



**COOPERATION AGREEMENT**

**BETWEEN**

**THE REPUBLIC OF ZAMBIA**

**AND**

**THE DEMOCRATIC REPUBLIC OF CONGO (DRC)**

**ON THE ESTABLISHMENT OF A VALUE CHAIN IN**

**THE ELECTRIC BATTERY AND CLEAN ENERGY SECTOR**



This Cooperation Agreement is established

**BETWEEN**

The Republic of Zambia (hereinafter referred to as Zambia), represented by the Ministry of Commerce, Trade and Industry of P.O. Box 31968 Lusaka, Zambia (Hereinafter referred to as "Party")

**AND**

The Democratic Republic of Congo (hereinafter referred to as the DRC), represented by the Ministry of Industry of Kinshasa, DRC (Hereinafter referred to as "Party")

Zambia and the DRC are hereinafter referred to individually as "the Party" and jointly as "the Parties";

**WHEREAS**, following the DRC-Africa Business Forum held in Kinshasa in November 2021 under the theme "Developing a Value Chain and Market Around the Battery, Electric Vehicle and Renewable Energy Industry in Africa", the Parties identified the production of batteries as a strategic value chain, wherein the Parties must intensify investment and innovation in the context of a strengthened industrial policy strategy aimed at building a sustainable and competitive integrated industrial base at the regional level;

**WHEREAS** the Heads of State of the Parties agreed to undertake an Initiative for the creation of a battery production industry (battery value chain) and to work together to materialize this ambitious project;

**CONSIDERING** that Zambia and the DRC, who are neighbouring countries, together hold more than 70% of the world's cobalt reserves;

**WHEREAS** it was deemed necessary by the two Heads of State to harmonise their development policies and strategies, vis-à-vis the mining and industrial sectors, for the success of this transformative Initiative for the Sub-Region and for the rest of the African continent;





**WHEREAS** the need for this Initiative is driven by the ongoing clean energy transition and prospective rapid rising demand for batteries making this market an increasingly strategic one at global level, sustained by the need to accelerate the transition to a sustainable, secure and competitive economy;

**WHEREAS** the Parties also produce and have significant reserves of various minerals necessary for the production of batteries, electric vehicles and renewable energy to achieve a global transition from fossil fuels to decarbonisation;

**CONSIDERING THAT** Africa captures only about 3% of the total global value chain of batteries and electric vehicles worth several trillions of US dollars;

**WHEREAS** the Heads of State of the Parties intend to house the project in the DRC and Zambia, to capture a larger share of the world market;

**WHEREAS the production of batteries** offers a very tangible opportunity to use this transformative Initiative to create high value jobs and increase economic output, becoming a key driver for the Parties' industrial competitiveness and leadership, notably for the automotive and alternative energy industry through enhancing the Circular Economy by securing access to battery secondary materials;

**ACCORDINGLY**, to prevent a technological dependence on the Parties' competitors and capitalise on the job, growth and investment potential of batteries, it is imperative that the Parties increase their momentum in the global race to consolidate technological and industrial leadership along the entire value chain.

**THEREFORE**, the Parties wish to express their willingness to cooperate on an equal basis as follows:

#### **Article I: Objective and Scope**

1. The purpose of this Cooperation Agreement is to provide a framework for bilateral cooperation, and to facilitate and strengthen collaboration between the Parties, on a non-exclusive basis, in areas of common interest necessary for the establishment of the Battery Value Chain Initiative.





2. At the strategic level, the Parties agree to:

- (a) Work together on the creation of a value chain of batteries, electric cars and renewable energies, whose major components are of mineral content, which will be sourced locally from the respective territories of both parties in order to enable the materialisation of this Initiative within the specified period of five (5) years as outlined in Article V (2);
- (b) Consult each other on the conceptual aspects relating to this cooperation and its implementation;
- (c) Recognise that the scale of the investment challenge is such that it cannot be met by public finance alone, hence the importance of effective mechanisms to attract private capital and that to this end; a combination of public and private sources is therefore essential; and
- (d) Ensure the good execution of the value chain development project, in particular through the integration of external institutional and financial partners such as the United Nations Economic Commission for Africa, Afrexim Bank, BADEA, African Development Bank (AfDB) and AFC as may be determined by the two Parties.

## **Article II: Areas of Cooperation**

The Parties agree to cooperate in the following areas:

- (a) Establish a common governance framework, called the **Zambia-DRC Battery Council**, whose Strategic Committee is composed of the two Heads of State, the Deputy Secretary General and Executive Secretary of the United Nations Economic Commission for Africa, as well as the President of Afrexim Bank;



- (b) The **Zambia-DRC Battery Council** will be supported by a Technical Committee in charge of monitoring and evaluating the Initiative and will be made up of the Permanent Secretaries of equivalent or relevant Ministries to be identified by the Parties;
- (c) The **Zambia-DRC Battery Council** shall establish its rules of procedure; and
- (d) Identify an implementation site, such as Special Economic Zones, in the Republic of Zambia and the DRC, and agree on the roles to be played by each of the Parties.

