



Treaty Series No. 17 (1975)

Agreement

between the Republic of Zambia,
the International Bank for
Reconstruction and Development and
the United Kingdom of Great Britain
and Northern Ireland amending the
Release Agreement of 29 July 1970.

Washington, 16 August 1974

[The Agreement entered into force on 2 December 1974]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
February 1975*

LONDON

HER MAJESTY'S STATIONERY OFFICE

8p net

AGREEMENT

AMENDING RELEASE AGREEMENT

Agreement, dated August 16, 1974, between Republic of Zambia hereinafter called Zambia) of the first part, International Bank for Reconstruction and Development (hereinafter called the Bank) of the second part, and the United Kingdom of Great Britain and Northern Ireland (hereinafter called the United Kingdom) of the third part.

Whereas (A) The parties hereto have entered into a Release Agreement dated July 29, 1970⁽¹⁾ (hereinafter called the Release Agreement) in connection with a loan by the Bank to the Kariba North Bank Company Limited (hereinafter called the Borrower) of an amount in various currencies equivalent to forty million dollars (\$40,000,000), pursuant to a loan agreement dated July 29, 1970 (hereinafter called the Loan Agreement);

(B) By an agreement of even date herewith between the Bank and the Borrower (hereinafter called the Amending Loan Agreement) the Bank has agreed to increase the amount of its loan to an amount in various currencies equivalent to eighty-two million one hundred thousand dollars (\$82,100,000);

(C) In order that effect may be given to certain arrangements made consequential to the increase in such loan, and, if necessary, to provide for the release of additional obligations of Zambia under the Guarantee Agreements dated December 30, 1963 and October 2, 1964, respectively (referred to in Recital D of the Release Agreement), it is necessary that the Release Agreement be amended; and

(D) The United Kingdom concurs in any such additional release:

Now therefore, the parties hereto agree as follows:

Section 1. Section 1 of the Release Agreement is deleted and replaced by the following:

“Section 1. The Bank shall release Zambia from its guarantees under the Guarantee Agreements dated December 30, 1963 and October 2, 1964, respectively, in respect of payments of principal and interest under the First Kariba Loan and the Second Kariba Loan (other than payment of \$1,000,000 principal amount of the First Kariba Loan maturing in ten equal amounts at six monthly intervals, commencing on June 1, 1974, and ending on December 1, 1978, and interest thereon) falling due on December 1, 1972 and thereafter as required so that the aggregate amount so released, plus amounts deemed to have been released and special payments made by the United Kingdom (as hereinafter defined), all discounted at an annual rate of 7.07% compounded semi-annually to December 1, 1972, shall be equivalent as nearly as possible to one-half the aggregate payments of principal and interest

(1) Treaty Series No. 1 (1972), Cmnd. 4873.

(other than payments of interest made from the proceeds of the Amended Loan) under the Amended Loan discounted to the same date at the same rate, or if one-half of the aggregate of such payments under the Amended Loan, as so discounted, equals or exceeds the total of the sums to be so released plus amounts deemed to have been released and special payments made by the United Kingdom, both so discounted, the Bank shall release Zambia from all its guarantees as aforesaid; provided that, unless the parties hereto otherwise agree, the aggregate amount in respect of which such releases shall be made plus amounts deemed to have been released and special payments made by the United Kingdom shall not, prior to the time that the full amount of the Amended Loan has been either withdrawn or cancelled, exceed the equivalent of one-half of the amount of the Amended Loan disbursed by the Bank. For purposes of making computations under this Section, currencies shall be converted at the closing middle market rate for each currency concerned in terms of the US dollar in the London foreign exchange market on December 1, 1972 and in the event there shall be no market rate for all or any of the currencies concerned in the London market on that day, on the last previous closing middle market rate for each currency in the London market prior to the aforesaid date. Where currency rates are expressed in London only in terms of Sterling, the required rates in terms of dollars shall be calculated on the basis of the closing middle market rate for the currency in terms of Sterling and the closing middle market rate for the US dollar. For purposes of the Guarantee Agreements between the United Kingdom and the Bank dated June 21, 1956 and October 2, 1964, respectively, the United Kingdom concurs in such releases."

Section 2. The following section is added to the Release Agreement:

"Section 5. For purposes of this Agreement the term 'Amended Loan' shall mean the loan provided for in the Loan Agreement dated July 29, 1970 between the Bank and the Borrower as amended by an agreement dated August 16, 1974; the term 'special payments made by the United Kingdom' shall mean amounts paid by the United Kingdom in respect of guarantees by Zambia under the First Kariba Loan and the Second Kariba Loan which have not been released or which are not amounts deemed to have been released; and the term 'amounts deemed to have been released' shall mean the sums paid by the United Kingdom as Guarantor in respect of maturities and interest falling due on 1 December 1972, 1 March 1973, 1 June 1973, 1 September 1973, 1 December 1973, 1 March 1974 and between 27 May and 4 June, 1974 in respect of the First Kariba Loan and Second Kariba Loan for which Zambia was also liable as Guarantor."

Section 3. This Amending Release Agreement shall be free from any taxes or fees that shall be imposed under the laws of the United Kingdom or Zambia on or in connection with the execution, issue, delivery or registration thereof.

Section 4. This Amending Release Agreement shall come into force and effect on the effective date of the Amending Loan Agreement⁽²⁾.

⁽²⁾ The Amending Loan Agreement and Amending Release Agreement entered into force on 2 December 1974.

In witness whereof the parties hereto, acting through their representatives thereunto duly authorized, have caused this Amending Agreement to be signed in their respective names and to be delivered in the District of Columbia, United States of America, as of the day and year first above written.

Republic of Zambia

By S. G. MWALE

Authorized Representative

International Bank for Reconstruction and Development

By MICHAEL H. WIEHEN

Director, Country Programmes Department, Eastern Africa Regional Office

United Kingdom of Great Britain and Northern Ireland

By ANTHONY KEITH RAWLINSON

Authorized Representative