

30 March, 2023

MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE GOVERNMENT OF THE REPUBLIC OF ZAMBIA AND THE
GOVERNMENT OF THE UNITED STATES OF AMERICA CONCERNING THE
DEVELOPMENT AND IMPLEMENTATION OF STRATEGIC PRIORITY
COMMERCIAL PROJECTS IN ZAMBIA**

The Government of the Republic of Zambia and the Government of the United States of America (hereinafter each individually referred to as a “Government” and collectively as the “Governments”):

FOLLOWING ON the visit from the President of the Republic of Zambia to the United States and a subsequent conversation with the U.S. Secretary of Commerce in December 2022, including the reaffirmation by both Governments of the shared interest in increased trade and investment between the United States of America (“United States”) and the Republic of Zambia (“Zambia”);

WHEREAS the Government of the Republic of Zambia is accelerating efforts to implement its National Long-Term Vision 2030, a plan to transform the country into a strong and dynamic middle-income nation by 2030;

WHEREAS the Government of the Republic of Zambia wishes to establish a business operating environment that encourages innovation and attracts investors and, to that end, has recently taken steps that include the amendment of its investment law by the repeal and replacement of the Zambia Development Agency Act No. 11 of 2006 with the Zambia Development Agency Act No.17 of 2022 and the enactment of the Investment, Trade and Business Development (ITBD) Act No. 18 of 2022;

WHEREAS the Governments aim to support private-sector led economic growth in Zambia through timely financing and capacity building for small- and medium-sized enterprises, workforce development in priority industries, job creation, and the development of sustainable vital infrastructure, including through commercial engagement with initiatives of the Government of the United States of America, including Prosper Africa, Digital Transformation with Africa (DTA) and Power Africa, and support for the G-7 Partnership for Global Infrastructure and Investment (PGII);

WHEREAS the Governments seek to strengthen the existing commercial ties between the United States and Zambia and promote commercial participation of U.S. businesses in

economic sectors of Zambia that the Government of the Republic of Zambia considers to have priority (“priority economic sectors”);

WHEREAS U.S. firms are world leaders in production methods and delivery of services related to the sectors targeted for cooperation under this Memorandum of Understanding;

WHEREAS cooperation and collaboration between the Governments under this Memorandum of Understanding would best serve their common objectives and render more effective their respective activities in areas addressed by this Memorandum of Understanding and would provide mutual benefits to the Governments;

WHEREAS the Ministry of Commerce, Trade and Industry of the Government of the Republic of Zambia, with registered office at P.O. Box 31968, Lusaka, Zambia, and the Department of Commerce of the Government of the United States of America, with registered office at 1401 Constitution Avenue NW, Washington, DC 20230, are responsible for fostering, promoting, and developing the domestic and foreign commerce of Zambia and the United States respectively,

NOW, THEREFORE, the Governments have reached the following understandings:

1. In recognition of the complementary objectives of the Governments relating to the development and implementation of commercial projects in Zambia that the Government of the Republic of Zambia considers to have priority (“priority projects”), the Governments intend to develop and exchange information (such as a list of priority projects in Zambia) that can be broadly shared by the Government of the United States of America with U.S. businesses that may have an interest in participating in a broad range of agriculture, industry, transportation, energy, and other priority projects to be defined consistent with the National Development Plan in force in Zambia. Examples of priority economic sectors that the Governments intend to target for cooperation under this Memorandum of Understanding include, but are not limited to:

