

No. 53396*

**South Africa
and
Zimbabwe**

**Memorandum of Understanding between the Government of the Republic of South Africa
and the Government of the Republic of Zimbabwe on economic and trade co-operation.
Pretoria, 8 April 2015**

Entry into force: *8 April 2015 by signature, in accordance with article 13*

Authentic text: *English*

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**Afrique du Sud
et
Zimbabwe**

**Mémorandum d'accord entre le Gouvernement de la République sud-africaine et le
Gouvernement de la République du Zimbabwe relatif à la coopération économique et
commerciale. Pretoria, 8 avril 2015**

Entrée en vigueur : *8 avril 2015 par signature, conformément à l'article 13*

Texte authentique : *anglais*

Enregistrement auprès du Secrétariat des Nations Unies : *Afrique du Sud, 14 janvier 2016*

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[ENGLISH TEXT – TEXTE ANGLAIS]

MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE GOVERNMENT OF THE
REPUBLIC OF SOUTH AFRICA**

AND

**THE GOVERNMENT OF THE
REPUBLIC OF ZIMBABWE**

ON

ECONOMIC AND TRADE CO-OPERATION

PREAMBLE

WHEREAS the Government of the Republic of South Africa and the Government of the Republic of Zimbabwe, (hereinafter jointly referred to as the “Parties” and in singular as a “Party”);

BASED on regular meetings and high level consultations between the Heads of State and bilateral meetings between the Ministers of Trade and Industry of both countries;

DESIRING to further strengthen and deepen the friendly relations, which prevail between the Republic of Zimbabwe and the Republic of South Africa;

COGNISANT of the significant economic challenges and opportunities arising from and consequential to bilateral relations between the two countries within the broad framework of the New Partnership for Africa's Development (NEPAD) and taking into account the emerging new global order;

MINDFUL that the dynamic trade relationship desired by the Parties’ call for co-operation across a whole range of economic activities that fall within the ambit of the Southern African Development Community (SADC) Protocol on Trade and this Memorandum Of Understanding (thereinafter referred to as the MOU) seeks to contribute to the deepening of regional economic integration;

DETERMINED to find new approaches and strategies of consolidating, expanding and deepening areas of economic development, industrial and trade co-operation between the Parties, with specific focus on economic development, which shall be firmly guided by the principles of national sovereignty, opportunities to implement world class projects, and of mutually beneficial outcomes;

CONVINCED that there is a need to create opportunities for the implementation of world class projects for the mutual economic benefit;

WISHING to vigorously promote investments, industry and trade co-operation between the Parties on equitable terms by setting tasks to be performed and obligations to be met by each Party in order to facilitate an increased flow of investments and the enhancement of trade, as well as industry and institutional co-operation as generally and specifically set out hereinafter;

CONSIDERING that Small and Medium Enterprises (hereinafter referred to as “SMEs”) development, cross-border trade and investment are major areas of co-operation between the Parties;

HEREBY AGREE as follows:

ARTICLE 1

OBJECTIVES

The objectives of this MOU are to promote investments, industry and trade co-operation between the Parties on equitable terms by setting tasks to be performed and obligations to be met by each party in order to facilitate an increased flow of investments and the enhancement of trade, as well as industry and institutional cooperation as generally and specifically set out hereinafter.

ARTICLE 2

COMPETENT AUTHORITIES

The Competent Authorities responsible for the implementation of this MOU shall be –

- (a) in the case of the Government of the Republic of Zimbabwe, the Ministry of Industry and Commerce (hereinafter referred to as the "MIC"); and
- (b) in the case of the Government of the Republic of South Africa, the Department of Trade and Industry (hereinafter referred to as the "DTI").

ARTICLE 3

SCOPE OF CO-OPERATION

- (1) The scope of co-operation between the Parties with respect to the defined projects within the Republic of Zimbabwe or the Republic of South Africa shall include identifying technically competent organizations which are capable of driving development-oriented industrial projects and sensitizing organizations in the Republic of South Africa or the Republic of Zimbabwe that have the financial and technical capacity to implement those projects in partnership with their Zimbabwean or South African counterparts.
- (2) The Parties shall encourage Private Sector institutions to explore investment opportunities in third world countries through joint ventures.
- (3) The Competent Authorities shall continue to identify other emerging industrial enterprises, projects and project ideas that could be of interest to investors in the Republic of South Africa and the Republic of Zimbabwe respectively and shall make available to each other all relevant general and detailed information for use in promoting those enterprises, projects and project ideas in their respective countries.

- (4) With a view generally to promote industrial co-operation, the Parties agreed that the Competent Authorities shall sensitize potential investors who are residents of the Republic of South Africa or the Republic of Zimbabwe, and who are willing and capable of establishing, completing and rehabilitating projects in the mutually agreed sectors.

ARTICLE 4

AREAS OF CO-OPERATION

- (1) In this Article, the term Spatial Development Initiatives (hereafter referred to as the “SDIs”) refers to the regional industrial development policy initiatives that were implemented by the Republic of South Africa in order to develop its regions, thereby curbing poverty and rural urban migration.
- (2) The areas of co-operation under this MOU shall include, but not be limited to the following:
- (a) energy;
 - (b) mining and mineral beneficiation;
 - (c) transport;
 - (d) agro-processing;
 - (e) tourism;
 - (f) commercial farming;

- (g) processing of natural resources;
 - (h) information and communication technology;
 - (i) clothing and textiles;
 - (j) manufacturing;
 - (k) human resources development; and
 - (l) SMEs development;
- (3) The DTI, using its experiences gained in the implementation of SDIs, shall cooperate with relevant public and private institutions within the Republic of South Africa in assisting the MIC with designing programmes and the scope thereof for designated development projects along the Beira Development Corridor and the North-South Corridor.
- (4) Co-operation between the Parties shall also be aimed at encouraging cross-border investment and joint ventures by institutions, SMEs and citizens of both countries in a manner that enhances sustainable growth, development and employment creation.

