

**No. 30015**

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**DENMARK  
and  
ZAMBIA**

**Exchange of letters constituting an agreement concerning a Danish contribution to the Open General License System of Zambia. Lusaka, 23 and 30 September and 28 October 1992**

*Authentic text: English.*

*Registered by Denmark on 24 May 1993.*

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**DANEMARK  
et  
ZAMBIE**

**Échange de lettres constituant un accord relatif à une contribution danoise pour le système ouvert de licence générale de Zambie. Lusaka, 23 et 30 septembre et 28 octobre 1992**

*Texte authentique : anglais.*

*Enregistré par le Danemark le 24 mai 1993.*

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT<sup>1</sup>  
BETWEEN DENMARK AND ZAMBIA CONCERNING A DANISH  
CONTRIBUTION TO THE OPEN GENERAL LICENSE SYSTEM  
OF ZAMBIA

I

23 September 1992

104.Zam.1/8

Dear Mr. Mung'omba,

*Re:* Support to Zambia's OGL-system

I have the pleasure to inform you that it is the wish of the Government of Denmark to support the implementation of Zambia's structural adjustment programme. Accordingly — on request by the Government — the Finance Committee of the Danish Parliament has approved an allocation for the Open General License System of Zambia within a maximum of DKK 40,000,000 (forty million) of which amount DKK 20 million will be disbursed in 1992, and the remaining DKK 20 million in 1993.

The Government of Denmark finds it desirable that the above-mentioned contributions be canalized through the World Bank as co-financing of the World Bank's Economic Recovery Credit for Zambia, and an agreement between the Bank and Denmark will be entered into on the usual terms.

The Embassy kindly requests your agreement to the above proposal. If so, the present letter and your reply can form an agreement between Denmark and Zambia on the Danish contribution of DKK 40 million to the Open General License System of Zambia.

Yours sincerely,

HENNING MELCHIOR  
Chargé d'affaires e. p.

Hon. Dean N. Mung'omba  
Deputy Minister, Economic Affairs  
Office of the President  
Lusaka

<sup>1</sup> Came into force on 29 December 1992, i.e., the date of entry into force of the Agreement of 29 December 1992 for the administration of certain funds to be made available by the Government of the Kingdom of Denmark to the Republic of Zambia in conjunction with the privatization and industrial reform credit.\*

\* See p. 289 of this volume.

## II

REPUBLIC OF ZAMBIA  
OFFICE OF THE DEPUTY MINISTER  
NATIONAL COMMISSION FOR DEVELOPMENT PLANNING  
LUSAKA

30th September, 1992

Dear Mr. Melchior,

*Support to Zambia's OGL system*

I have the honour to refer to your letter 104. Zam 1/8 of 23rd September, 1992 advising us of your Government's readiness to provide DKK 40 million for the Open General Licencing System. We also understand that of the DKK 40 million, DKK 20 million is ready to be disbursed in 1992.

I would like to confirm our acceptance of the co-financing arrangement with the World Bank. However, we wish to request your Government's consideration to maintain some flexibility in terms flexibility would be maintained if disbursements were made on the basis of Zambia's economic restructuring programme being on course. The World Bank and IMF could provide a letter of comfort to the Danish authorities prior to the disbursements.

Furthermore, I have the honour to avail myself of the opportunity to express on behalf of the Government of the Republic of Zambia our appreciation of the timely support the Government of Denmark has extended to Zambia.

Yours sincerely,

D. N. MUNG'OMBA MP  
Deputy Minister  
Planning and Development Cooperation  
Office of the President

Mr. Henning Melchior  
Chargé d'Affaires e. p.  
Royal Danish Embassy  
Lusaka

## III

REPUBLIC OF ZAMBIA  
OFFICE OF THE PRESIDENT  
NATIONAL COMMISSION FOR DEVELOPMENT PLANNING  
LUSAKA

28th October, 1992

NCDP 101/9/19

Your Excellency,

*Re:* Support to Zambia's OGL system

Further to my letter of 30th September, 1992 I wish to inform you that the Government of Zambia is agreeable to the proposal that the 1992 tranche (DK 20 million) of the overall 1992/1993 allocation for OGL support of DK 40 million will be co-financed with the Second Tranche of the World Bank's Privatization and Industrial Reform Credit (PIRC).

As you know, the PIRC was approved by IDA's Board of Directors earlier this year, and a First Tranche of U.S \$100 million has already been released to the Government of Zambia. We expect to fully meet the conditions pertaining to the Second Tranche so that the release of the PIRC's Second Tranche is counted on for early December, 1992.

In the light of the foregoing, I would like to request you to contact the World Bank as early as possible, so that arrangements may be worked out for the release of the DK 20 million in early December, 1992, simultaneously with the Second Tranche of the PIRC.

Please accept, Your Excellency, the assurances of my highest consideration.

DEAN N. MUNG'OMBA, MP  
Deputy Minister  
Planning and Development Cooperation  
Office of the President  
Lusaka

His Excellency  
Mr. Henning Melchior  
Chargé d'Affaires e.p.  
Royal Danish Embassy  
Lusaka