

**No. 20220**

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**FEDERAL REPUBLIC OF GERMANY  
and  
ZAMBIA**

**Agreement concerning financial co-operation (with annex).  
Signed at Lusaka on 26 October 1978**

*Authentic texts: German and English.*

*Registered by the Federal Republic of Germany on 31 July 1981.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
ZAMBIE**

**Accord de coopération financière (avec annexe). Signé à  
Lusaka le 26 octobre 1978**

*Textes authentiques : allemand et anglais.*

*Enregistré par la République fédérale d'Allemagne le 31 juillet 1981.*

## AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE REPUBLIC OF ZAMBIA AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING FINANCIAL CO-OPERATION

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The Government of the Republic of Zambia and the Government of the Federal Republic of Germany,

In the spirit of the friendly relations existing between the Republic of Zambia and the Federal Republic of Germany,

Desiring to strengthen and intensify those friendly relations by fruitful co-operation in the field of development assistance,

Aware that the maintenance of those relations constitutes the basis of the present Agreement,

Intending to contribute to economic and social development in the Republic of Zambia,

Have agreed as follows:

*Article 1.* The Government of the Federal Republic of Germany shall enable the Government of the Republic of Zambia to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, a loan up to DM 20,000,000 (twenty million deutsche mark) to meet foreign exchange costs resulting from the purchase of goods and services to cover current civilian requirements and to meet the foreign exchange and local currency costs of transport, insurance and assembly arising in connection with the importation of goods financed under the present Agreement. Of this amount, DM 12,000,000 (twelve million deutsche mark) are intended for the Maamba Coal Mine, especially for the purchase of machinery and equipment. These supplies and services must be such as are covered by the list annexed to the present Agreement and for which supply or service contracts have been concluded after 1 January, 1978.

*Article 2.* The utilization of the loan as well as the terms and conditions on which it is granted shall be governed by the provisions of the agreements to be concluded between the borrower and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

*Article 3.* The Government of the Republic of Zambia shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Republic of Zambia at the time of the conclusion, or during the implementation, of the agreements referred to in Article 2 of the present Agreement.

*Article 4.* The Government of the Republic of Zambia shall allow passengers and suppliers free choice of transport enterprises for such transportation by sea or air of persons and goods as results from the granting of the loan, abstain from taking any measures that might exclude or impair the participation on equal terms of transport enterprises having their place of business in the German area of application

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<sup>1</sup> Came into force on 26 October 1978 by signature, in accordance with article 7.

of the present Agreement, and grant permits as required for the participation of such enterprises.

*Article 5.* With regard to supplies and services resulting from the granting of the loan, the Government of the Federal Republic of Germany attaches particular importance to preferential use being made of the economic potential of Land Berlin.

*Article 6.* With the exception of those provisions of Article 4 which refer to air transport, this Agreement shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany does not make a contrary declaration to the Government of the Republic of Zambia within three months of the date of entry into force of this Agreement.

*Article 7.* The present Agreement shall enter into force on the date of signature thereof.

DONE at Lusaka on 26th October 1978, in duplicate in the English and German languages, both texts being equally authentic.

For the Government  
of the Republic of Zambia:

[Signed — Signé]<sup>1</sup>

For the Government  
of the Federal Republic of Germany:

[Signed — Signé]<sup>2</sup>

ANNEX TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC  
OF ZAMBIA AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GER-  
MANY CONCERNING FINANCIAL CO-OPERATION

List of goods and services eligible for financing from the loan up to a total value of DM 20,000,000 (twenty million deutsche mark) under Article 1 of the Agreement of 26th October 1978:

- (a) Industrial raw and auxiliary materials as well as semi-manufactures,
- (b) Industrial equipment as well as agricultural machinery and implements,
- (c) Spare parts and accessories of all kinds,
- (d) Chemical products, in particular fertilizers, plant protection agents, pesticides, medicines,
- (e) Other industrial products of importance for the development of the Republic of Zambia,
- (f) Advisory services and licence fees.

Imports not included in the above list may only be financed with the prior approval of the Government of the Federal Republic of Germany.

The importation of consumer goods for personal needs, especially luxury goods, as well as any goods and facilities serving military purposes, may not be financed from the loan.

<sup>1</sup> Signed by J. M. Mwanakatwe — Signé par J. M. Mwanakatwe.

<sup>2</sup> Signed by W. Dufner — Signé par W. Dufner.