

**No. 12031**

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**DENMARK and SWEDEN,  
and  
UNITED REPUBLIC OF TANZANIA**

**Agreement on co-operative assistance to Tanzania (with annex and memorandum of understanding). Signed at Dar es Salaam on 18 July 1968**

*Authentic text: English.*

*Registered by Denmark on 28 September 1972.*

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**DANEMARK et SUÈDE,  
et  
RÉPUBLIQUE-UNIE DE TANZANIE**

**Accord concernant l'aide à la Tanzanie dans le domaine des co-opératives (avec annexe et mémorandum d'accord). Signé à Dar es-Salam le 18 juillet 1968**

*Texte authentique: anglais.*

*Enregistré par le Danemark le 28 septembre 1972.*

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENTS OF DENMARK AND SWEDEN AND THE GOVERNMENT OF TANZANIA ON CO-OPERATIVE ASSISTANCE TO TANZANIA

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The Governments of Denmark and Sweden on the one hand, and the Government of Tanzania on the other hand, have agreed on a programme of technical co-operation for the promotion and strengthening of co-operatives in Tanzania.

This agreement will supersede the "Agreement between the Government of Tanzania and the Nordic Co-operative Tanzania Consortium" (hereinafter referred to as "the Consortium") of July 1966 as far as the Co-operative Education Centre in Moshi is concerned. The future contributions of the Co-operative Movements of Denmark, Finland, Norway and Sweden to the programme will be covered by separate agreements between their representative, the Consortium, and the Governments of Denmark and Sweden.

The terms of the present Agreement are the following :

PART I  
OBJECTIVES

*Article 1*

The activities of the Co-operative Education Centre in Moshi (hereinafter referred to as "the Centre"), established in 1964 for the purpose of promoting co-operative education in Tanzania, will be continued.

*Article 2*

There will be established up to six co-operative wings as regional branches of the Centre in various regions of Tanzania for the purpose of decentralizing the programme of co-operative education, and facilitating special consideration of the problems of the respective regions.

*Article 3*

Co-operative personnel in a number and within areas to be agreed upon will

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<sup>1</sup> Came into force on 18 July 1968 by signature, with retroactive effect from 1 January 1968, in accordance with article 16. The Agreement ceased to have effect on 31 December 1971, in accordance with article 16.

be stationed in Tanzania for the purpose of supporting the personnel of the Division for Co-operative Development, in the regions and at headquarters, in its efforts to achieve improved management and operation of the co-operative unions and societies, and of assisting in the training of this personnel in the field and at the Co-operative College of Tanzania.

PART II  
CONTRIBUTIONS

*Article 4*

The Governments of Denmark and Sweden will supply

- (a) personnel to the Centre and the co-operative wings in numbers to be agreed upon, and
- (b) the co-operative personnel referred to in article 3 above.

The Nordic personnel will be employed on contract terms by the Danish and Swedish Governments, who will bear the cost of salaries and allowances, international passages to and from Tanzania, shipping to and from Tanzania of household goods and personal effects, social security and related benefits, including leave.

*Article 5*

The Governments of Denmark and Sweden shall make such financial contributions to the Centre and the co-operative wings as may be mutually agreed upon in writing between the Parties to this Agreement.

*Article 6*

The Government of Tanzania will directly, or by arrangement with the appropriate Tanzanian authorities, cover all operational, administrative and capital costs and expenditures not provided for in the contributions to be made by the Governments of Denmark and Sweden in accordance with articles 4 and 5 above.

In particular, the Government of Tanzania will ensure that arrangements are made for the gradual transfer of economic responsibility for the Centre and the co-operative wings with the effect that total financing of these activities will be provided from Tanzanian sources after the 1st of January, 1972.

The Government of Tanzania will initiate a comprehensive training programme for junior co-operative personnel, which will include on-the-job

training under the supervision of the Nordic personnel and provide for the selection of Tanzanian officers to take over the functions performed by the Nordic personnel.