### **Article III: Consultation and Exchange of Information**

1. Through their official representatives (Sectoral Ministers), the Parties shall, on a regular basis, keep each other informed and consult each other on matters of common interest, in particular through the **Zambia-DRC Battery Council** and the Technical Committee in charge of monitoring and evaluating the Initiative.
2. Consultations and the exchange of information and documents under this **Cooperation Agreement** shall be without prejudice to any provisions which may be deemed necessary to safeguard the confidential and restricted nature of such information and documents.
3. The Parties shall, at intervals deemed appropriate, hold meetings through their sectoral Ministries to review the progress of activities under this **Cooperation Agreement** and plan future activities.
4. The Parties may invite each other to send observers to meetings convened by them or under their auspices, in which, in the opinion of one Party, the other may have an interest. Invitations shall comply with the rules applicable to participation in such meetings or conferences.





#### **Article IV: Implementation of the Cooperation Agreement**

1. All activities envisaged by the Parties are subject to the prior formation of the governance framework, the designation of the Parties' counterparts (Members of the respective Government), Technical Committee and as well as the funding required as *launching funds*.
2. The Parties commit to create an appropriate legislative and regulatory framework, applicable to both Parties, in order to achieve this Initiative and allow the implementation of the said value chain through the sectoral Ministries designated by the Parties in accordance with their respective laws, and notified to the other Party through the diplomatic channels.
3. It is understood that all activities will be carried out on the basis of the project documents between the Parties, and in accordance with the Laws and Regulations, applicable in each country.
4. Neither Party may act as an intermediary, representative or associate of the other Party. Neither Party may enter into any contract or undertaking on behalf of the other Party under this **Cooperation Agreement**.
5. Each Party shall be responsible for its acts and omissions under this **Cooperation Agreement** and its implementation.

#### **Article V: Expiry, Termination, Renewal and Amendment**

1. The cooperation proposed under this **Cooperation Agreement** is non-exclusive.
2. This **Cooperation Agreement** shall enter into force from the date of its signature by the Parties and shall remain in force for a period of five (5) years, unless earlier terminated by either of the Parties by giving twelve (12) months' written notice to the other Party.
3. This **Cooperation Agreement** may only be amended by the written prior mutual consent of the Parties. Any amendment agreed upon shall be by means of a written amendment between the Parties, on the initiative of one of the Parties, notified through diplomatic channels.





4. A Party that intends to renew this Cooperation Agreement shall notify the other Party, in writing, of its intention to renew the Cooperation Agreement at least twelve (12) months prior to expiration of the Cooperation Agreement. This Cooperation Agreement shall only be renewed by the Parties' written mutual consent.

#### **Article VI: Communication and Addresses**

Any communication or request that must or may be made under this **Cooperation Agreement** shall be made in writing through the official representatives of the Parties. Such communication or request shall be deemed to have been duly made when it has been delivered by hand, by certified mail, to the Party to which it is to be made, at the address as may be communicated.

#### **Article VII: Settlement of Conflicts**

Any dispute arising from the interpretation of any provision or the implementation of this **Cooperation Agreement** shall be settled amicably by negotiation or by any other means mutually agreed upon by the Parties.

#### **Article VIII: Miscellaneous Provisions**

1. This **Cooperation Agreement** and any related co-financing agreement and corresponding project document reflect the entire agreement of the Parties with respect to the subject matter of this **Cooperation Agreement**.
2. The failure of one of the Parties to enforce any provision of this **Cooperation Agreement** shall not constitute a waiver of that provision or any other provision of that **Cooperation Agreement**. The invalidity or unenforceability of any provision of this **Cooperation Agreement** should not affect the validity or enforceability of any other provision of this **Cooperation Agreement** unless such invalidity renders the Cooperation Agreement impossible to enforce.

#### **Article IX: Amendments and Additional Arrangement**

1. This Agreement may be amended only by mutual consent of the parties.





2. The Parties may enter into additional arrangements that are not inconsistent with this **Cooperation Agreement**.

**Article X: Entry into Force**

This **Cooperation Agreement** shall enter into force on the date of its signature.

**IN WITNESS WHEREOF**, the Parties to this Cooperation Agreement, each acting through their duly authorised representatives, have signed and sealed, on the date appearing on the last page. This **Cooperation Agreement** is executed in duplicate in the French and English language, both texts being equally authentic and having the same value.

**SIGNED AT LUSAKA, ON 29<sup>TH</sup> DAY OF APRIL, 2022.**

**ON BEHALF OF THE GOVERNMENT  
OF THE REPUBLIC OF ZAMBIA**

.....  
**HON. CHIPOKA MULENGA, M.P  
MINISTER OF COMMERCE, TRADE  
AND INDUSTRY**

.....  
**HON. PAUL C. KABUSWE, M.P  
MINISTER OF MINES AND  
MINERAL DEVELOPMENT**

.....  
**HON. SITUMBENKO MUSOKOTWANE, M.P  
MINISTER OF FINANCE AND  
NATIONAL PLANNING**

**ON BEHALF OF THE  
GOVERNMENT OF THE  
DEMOCRATIC REPUBLIC OF  
CONGO**

.....  
**JULIEN PALUKU KAHONGYA  
MINISTER OF INDUSTRY**

.....  
**ANTIONETTE N'SAMBA KALAMBAYI  
MINISTER OF MINES**

.....  
**O'NEIGE N'SELE MIMPA  
DEPUTY MINISTER OF FINANCE**