- a. Agribusiness
- b. Energy (Renewable Power Generation and distribution, including both on and off-grid)
- c. Mining and mineral processing
- d. Healthcare
- e. Manufacturing
- f. IT/ICT/Digital
- g. Tourism
- h. Education

i. Transportation

2. The Governments intend commercial arrangements for priority projects in Zambia, including relevant financial and technical details, be developed and negotiated directly between the businesses involved, and the Government of the Republic of Zambia, where applicable, consistent with each country's applicable laws and regulations.
3. The Government of the Republic of Zambia intends to facilitate investments into its territory by U.S. investors, including pre-investment services to expedite visitor and residence visas; conduct of relevant impact assessments and public notice procedures; issue pertinent permits, licenses, and clearances; and provide post-investment facilitation and after care services, including public notice of anticipated regulatory changes and formal communication channels with impacted business associations.
4. The Government of the Republic of Zambia intends to take necessary steps to encourage trade and investment between the two countries including promoting private sector partnerships and partnerships with the relevant government institutions.
5. The Government of the Republic of Zambia is committed to providing a conducive business environment for the effective implementation of commercial projects and for the private sector to thrive, including an investment framework that is open and non-discriminatory, presents a level playing field, protects investors and investments, incorporates fair and binding dispute settlement, follows robust transparency and public participation rules, promotes responsible business conduct, and bases any reviews of foreign investments on genuine national security risks.
6. The Government of the Republic of Zambia intends to incorporate best practices with respect to procurement that includes robust principles, standards, and best practices for sustainable infrastructure development, including third-party feasibility and environmental and social impact studies that take into account climate impacts, and bid valuation and selection procedures that incorporate life-cycle cost analysis and impact on society and the environment to determine best value.
7. The Government of the Republic of Zambia intends to identify potential commercial opportunities for U.S. private sector participation, as well as opportunities for the assistance or cooperation of the Government of the United States of America, in the following areas:
 - a. Agriculture and Agro-processing:

- i. Development of value chains through the farm block under anchor farmer/out grower scheme model;
 - ii. Investments and knowledge transfer in key priority products such as maize, wheat, soya beans, rice, cotton, groundnuts, aquaculture products, dairy, and leather for export around the region for food security and development of the value chains in these products; and other value chains as may be decided;
 - b. Energy and Environment:
 - i. Development of infrastructure for power generation and distribution;
 - ii. Clean energy development including in connection with nuclear plants;
 - iii. Green jobs enterprises including tourism, universities, Information and communication technologies (ICTs) and green cities;
 - iv. Development of the re-cycling industry; and
 - v. Green financing including from commercial banks;
 - c. Mining:
 - i. Promotion of partnership investments in exploration, mining, the supply to the mining sector, as well as sharing of technology and knowledge on regulating and promotion of the mining sector using best and workable practices;
 - d. Manufacturing:
 - i. Investment in and access to capital equipment for manufacturing;
 - ii. Development of the special economic zones concepts;
 - iii. Investments into the special economic zones; and
 - iv. Investments in the value chain development including the electric battery and textile and garments sectors;
 - e. Tourism:
 - i. Investments in infrastructure for the tourism sector;
 - ii. Promotion of tourism between the two countries;
 - iii. Development of services required to satisfy internationally required standards;
 - iv. Promotion of cultural preservation and exchange activities; and
 - f. Education:
 - i. Curriculum reforms and development;
 - ii. Development of policy and legal reforms;
 - iii. Investments in ICT in education;
 - iv. Development of data management; and
 - v. Development education information management systems.
8. The Government of the Republic of Zambia intends to facilitate, through its appropriate institutions, the following activities:
- a. Facilitation of trade and investment missions and other promotion activities including participation in trade shows, business networking forums and

exhibitions, conferences, exchange of visits, buyer - seller missions; voluntary transfer of technology on mutually agreed terms; and any other events in the United States and Zambia aimed at promoting trade and investment or connecting private sectors from the two countries;