*Article 7*

The Government of Tanzania will make available the following facilities to the Nordic personnel and their families on the same basis as is applicable to technical assistance personnel from other countries whose salaries and international transportation expenses are borne by the donor government :

- (a) free housing with hard furnishings of the same standard as that provided for expatriate officers of the Government of Tanzania of comparable status whose terms of appointment specify an entitlement to housing;
- (b) payment of 50 per cent. of the full hotel bills (both board and lodging, but excluding extras such as laundry, etc.) in cases where the Nordic personnel initially have to reside in hotels until alternative housing is made available;
- (c) subsistence allowances during official journeys at the same rate as for officers of the Government of Tanzania;
- (d) local support for the work of the Nordic personnel, including the provision of necessary office facilities and equipment, secretarial services and free postage and telecommunication for official purposes;
- (e) local transport for official journeys to the same extent as provided for officers of the Government of Tanzania of comparable status. For official journeys performed by the personnel in their personal vehicles, mileage allowance will be paid at the same rates as are paid to officers of the Government of Tanzania;
- (f) transport within Tanzania between the duty station and the points of entry and departure for the personnel, their families and their personal and household effects;
- (g) medical services and facilities to the same extent as provided for expatriate officers of the Government of Tanzania and their families;
- (h) the assistance of the Government passages Agent in clearance through customs of personnel and household effects to the same extent as is provided for overseas officers of comparable status of the Government of Tanzania.

PART III  
ADMINISTRATION AND ORGANISATION

*Article 8*

There shall be a joint consultative committee consisting of representatives appointed by the Danish and Swedish Governments and by the Government of Tanzania, to be set up in Tanzania by mutual agreement between the two Parties.

*Article 9*

The joint consultative committee shall act as an advisory body to the two Parties as far as the activities under the Agreement are concerned and submit regular reports to the Parties on these activities.

*Article 10*

There shall be a Board of Governors (hereinafter referred to as the Board) of the Centre and the co-operative wings, which shall be the same as the Board of Governors of the Co-operative College of Tanzania, with the addition of the Director of the Centre, who shall act as secretary to the Board.

*Article 11*

The Board shall :

- (a) be responsible for the administration, organisation and general superintendence of the Centre and the co-operative wings, with the proviso that during the period of the Agreement the Danish and Swedish Governments shall exercise general financial control of the operation of the Centre and the co-operative wings, including the utilisation of funds supplied by these Governments;
- (b) prepare and submit requests for annual contributions from the Danish and Swedish Governments towards the budgets of the Centre and the co-operative wings;
- (c) submit annual reports and statements of accounts for the operations of the Centre and the co-operative wings to the Parties to this Agreement;
- (d) submit regular reports on the activities of the Centre and the co-operative wings to the joint consultative committee.

*Article 12*

With regard to the co-operative personnel referred to in article 3 above, the Ministry of Agriculture and Co-operatives shall maintain liaison with the

Secretariat for Technical Co-operation with Developing Countries in Copenhagen, which shall be responsible for the administration of this personnel as far as the Danish and Swedish Governments are concerned.

PART IV

EXEMPTIONS AND PRIVILEGES

*Article 13*

Within the scope of this Agreement, the Government of Tanzania undertakes :

- (a) to exempt from customs duties, taxes and other charges on importation, any supplies, equipment or material imported for the purpose of implementing this Agreement, provided that any such equipment or material which may be sold in Tanzania shall become liable to payment of customs duties, taxes etc.

The Government of Tanzania will assume responsibility for meeting all costs connected with the unloading, storage and insurance of these supplies, etc. at the point of arrival in Tanzania and for the insurance and transportation of such supplies from the point of arrival in Tanzania to the place of destination. Any equipment to be purchased locally for the implementation of this Agreement may be bought from bonded stocks;

- (b) to guarantee that any funds brought into Tanzania by the Danish and Swedish Governments in connection with the implementation of this Agreement shall be freely and immediately transferable.

*Article 14*

The personnel provided by the Danish and Swedish Governments in accordance with article 3 above shall be entitled to the privileges set out in the annex to this Agreement.

Without prejudice to the provisions of the annex, the Danish and Swedish Governments shall ensure that the Nordic personnel are clearly informed that while they are assigned to Tanzania they shall, as resident aliens, be subject to the laws and regulations of Tanzania in force from time to time.