ARTICLE 5

TRADE CO-OPERATION

- (1) The Parties shall intensify efforts to promote trade between the two countries, with a view to expanding the volume of trade.

- (2) In order to take advantage of the existing vast trade opportunities in both countries, the following specific actions shall be carried out:
- (a) The Parties shall sensitise, encourage and assist trade operators to undertake joint trade promotional activities including, but not confined to, participation in the national and international trade fairs organised in both countries, mounting of solo exhibitions and closer co-operation between industry associations and chambers of commerce of the two countries.
 - (b) The Parties shall, in line with the provisions of the SADC Protocol on Trade, accelerate tariff reduction, elimination of non-tariff barriers and the removal of possible technical barriers which preclude trade.

ARTICLE 6

CO-OPERATION IN THE DEVELOPMENT OF PHYSICAL AND ECONOMIC INFRASTRUCTURE

The Parties shall endeavour to identify strategic infrastructure development projects in order to enhance the competitiveness of the economies of the Republic of Zimbabwe and the Republic of South Africa.

ARTICLE 7
COLLABORATION IN PUBLIC PRIVATE PARTNERSHIP

- (1) With the view of strengthening collaboration in Public Private Partnership (hereinafter referred to as 'PPP') investments, the Parties shall cooperate in building PPP capacity on their respective countries. The promotion of capacity building programmes shall be fostered to enable a better sharing of PPP information and effective networking.

ARTICLE 8
TECHNICAL CO-OPERATION

- (1) The Parties shall, in partnership, endeavour to develop industrial and technical co-operation including, but not confined to, the following fields:

- (a) standardisation and quality assurance;
- (b) science and research;
- (c) metrology;
- (d) development of SMEs;
- (e) industrial property rights;
- (f) competition policy;
- (g) trade remedies;
- (h) technology transfer and mentoring support to entrepreneurs;

- (i) development of micro credit;

- (j) skills development in, *inter alia*, the areas of:-
 - (i) industrial inspections;
 - (ii) trade negotiations;
 - (iii) economic policy formulation and implementation;
 - (iv) trade and investment promotion;
 - (v) company registration;
 - (vi) incentives design for business and investment purposes;
 - (vii) branding and certification of products; and
 - (vi) promoting linkages between relevant institutions in particular through exchange programs.

- (2) Implementation in respect of technical co-operation shall be based on an action plan, which shall be mutually determined on an annual basis, by the Parties.

ARTICLE 9

GENERAL PROVISIONS

- (1) This MOU provides a broad basis for co-operation between the Parties, which is intended to stimulate private sector interest and involvement from the two countries. The respective private sector players shall negotiate and conclude detailed operational agreements before the implementation of the identified projects.

- (2) This MOU does not imply that investors of either Party have any exclusive rights to the identified projects.

- (3) It shall also not be implied that either Party has any obligation other than those explicitly stated in documentation relating to an identified project.

ARTICLE 10
AMENDMENT

This MOU may be amended by mutual consent of the Parties through an Exchange of Notes between the Parties through the diplomatic channel.

ARTICLE 11
SETTLEMENT OF DISPUTES

- (1) Any dispute between the Parties arising out of the interpretation or implementation of this MOU shall be settled amicably through consultation or negotiations through the diplomatic channel.
- (2) A Party may at all times approach the other Party for consultations with a view to finding ways and means to resolve any difficulty or problem in the operation of this MOU.

ARTICLE 12

IMPLEMENTATION AND MONITORING MECHANISM

- (1) The Parties undertake to set up a Joint Committee, composed of senior officials of the Competent Authorities and stakeholders, which shall meet at least twice a year alternately in the Republic of Zimbabwe and the Republic of South Africa to monitor implementation of this MOU and to identify further areas of co-operation.
- (2) Each Party shall bear its own costs and expenses pertaining to attendance of the Joint Committee meetings.

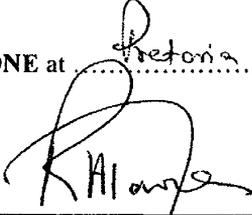
ARTICLE 13

ENTRY INTO FORCE, DURATION AND TERMINATION

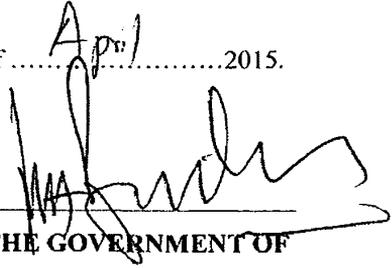
- (1) This MOU shall enter into force on the date of signature thereof by the Parties.
- (2) This MOU shall remain in force for a period of ten years, where after it shall be automatically renewed for further periods of five (5) years, unless terminated by either Party by giving six months' written notice in advance through the diplomatic channel of its intention to terminate it.
- (3) The termination of this MOU shall not affect the completion of any project undertaken by the parties prior to the termination thereof, or the full execution of any co-operative activity that has not been fully executed at the time of termination, unless otherwise agreed upon in writing by the parties.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments have signed and sealed this MOU in duplicate in the English language, both texts being equally authentic.

DONE at Pretoria on this 08 day of April 2015.



**FOR THE GOVERNMENT OF THE
REPUBLIC OF SOUTH AFRICA**



**FOR THE GOVERNMENT OF
THE REPUBLIC OF ZIMBABWE**