

No. 23294

**FEDERAL REPUBLIC OF GERMANY
and
ZAMBIA**

Agreement concerning financial co-operation—*Loans for various projects.* Signed at Bonn on 13 September 1983

Authentic texts: German and English.

Registered by the Federal Republic of Germany on 19 March 1985.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
ZAMBIE**

Accord de coopération financière — *Prêts pour projets divers.* Signé à Bonn le 13 septembre 1983

Textes authentiques : allemand et anglais.

Enregistré par la République fédérale d'Allemagne le 19 mars 1985.

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 the Republic of Zambia,

With reference to the negotiations from 10 to 12 June 1981 and the Minutes of 12 June 1981,

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 obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, loans up to a total of DM 49,000,000 (forty-nine million Deutsche Mark) pursuant to paragraphs 2 and 3 below if, after examination, the individual projects have been found eligible for promotion.

(2) The total amount of DM 49,000,000 referred to in paragraph 1 above shall be used as follows:

- (a) Up to six million Deutsche Mark for the project "Rural Water Supplies" (I);
- (b) Up to ten million Deutsche Mark for the project "Construction of decentralized grain silos";
- (c) Up to six million Deutsche Mark for the project "Rural access roads" (II);
- (d) Up to two million Deutsche Mark for the project "Promotion of small and medium scale industries";
- (e) Up to twenty-two million Deutsche Mark for the project "Improvement of the M 8 Mutanda-Zambezi road";
- (f) Up to three million Deutsche Mark for the project "Water supplies Chipata".

(3) The projects referred to in paragraph 2 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.

(4) The Agreement shall also apply if, at a later date, the Government of the Federal Republic of Germany enables the Government of the Republic of Zambia to obtain from the Kreditanstalt für Wiederaufbau further loans or financial contribu-

¹ Came into force on 13 September 1983 by signature, in accordance with article 8.

tions for attendant measures required for the implementation and support of the projects referred to in paragraph 2 above.

(5) Financial contributions for attendant measures pursuant to paragraph 4 above shall be converted into loans in the event that they are not used for such measures.

Article 2. The utilization of the amounts referred to in article 1 (2) of this Agreement as well as the terms and conditions on which they are made available shall be governed by the provisions of the agreements to be concluded between the recipients of the loans 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 in connection with the conclusion and 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 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. The procedure to be followed in awarding the contracts for the implementation of the projects referred to in article 1 (2) of this Agreement shall be determined in the loan agreements to be concluded between the borrowers and the Kreditanstalt für Wiederaufbau.

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 Bonn on 13th September 1983 in two originals 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 L.K.H. Goma — Signé par L.K.H. Goma.

² Signed by Lautenschlager — Signé par Lautenschlager.