*Article 15*

All material and equipment acquired in or brought into Tanzania for the purpose of implementing this Agreement (with the exception of the personal belongings of the Nordic personnel) shall become and remain the property of the Government of Tanzania who, as far as the Centre and the co-operative wings are concerned, shall hold the same on trust for the Co-operative Union of

Tanganyika or its successors in law. The transfer of ownership shall be effected on such dates as may be mutually agreed by the Parties hereto.

PART V

ENTRY INTO FORCE, AMENDMENT AND DURATION

*Article 16*

This Agreement shall enter into force on 1st January, 1968, and shall remain in force until 31st December, 1971, unless terminated earlier in accordance with the provisions of article 18 below.

*Article 17*

Within the terms of this Agreement subsidiary and follow-up projects may be agreed upon between the Parties. Such subsidiary agreements shall have periods of validity not extending beyond the period of validity of the present Agreement.

*Article 18*

(a) This Agreement may be terminated by either party upon serving written notice on the other, such notice to be served not later than three months before the end of the project budget period (calendar year) and the Agreement shall cease to be valid at the expiry of the project budget period in which such notice is served.

(b) If notice is served less than three months before the end of the project budget period the Agreement shall continue to be valid until the expiry of the next following budget period.

DONE at Dar es Salaam on the eighteenth day of July, 1968, in three original copies in the English language.

For the Governments of Denmark and Sweden :

LENNART HENNINGS

For the Government of the United Republic of Tanzania :

AMIR JAMAL

## ANNEX

## PRIVILEGES OF THE NORDIC PERSONNEL

1. The Government of Tanzania undertakes to extend to the personnel provided by the Danish and Swedish Governments under this Agreement (hereinafter referred to as the Nordic personnel) the following privileges and exemptions :

- (a) Exemption under section 7 (2) (e) of the Immigration Ordinance (Cap. 386) from normal immigration requirements for the Nordic personnel together with their wives and dependent children;
- (b) Exemption from payment of graduated personal tax, development levy, hospital contribution and all other personal taxes on emoluments received from the Danish and Swedish Governments or their authorized delegate;
- (c) Exemption from income tax under the provisions of paragraph 50 of Head A of Part 1 of the First Schedule to the East African Income Tax (Management) Act, 1958, as amended by the East African Income Tax (Management) Amendment Act, 1961, on the emoluments received from the Danish and Swedish Governments or their authorized delegate;
- (d) External account facilities;
- (e) Admission free of customs duty of used personal and household effects, including one new motor vehicle, one new refrigerator, and one new air-conditioning unit per household, which are brought into Tanzania or are acquired in Tanzania ex bonded warehouse by Nordic personnel and/or members of their families on the occasion of their first arrival in Tanzania, provided that such effects are :
  - (i) imported or purchased within four months of taking up residence in Tanzania;
  - (ii) re-exported on termination of the service of the Nordic personnel; or sold to a person who is entitled to similar privileges.

2. The Government of Tanzania will further :

- (a) Grant, free of charge and without delay, entry and exit visas required by the Tanzanian authorities for the Nordic personnel and their families;
- (b) deliver a certificate of mission which will assure the Nordic personnel the assistance and co-operation of the Government of Tanzania in carrying out the tasks for which they were appointed;
- (c) provide repatriation facilities for the Nordic personnel and their families in time of international crises;
- (d) immediately notify the Danish and Swedish embassies concerned in the event of arrest or detention or criminal proceedings being instituted against a member of the Nordic personnel or a member of his family;
- (e) bear all risks and claims resulting from or occurring in the course of, or otherwise connected with, any operation covered by this Agreement. Without restricting the generality of the preceding sentence, the Government of Tanzania will indemnify and hold harmless the Governments of Denmark and Sweden and the Nordic personnel against any and all liability, suits, actions, damages, demands, cost or



fees on account of death, injuries to person or property, or any other losses resulting from, or connected with, any act or omission performed in the course of operations covered by this Agreement;

(f) ensure that the Nordic personnel and their families shall enjoy the full protection of the law.

3. Within the scope of the present Agreement, the Government of Tanzania undertakes to grant to Nordic personnel and their families a treatment which is not less favourable than that which other experts enjoy in Tanzania.

