

No. 20221

**FEDERAL REPUBLIC OF GERMANY
and
ZAMBIA**

**Agreement concerning financial co-operation (with annex).
Signed at Lusaka on 3 August 1979**

Authentic texts: German and English.

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

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
ZAMBIE**

**Accord de coopération financière (avec annexe). Signé à
Lusaka le 3 août 1979**

Textes authentiques : allemand et anglais.

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

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE REPUBLIC OF ZAMBIA AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING FINANCIAL CO-OPERATION

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 through financial co-operation in a spirit of partnership,

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

Intending to contribute to social and economic development in Zambia,

Have agreed as follows:

Article 1. (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, loans up to DM 29,600,000 (twenty-nine million six hundred thousand deutsche mark):

- (a) Up to DM 20,000,000 (twenty million deutsche mark) as programme-specific commodity aid, namely, the supply of locomotives and spare parts, if, after examination, the project has been found eligible for promotion, and
- (b) Up to DM 9,600,000 (nine million six hundred thousand deutsche mark) to meet foreign exchange costs resulting from the purchase of goods and services to cover current civilian requirements, and to meet foreign exchange and local currency costs of transport, insurance and assembly arising in connection with the importation of goods financed under the present Agreement. 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 the entry into force of the loan agreement to be concluded pursuant to Article 2 of the present Agreement.

(2) The project referred to in paragraph 1 (a) above may be replaced by other projects if the Government of the Republic of Zambia and the Government of the Federal Republic of Germany so agree.

Article 2. The utilization of the loans as well as the terms and conditions on which they are 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

¹ Came into force on 3 August 1979 by signature, in accordance with article 8.

Republic of Zambia in connection with the conclusion and implementation of the agreements to be concluded pursuant to 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 loans, abstain from taking any measures that might exclude or impair the participation of transport enterprises having their place of business in the German area of application of this Agreement, and grant any necessary permits for the participation of such enterprises.

Article 5. Supplies and services for projects financed from the loan pursuant to Article 1 (1)(a) shall, unless otherwise provided for in individual cases, be subject to public tender restricted to the German area of application of this Agreement.

Article 6. With regard to supplies and services resulting from the granting of the loans, the Government of the Federal Republic of Germany attaches particular importance to preferential use being made of the economic potential of Land Berlin.

Article 7. 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 8. This Agreement shall enter into force on the date of signature thereof.

DONE at [Lusaka] on [3 August 1979] in duplicate in the English and German languages, both texts being equally authentic.

For the Government
of the Republic of Zambia:

[Signed — Signé]¹

For the Government
of the Federal Republic of Germany:

[Signed — Signé]²

¹ Signed by J. M. Lumina — Signé par J. M. Lumina.

² Signed by W. Dufner — Signé par W. Dufner.

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

1. List of goods and services eligible for financing from the loan under Article 1 (1)(b) of the Agreement of

Teleprinters	DM 2.3 million
Airport equipment	DM 1.8 million
Moulds for Norgroup Plastics Ltd.	DM 0.2 million
Nail-making machines for LENCO	DM 0.2 million
Equipment for the Department of Geological Survey	DM 0.5 million
Vehicles for Supa-Baking Co. Ltd.	DM 1.0 million
Spare parts for Zambezi Saw Mills Ltd.	DM 0.1 million
Mining explosives for Kafironda Ltd.	DM 1.1 million
Equipment for Central Statistical Office	DM 0.2 million
Workshop equipment and spare parts for the new National Transport Organization (NTC)	DM 2.2 million
	<u>DM 9.6 million</u>
	TOTAL

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

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