- b. Exchange of economic and commercial information for the promotion of trade by promoting the exchange of information on trade and investment opportunities;
 - c. Building the capacities of Zambian businesses for eligibility under the U.S. African Growth and Opportunity Act through collaboration on the development of capacities to meet product standards set for the U.S. market; and
 - d. Establishing mutual recognition systems for standards to promote cooperation in the fields of standardization, conformity assessment, training, quality management system, certification, quality assurance, and testing and inspection and related activities.
9. The Government of the United States of America intends to take appropriate steps to promote awareness in the U.S. private sector of trade and investment opportunities in Zambia, including by providing U.S. companies with information about the availability of potential financing, including export credits, grants, and other forms of U.S. governmental resources available to qualified applicants, such as the provision of commercial advocacy, to facilitate participation by U.S. companies in such projects, including those financed by international financial institutions or private sector sources.
10. The Government of the United States of America confirms its interest in supporting the development of priority projects in Zambia and promoting U.S. private sector participation in such projects, and confirms its intent to take certain actions, as appropriate and consistent with its authorities and resources, through its agencies and other entities, such as:
- a. The Government of the United States of America confirms its intentions with respect to the U.S. Department of Commerce:
 - i. The Department of Commerce's Global Markets unit, including the U.S. and Foreign Commercial Service is expected to work to facilitate and promote opportunities for U.S. businesses to participate in commercial projects developed by the Government of the Republic of Zambia. Specifically, the Global Markets unit is expected to conduct targeted outreach via its domestic network of U.S. Export Assistance Centers to

U.S. businesses across the United States – via roadshows, online webinars, or other means – to promote commercial opportunities in Zambia. The Global Markets unit may, as appropriate, conduct this outreach in partnership with relevant representatives of the Government of the Republic of Zambia.

- ii. The Department of Commerce’s Trade Promotion Coordinating Committee is expected to work closely with the full range of funding agencies of the Government of the United States of America to assemble deal teams that may assist U.S. businesses to package their products and services with attractive financing and other project development resources provided by the Government of the United States of America.
 - iii. The Department of Commerce Commercial Law Development Program is expected to explore opportunities to provide technical assistance to reform legal and regulatory standards to conform to international best practices and to build capacity in the Government of the Republic of Zambia to develop an enabling business environment that may attract more U.S. businesses, exporters, and investors.
 - iv. The U.S. Patent and Trademark Office is expected to collaborate on matters related to the promotion, utilization, protection, and enforcement of intellectual property rights, including, as mutually determined by the Governments, training and capacity building in the areas of intellectual property office administration; intellectual property rights for plant varieties; examination of patents, industrial designs and trademarks; protection of traditional cultural expressions (TCEs); combatting counterfeiting and piracy; promoting the role of intellectual property in innovation, voluntary technology transfer on mutually agreed terms, commercialization, and economic growth; and promoting inclusive innovation systems.
- b. The Government of the United States of America confirms its intentions of the United States Trade and Development Agency (“USTDA”):
- i. USTDA is expected to work closely with both public and private sector project sponsors to support early-stage project preparation for projects in the clean energy, digital, healthcare, and transportation infrastructure sectors. USTDA is also expected to support sector-specific partnership building activities including reverse trade missions and technical workshops, connecting Zambian project sponsors to leading U.S.

businesses. USTDA is also expected to utilize its project preparation and partnership-building activity tools to support the tripartite U.S.-DRC-Zambia Tripartite Memorandum of Understanding to Develop an Electric Vehicle Battery Chain.

- c. The Government of the United States of America confirms its intentions with respect to the United States Agency for International Development (“USAID”):
 - i. USAID is expected to continue its investments across a variety of sectors to focus on market-driven solutions to Zambia’s development challenges. USAID is expected to continue its engagement with the Government of the Republic of Zambia to prioritize private sector solutions to complement and ultimately help to displace USAID development assistance.
 - ii. To support an improved business enabling environment, USAID is expected to provide direct assistance to various Ministries within the Government of the Republic of Zambia to strengthen trade and investment policies and processes. The USAID Business Enabling Project (2022-2027) is expected to strengthen feedback and communication channels among the private sector, civil society and the Government of the Republic of Zambia to effect reforms that set Zambia on its path to be a regional and international economic hub.
 - iii. In order to support the Government of the Republic of Zambia’s vision to increase trade and investment, USAID is expected to provide targeted technical assistance, primarily working through local businesses, to boost the potential for Zambian businesses to grow and thrive. The USAID Trade Boost activity (2022-2026) is expected to promote job creation, increase incomes, and boost the participation of women and youth in Zambia’s economic development to ultimately decrease rural poverty through green growth. USAID is expected to co-invest with private-sector partners to increase gender-equitable trade and investment for Zambian enterprises, domestically, regionally, internationally and to and from the U.S. USAID’s efforts are expected to focus on improving market intelligence, providing trade and investment facilitation services to small and medium sized enterprises (SMEs), and improving SMEs’ access to finance.

