

No. 24449

FEDERAL REPUBLIC OF GERMANY
and
ZAMBIA

**Agreement concerning financial co-operation. Signed at
Lusaka on 9 December 1985**

Authentic texts: German and English.

Registered by the Federal Republic of Germany on 12 November 1986.

RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
ZAMBIE

Accord de coopération financière. Signé à Lusaka le 9 décembre 1985

Textes authentiques : allemand et anglais.

Enregistré par la République fédérale d'Allemagne le 12 novembre 1986.

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 obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, a loan of up to DM 68,000,000 (sixty-eight million Deutsche Mark) for the project "Rehabilitation of Nitrogen Chemicals of Zambia (NCZ), Kafue" if, after examination, the project has been found eligible for promotion. The total amount of up to DM 68,000,000 shall derive from the following sources:

- (a) Up to DM 4,400,000 (four million four hundred thousand Deutsche Mark) in residual funds from the loan of up to DM 15,500,000 (fifteen million five hundred thousand Deutsche Mark) originally earmarked for the financing of the project "Development of telecommunications in the North-Western Province" pursuant to the Agreement of 21 December 1979² and the Arrangement of 2 July/21 August 1980³;
- (b) Up to DM 5,000,000 (five million Deutsche Mark) from the 1981 pledge⁴ destined for the project "Development of telecommunications in the North-Western Province";
- (c) Up to DM 10,000,000 (ten million Deutsche Mark) from the 1981 pledge destined for the project "Kitwe maize mill";

¹ Came into force on 9 December 1985 by signature, in accordance with article 7.

² United Nations, *Treaty Series*, vol. 1243, p. 147.

³ *Ibid.*, vol. 1303, p. 419.

⁴ The 1981 pledges referred to in articles 1 (b), (c), (g) and (i) of the Agreement were effected by four "project arrangements" as provided for in article 1 (2) of the Agreement of 11 June 1981 regarding technical co-operation. (Information provided by the Government of the Federal Republic of Germany. For the text of the Agreement of 11 June 1981 regarding technical co-operation, see United Nations, *Treaty Series*, vol. 1338, p. 155.)

- (d) Up to DM 2,000,000 (two million Deutsche Mark) pledged under Article 1 (2) (d) of the Agreement of 13 September 1983¹ to finance the project "Small-scale industries";
- (e) Up to DM 10,000,000 (ten million Deutsche Mark) pledged under Article 1 (2) (b) of the Agreement of 13 September 1983 to finance the project "Setting up of decentralized grain silos";
- (f) Up to DM 14,000,000 (fourteen million Deutsche Mark) pledged under Article 1 (2) (a) of the Agreement of 9 August 1984 to finance the project "Agricultural regional development project Gwembe valley";
- (g) Up to DM 10,000,000 (ten million Deutsche Mark) from the 1981 pledge destined for the project "Credit line for the Development Bank of Zambia";
- (h) Up to DM 600,000 (six hundred thousand Deutsche Mark) from the loan of up to DM 6,000,000 (six million Deutsche Mark) originally earmarked for the financing of the project "Feeder road programme in the North-Western Province II" under Article 1 (2) (c) of the Agreement of 13 September 1983;
- (i) Up to DM 12,000,000 (twelve million Deutsche Mark) from the 1981 pledge destined for the project "General commodity aid X".

(2) This 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, Frankfurt/Main, further loans or financial contributions for the preparation of the project "Rehabilitation of Nitrogen Chemicals of Zambia (NCZ), Kafue" or further financial contributions for attendant measures required for its implementation and support.

(3) The project referred to in paragraph 1 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.

Financial contributions for attendant measures pursuant to paragraphs 1 and 2 above shall be converted into loans in the event that they are not used for such measures.

Article 2. The utilization of the total amount referred to in Article 1 of this Agreement and the terms and conditions on which it is made available, as well as the procedure for awarding contracts, shall be governed by the provisions of the agreements to be concluded between the recipient of the loan 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 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 loan, 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

¹ United Nations, *Treaty Series*, vol 1392, p. 55.

application of this Agreement, and grant any necessary permits 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. This Agreement shall enter into force on the date of signature thereof.

DONE at Lusaka on 9 December 1985 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

[Signed — Signé]³

¹ Signed by Mwananshiku — Signé par Mwananshiku.

² Signed by Klaus Timmermann — Signé par Klaus Timmermann.

³ Signed by Volkmar Köhler — Signé par Volkmar Köhler.