

**No. 26079**

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**FEDERAL REPUBLIC OF GERMANY  
and  
ZAMBIA**

**Agreement concerning financial cooperation (with annex).  
Signed at Lusaka on 4 September 1986**

*Authentic texts: German and English.*

*Registered by the Federal Republic of Germany on 19 July 1988.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
ZAMBIE**

**Accord de coopération financière (avec annexe). Signé à Lu-  
saka le 4 septembre 1986**

*Textes authentiques : allemand et anglais.*

*Enregistré par la République fédérale d'Allemagne le 19 juillet 1988.*

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

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

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

Desiring to strengthen and intensify those friendly relations through financial cooperation 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 of 9 to 11 December 1985 and to item 8.1.1 of the Minutes of 11 December 1985,

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 (General Commodity Aid) of 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 foreign exchange and local currency costs of transport, insurance and assembly arising in connection with the importation of goods financed under this Agreement.

(2) The supplies and services must be such as are covered by the list annexed to this Agreement and for which supply or service contracts have been concluded after 1 January 1986.

(3) Of the amount referred to in paragraph 1 above, DM 4,000,000 (four million deutsche mark) shall be taken from the promotion funds allocated to the project Rural Feeder Road Programme II pursuant to Article 1 (2) (c) of the Agreement of 13 September 1983,<sup>2</sup> which Agreement is amended to that effect by the present Agreement.

### *Article 2*

The utilization of the amount referred to in Article 1 (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 agreement to be

<sup>1</sup> Came into force on 4 September 1986 by signature, in accordance with article 7.

<sup>2</sup> United Nations, *Treaty Series*, vol. 1392, p. 63.

concluded between the recipient of the loan and the Kreditanstalt für Wiederaufbau, which agreement 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 agreement 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 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 4 September 1986, in duplicate in the German and English languages, both texts being equally authentic.

For the Government  
of the Federal Republic  
of Germany:

[Signed — Signé]<sup>1</sup>

For the Government  
of the Republic of Zambia:

[Signed — Signé]<sup>2</sup>

<sup>1</sup> Signed by Dr. Klaus Timmermann — Signé par Klaus Timmermann.

<sup>2</sup> Signed by J. Mtonga — Signé par J. Mtonga.

ANNEX TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE REPUBLIC OF ZAMBIA CONCERNING FINANCIAL COOPERATION

1. List of goods and services eligible for financing from the loan under Article 1 of the intergovernmental Agreement:

- 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 plant protection agents, pesticides and medicaments.

The goods and services shall be procured from the Federal Republic of Germany, unless other arrangements are authorized under the loan agreement to be concluded pursuant to Article 2 of the intergovernmental Agreement.

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.

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