- iv. USAID is also expected to work with interagency colleagues, primarily through its Embassy Deal Team, to attract greater U.S. investment, voluntary technology transfer on mutually agreed terms and facilitate export opportunities for Zambian businesses.
 - v. USAID is expected to continue to collaborate with the U.S. International Development Finance Corporation to unlock commercial financing through loan guaranties, direct loans or other financial assistance to help increase access to finance, particularly for youth- and women-owned and -led SMEs.
- d. The Government of the United States of America confirms its intentions with respect to the U.S. International Development Finance Corporation (“DFC”):
- i. DFC may consider providing investment support for commercially viable private sector projects that meet eligibility and stringent environmental, social, governance, and development impact standards. DFC may consider requests for financing, insurance, equity, or other investment support for developmental projects in Zambia, subject to compliance with applicable law and DFC’s internal management objectives, policies and procedures, and approvals, which may include, if required, Board approval.
- e. The Government of the United States of America confirms its intentions with respect to the Millennium Challenge Corporation (“MCC”):
- i. MCC is expected to work in partnership with the Government of the Republic of Zambia to develop a five-year program (“Compact”) that reduces poverty through sustained and inclusive economic growth. This Compact is expected to capitalize on a previously developed \$350 million compact focused on water supply, sanitation and drainage infrastructure, with the expectation that the Government of the Republic of Zambia will sustain those investments over the long term. MCC is expected to utilize a country-led approach that reflects the Government of the Republic of Zambia’s own priorities to address constraints to economic growth in Zambia. During the Compact development phase, MCC is expected to work with the Government of the Republic of Zambia, the private sector, civil society and other stakeholders to identify investment opportunities that benefit both public and private sectors, while promoting gender and social inclusion, building climate resilience, and promoting opportunities for blended finance. Once investment opportunities are identified, MCC is expected to utilize a

country-led approach in developing and executing the Compact that addresses Zambia's priorities.

- f. The Government of the United States of America confirms its intentions with respect to the United States African Development Foundation ("USADF"):
 - i. USADF is expected to continue support in the form of development grants and technical assistance and confirms interest in receiving matching funds from the Government of the Republic of Zambia to enhance USADF activities aligned with Zambia's National Long Term Vision 2030, particularly activities focused on strengthening Zambian agribusinesses, renewable energy solutions, and youth and women entrepreneurship and employment opportunities.

- g. The Government of the United States of America confirms its intentions with respect to the United States Department of the Treasury:
 - i. The U.S. Department of the Treasury Office of Technical Assistance is expected to provide assistance to strengthen the capacity of the Government of the Republic of Zambia to partner with the private sector to finance infrastructure and to continue assisting the Government of the Republic of Zambia in the implementation of its anti-money laundering/combating the financing of terrorism regime.

- h. The Government of the United States of America confirms its intentions with respect to the United States Department of State:
 - i. The U.S. Department of State is expected to promote business opportunities through the use of the DirectLine webinar program. DirectLine webinars may be used to generate lists of U.S. firms that have an interest in specific sectors or projects, as well as through other promotional means.

 - ii. The U.S. Department of State is expected to continue to assist U.S. businesses pursuing export and strategic investment opportunities in Zambia through the use of deal teams, including the Lusaka Deal Team and Washington-based U.S. government counterparts.

 - iii. The U.S. Department of State is expected to promote a favorable business climate that supports sanctity of contract, timely delivery of payment, the ability to adjudicate disputes, respect for internationally-recognized labor rights, and a fair and transparent public procurement

process through diplomatic engagement, training, and the sharing of best practices.