4. Subject to mutual consultations each Party will have the right to request the recall of any member of the Nordic personnel whose work or conduct is unsatisfactory.

5. The Nordic personnel shall have the right to communicate to the Governments of Denmark and Sweden any or all of the findings which they previously have reported to the Government of Tanzania unless such communication would prejudice the security of Tanzania or unless the Government of Tanzania has classified the same as confidential or secret.

#### MEMORANDUM OF UNDERSTANDING

The Parties to the Agreement on Co-operative Assistance to Tanzania signed at Dar es Salaam on the eighteenth day of July, 1968, hereby mutually agree to the following understanding :

*With reference to article 4 of the Agreement :*

1. It is understood that the personnel of the Centre and the co-operative wings will be employed on contract terms by an authorized delegate of the Danish and Swedish Governments, and that agreements on the number of persons will be made with that delegate.

2. As far as the co-operative personnel referred to in article 3 is concerned it is understood that details with regard to the number of persons, their selection, qualifications and training as well as their postings will be arranged between the Ministry of Agriculture and Co-operatives and the Secretariat for Technical Co-operation with Developing Countries in Copenhagen. The co-operative personnel will also be employed on contract terms by this Secretariat.

*With reference to article 5 of the Agreement :*

3. It is understood that the financial contribution of the Danish and Swedish Governments will be made through their authorized delegate.

4. According to the application from the Ministry of Commerce and Co-operatives of 23rd March, 1967, the net costs for the Co-operative Education Centre have been calculated at shs. 500,000 per year, excluding the costs of salaries and allowances, etc. for the Nordic personnel, which in accordance with the terms of the Agreement will be covered by the Danish and Swedish Governments.

5. According to the same application the local cost for one co-operative wing has been estimated as follows :

First year	shs. 100,000
Second year	shs. 66,000
Third year	shs. 66,000
Fourth year	shs. 78,000

At each of the co-operative wings there will be a Nordic study organiser, for whom the cost of salary and allowances, etc. will be covered by the Danish and Swedish Governments in accordance with the terms of the Agreement.

6. The attached estimates have been based on the assumption that two co-operative wings will be started in January 1968, and that four additional co-operative wings will be started in 1969. It is understood that the exact time for the establishment of the four additional co-operative wings will be agreed upon in due course.

7. It is further understood that the Co-operative Union of Tanganyika will contribute 10 per cent of the total budgets for the Centre and the co-operative wings in 1969, 25 per cent in 1970, 40 per cent in 1971, and that the contribution of the Danish and Swedish Governments to these budgets will be limited accordingly. In this connection it is also understood that the Co-operative Union of Tanganyika in its establishment will provide for an increasing number of posts within the Centre and the co-operative wings and that the salaries of this personnel will be considered as part of the contributions of the C.U.T.

8. In preparing proposals for annual plans of operation with budgets the Board of the Centre will follow the above principles and ensure the necessary contributions from the C.U.T. before submitting the plans and budgets to the authorized delegate of the Danish and Swedish Governments.

*With reference to article 11(c) of the Agreement :*

9. It is understood that the Board shall submit monthly reports and statements of accounts to the authorized delegate of the Danish and Swedish Governments.

DONE at Dar es Salaam on the eighteenth day of July, 1968, in three original copies in the English language.

BUDGET ESTIMATES FOR THE CO-OPERATIVE EDUCATION CENTRE  
AND THE CO-OPERATIVE WINGS 1968-1971  
(Tanzanian shillings)

Year	Total budget			Nordic contribution		Co-operative Union of Tanganyika				Posts	
	Centre	Wings	Total	per cent		Total contribution per cent	of which other costs	salaries		Centre	Wings
1968	500,000	200,000	700,000	100	700,000	0				—	—
1969	500,000	532,000	1,032,000	90	929,000	10	103,000	63,000	40,000	—	2
1970	500,000	396,000	896,000	75	672,000	25	224,000	124,000	100,000	1	4
1971	500,000	420,000	920,000	60	552,000	40	368,000	188,000	180,000	3	6
1972								210,000		4	6