and remaining unpaid on June 16, 1976 shall be repaid in fourteen equal semi-annual installments on each January 1 and July 1 commencing on January 1, 1978, with the final installment payable on July 1, 1984. The Consolidated Debt amounting to \$28.9 million relating to installments of principal and interest due from January 1, 1976 through June 30, 1976 and remaining unpaid on June 16, 1976 and installments of principal due from July 1, 1976 through December 31, 1976 shall be repaid in fourteen equal semi-annual installments, commencing on January 1, 1979, with the final installment payable on July 1, 1985.

(b) The Consolidated Interest rate shall be at 3.5 percent per calendar year on the outstanding balance of the Consolidated Debt due to the Agency for International Development and to the United States with respect to P.L. 480 Agreements, and 8.375 percent per calendar year on the outstanding balance of the Consolidated Debt due to, guaranteed by, or insured by the Export-Import Bank of the United States, the Department of Defense, and the Commodity Credit Corporation. All interest shall be payable semi-annually on January 1 and July 1 of each year commencing on July 1, 1977 unless otherwise specified in the respective Implementing Agreements.

(c) A table summarizing the amounts of the Consolidated Debt owed to the United States and each Agency is attached hereto as Annex B.

2. Zaire agrees to repay the Non-consolidated Debt in accordance with the following terms and conditions:

(a) The Non-consolidated Debt amounting to \$5.0 million relating to installments of principal and interest due from January 1, 1975 through June 30, 1976, and remaining unpaid on June 16, 1976, shall be repaid in two equal annual installments of \$2.5 million on July 1, 1977 and July 1, 1978. The Non-consolidated Debt amounting to \$2.0 million relating to installments of principal due from July 1, 1976 to December 31, 1976 shall be repaid in two equal annual installments of \$1.0 million to be paid on July 1, 1977 and July 1, 1978.

(b) The weighted average of the Non-consolidated Interest rate shall be 3.5 percent per calendar year on the outstanding balance of the Non-consolidated Debt due to the Agency for International Development and to the United States with respect to P.L. 480 Agreements, and 8.375 percent per calendar year on the balance of the Non-consolidated Debt due to, guaranteed by, or insured by the Export-Import Bank of the United States, and [the] Department of Defense, and the Commodity Credit Corporation. All interest due shall be payable semi-annually on January 1 and July 1 of each year commencing on July 1, 1977 unless otherwise specified in the respective Implementing Agreements.

(c) A table summarizing the amounts of Non-consolidated Debt owed to the Government of the United States and each agency is attached hereto as Annex C.

3. Zaire agrees to fully discharge payment of contractual interest with respect to debts maturing between July 1, 1976 and December 31, 1976. For this purpose, Zaire will apply, in accordance with the provisions contained in the Understanding reached on June 16, the proceeds of a levy of at least 10 percent on all exports. If the yield of this levy is insufficient to pay the foregoing installments in full on the respective due dates, then, the general foreign exchange receipts of Zaire will be applied to pay the indebtedness in full.

4. It is understood that adjustments may be made in the amounts specified in paragraphs 1 and 2 of this Article by the Implementing Agreements.

Article IV. GENERAL PROVISIONS

1. Zaire agrees to grant the United States and its Agencies, and any other creditor which is party to an Original Agreement, treatment and terms no less favorable than that which may be accorded to any other creditor country for the consolidation of debts covered by the Understanding.

2. Except as they may be modified by this Agreement or subsequent Implementing Agreements, all terms of the Original Agreements remain unchanged.

3. Zaire has already made payments on the consolidated and non-consolidated debt due to the Commodity Credit Corporation from July 1, 1976 through December 31, 1976, and included in this Agreement. The United States agrees that these payments will be credited to future payments owed by the Government of Zaire to the Commodity Credit Corporation and to the United States with respect to P.L. 480 Agreements. Interest credit shall begin as of the first day after the date of receipt of these payments by the Commodity Credit Corporation.

4. The Agency for International Development will confine the rescheduling of its debt to the five direct loans listed in Annex A, provided that the amounts rescheduled by the Agency for International Development are equivalent to the amount due to be rescheduled as set forth in this Agreement. Zaire agrees to pay all arrearages and future sums, as and when due, on Loan HG-001 which will not be rescheduled by the Agency for International Development.

Article V. ENTRY INTO FORCE

This Agreement shall enter into force when the United States notifies Zaire in writing that domestic United States laws and regulations covering debt rescheduling concerning this agreement have been complied with.

DONE at Washington, in duplicate, this 17th day of June 1977, in the English and French languages, each text being equally authentic.

For the United States of America:
[Signed]¹

For the Republic of Zaire:
[Signed]²

A N N E X A

LOAN AGREEMENTS SUBJECT TO RESCHEDULING

EXPORT-IMPORT BANK

<i>Financial Guarantees</i>	<i>Direct Credits</i>
<i>No.</i>	<i>No.</i>
G-2608	—
G-2940	2939
—	2958
G-3186	3185
—	3213
G-4049	4048
G-4401	4400
G-4540, 4601	4539
G-4586	4585
G-4685, 4686	4684
G-4734	4733

¹ Signed by Charles F. Meissner.

² Signed by Kamimbaya.

Medium-Term FCIA Insurance Policy

MT-10016

Medium-Term Commercial Bank Guarantees

G-206-2/B6-9390

G-47-411/B6-9365

Cooperative Financing Facility

Credit 11260

Credit 11520

Credit 12583

P.L. 480

Agreements Dated:

October 3, 1966

December 11, 1967

October 21, 1969

March 15, 1967

May 14, 1969

October 7, 1971

COMMODITY CREDIT CORPORATION

GSM Numbers

11910

12001

12003

12019

11980

12002

12017

DEPARTMENT OF DEFENSE

Direct Loans

721

741

751

761

Guaranty

711

731

AGENCY FOR INTERNATIONAL DEVELOPMENT

Direct Loans

K-002

K-006

H-012

K-003

K-009

Guaranty

HG-001

ANNEX B

SUMMARY OF CONSOLIDATED DEBT*

(Millions of Dollars)

	<i>Principal + Interest Due in 1975 and Remaining Unpaid on 6/16/76</i>	<i>Principal + Interest Due in 1976 and Remaining Unpaid on 6/16/76</i>	<i>Principal Due From 7/1/76 to 12/31/76</i>	<i>Total</i>
Export-Import Bank	8.4	12.9	5.8	27.1
P.L. 480	—	.8	.8	1.6
Commodity Credit Corporation	—	—	1.1	1.1
Department of Defense	1.3	2.5	2.2	6.0
Agency for International Development .....	.4	2.0	.8	3.2
TOTAL	10.1	18.2	10.7	39.0

* Data are rounded, and are subject to revision per Article III, paragraph 4.

ANNEX C

SUMMARY OF NON-CONSOLIDATED DEBT*
(Millions of Dollars)

	<i>Principal + Interest Due 11/1/75 Through 6/30/76 and Remaining Unpaid on June 16, 1976</i>	<i>Principal Due From 7/1/76 to 12/31/76</i>	<i>Total</i>
Export-Import Bank	3.8	1.0	4.8
P.L. 480 .....	.1	.2	.3
Commodity Credit Corporation	—	.2	.2
Department of Defense .....	.7	.4	1.1
Agency for International Development .....	.4	.2	.6
TOTAL	5.0	2.0	7.0

* Data are rounded, and are subject to revision per Article III, paragraph 4.