- iv. The U.S. Department of State is also expected to support the growth, profitability, and export of women-led businesses in Zambia through the African Women Entrepreneurship Program.
- v. The U.S. Department of State is expected to consider, through the Technical Assistance for Bankable Infrastructure program, requests for assistance from the Government of the Republic of Zambia to build its capacity to develop high quality, commercially viable infrastructure projects.
- vi. The U.S. Department of State is expected to continue to coordinate the implementation of the U.S.-Democratic Republic of the Congo (DRC)-Zambia MOU supporting the instrument signed between the DRC and Zambia to develop an electric vehicle (EV) supply chain through the bilateral DRC-Zambia Battery Council.
- vii. The U.S. Department of State is expected to work to catalyze infrastructure investments in African countries and mobilize the private sector as drivers of quality investments through the Partnership for Global Infrastructure and Investment (PGII).

11. General Understandings:

- a. The Governments intend to support the development of strategic agriculture, industry, transportation, energy and other priority projects in a manner fully consistent with applicable domestic and international law, as well as international best practices intended to prevent, detect, and prosecute corruption, and to adhere to their respective obligations under the United Nations Convention Against Corruption.
- b. The Governments expect that strategic and priority projects of the Government of the Republic of Zambia be developed in a manner fully consistent with internationally recognized labor rights.
- c. The Governments intend to exchange information about existing and new potential opportunities for cooperation on a timely, regular basis and to meet

on a jointly determined and regular basis to discuss progress towards implementing this Memorandum of Understanding.

- d. The Governments expect to develop and regularly update both a roadmap and a list of projects to operationalize this Memorandum of Understanding.
- e. The Governments intend that private businesses that implement agriculture, transportation, energy, and other priority projects are to be responsible for securing appropriate financing for such projects. Potential financing sources may include, as appropriate, DFC, other agencies, multilateral organizations, private sector capital or finance, or other financing sources.
- f. The Governments expect to give appropriate publicity to any cooperation under this Memorandum of Understanding.
- g. The Governments intend for this Memorandum of Understanding to become operative upon signature with activities to continue for a period of 5 years thereafter, at which time the Governments intend to discuss further cooperation, including through a new memorandum of understanding, if appropriate.
- h. Any revisions to the content of this Memorandum of Understanding should be done in writing as determined by both Governments.
- i. The Parties intend to make every effort to resolve amicably by direct informal negotiation any difference arising between them under or in connection with the Memorandum of Understanding.
- j. The Governments may discontinue this Memorandum of Understanding at any time by mutual decision in writing. A Government that wishes to unilaterally discontinue cooperation under this Memorandum of Understanding should endeavor to provide at least six months' prior notice in writing to the other Government.
- k. This Memorandum of Understanding is not intended to prejudice the rights and obligations of third parties or the rights of the Governments to cooperate under other arrangements or any international agreement or contract on any matter described in this Memorandum of Understanding. Nothing in this Memorandum of Understanding should be construed as superseding or interfering in any way with any agreements or contracts entered into among the

Governments, either prior to or subsequent to the signing of this Memorandum of Understanding.

1. Nothing in this Memorandum of Understanding prevents the application in good faith of the national law of each Government.
- m. Nothing in this Memorandum of Understanding is intended to give rise to any rights or obligations under domestic or international law.
- n. In entering into this Memorandum of Understanding, the Governments intend to maintain their own separate and unique missions and mandates and their own accountabilities. The cooperation between the Governments under this Memorandum of Understanding is not intended to be construed as a partnership or other type of legal entity or personality. Each Government intends to accept full and sole responsibility for any and all expenses that it incurs in implementing this Memorandum of Understanding. Nothing in this Memorandum of Understanding is intended to be construed as an exclusive working relationship. The Governments specifically acknowledge that this Memorandum of Understanding is not an obligation of funds.

Signed at Washington, D.C., in duplicate, on March 30, 2023, in the English language.

FOR THE GOVERNMENT OF THE
REPUBLIC OF ZAMBIA:



Chipoka Mulenga
Minister of Commerce, Trade and Industry

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:



Gina M. Raimondo
Secretary of Commerce