

**No. 18548**

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**FEDERAL REPUBLIC OF GERMANY  
and  
UNITED REPUBLIC OF TANZANIA**

**Agreement concerning financial co-operation. Signed at Dar  
es Salaam on 6 July 1979**

*Authentic texts: German and English.*

*Registered by the Federal Republic of Germany on 14 April 1980.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
RÉPUBLIQUE-UNIE DE TANZANIE**

**Accord de coopération financière. Signé à Dar es-Salaam le  
6 juillet 1979**

*Textes authentiques : allemand et anglais.*

*Enregistré par la République fédérale d'Allemagne le 14 avril 1980.*

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE FEDERAL  
REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE  
UNITED REPUBLIC OF TANZANIA CONCERNING FINANCIAL  
CO-OPERATION

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The Government of the Federal Republic of Germany and the Government of the United Republic of Tanzania,

In the spirit of the friendly relations existing between the Federal Republic of Germany and the United Republic of Tanzania,

Desiring to strengthen and intensify those friendly relations through financial co-operation in a spirit of partnership,

Aware that the maintenance of those relations constitutes the basis of this Agreement,

Intending to contribute to social and economic development in the United Republic of Tanzania,

Have agreed as follows:

*Article 1.* The Government of the Federal Republic of Germany shall enable the Government of the United Republic of Tanzania to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, financial contributions on a grant basis.

*Article 2.* (1) The financial contributions pursuant to article 1 of this Agreement shall be used for the following projects if, after examination, they have been found eligible for promotion:

- (a) DM 10,000,000 (ten million deutsche mark) for the hydroelectric power-station Kidatu II;
- (b) DM 24,000,000 (twenty-four million deutsche mark) to meet foreign exchange costs resulting from the purchase of diesel locomotives from the German area of application of this Agreement as well as foreign exchange and local currency costs of transport and insurance in connection with the importation of locomotives financed under this Agreement;
- (c) DM 4,000,000 (four million deutsche mark) for the railway workshop Tabora;
- (d) DM 2,000,000 (two million deutsche mark) to finance cost increases in connection with the Handeni water supply project;
- (e) DM 10,000,000 (ten million deutsche mark) for the construction of the port road in Dar es Salaam;
- (f) DM 6,500,000 (six million five hundred thousand deutsche mark) to finance cost increases in connection with the electrification of 7 rural towns;
- (g) DM 1,719,192.55 (one million seven hundred and nineteen thousand one hundred and ninety-two deutsche mark) to meet cost increases in connection with the Tabora water supply project.

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<sup>1</sup> Came into force on 6 July 1979 by signature, in accordance with article 9.

(2) The projects referred to in paragraph 1 above may be replaced by other projects if the Government of the United Republic of Tanzania and the Government of the Federal Republic of Germany so agree.

(3) The utilization of the financial contributions as well as the terms and conditions on which they are granted shall be governed by the provisions of the financing agreements to be concluded between the Government of the United Republic of Tanzania and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

*Article 3.* (1) The Government of the Federal Republic of Germany shall make available to the Deutsche Gesellschaft für wirtschaftliche Zusammenarbeit (Entwicklungsgesellschaft) mbH (German Agency for Economic Co-operation — German Development Company), Cologne, a contribution of up to DM 5,000,000 (five million deutsche mark) to finance an increase of up to TSh 20,000,000 (twenty million Tanzanian shillings) in its participation in the Tanganyika Development Finance Company Ltd.

(2) The increase referred to in paragraph 1 above in the participation of the Deutsche Gesellschaft für wirtschaftliche Zusammenarbeit (Entwicklungsgesellschaft) [mbH]<sup>1</sup> shall be effected in accordance with a financing agreement still to be concluded.

(3) The Government of the United Republic of Tanzania and the Bank of Tanzania shall with regard to the participation referred to in paragraph 1 above guarantee the free transfer of all payments arising out of the financing agreement to be concluded pursuant to paragraph 2 above as well as the free transfer of the capital and the proceeds thereof and, in the case of sale or liquidation, the proceeds of such sale or liquidation.

The Government of the United Republic of Tanzania shall in no way hinder the Tanganyika Development Finance Company Ltd. in the fulfillment of its payment and repayment obligations to the Deutsche Gesellschaft für wirtschaftliche Zusammenarbeit (Entwicklungsgesellschaft) mbH pursuant to the financing agreement referred to in paragraph 2 above.

(4) The Government of the United Republic of Tanzania shall on application and in accordance with the laws applicable in Tanzania grant “approved status” to the participation of the Deutsche Gesellschaft für wirtschaftliche Zusammenarbeit (Entwicklungsgesellschaft) mbH referred to in paragraph 1 above.

*Article 4.* The Government of the United Republic of Tanzania shall exempt the Kreditanstalt für Wiederaufbau and the Deutsche Gesellschaft für wirtschaftliche Zusammenarbeit (Entwicklungsgesellschaft) mbH from all taxes and other public charges levied in the United Republic of Tanzania in connection with the conclusion and implementation of the financing agreements to be concluded pursuant to articles 2 and 3 of the present Agreement.

*Article 5.* The Government of the United Republic of Tanzania shall allow passengers and suppliers free choice of transport enterprises for such transportation by sea or air of persons and goods as results from the granting of the financial contributions, abstain from taking any measures that might exclude or impair the participation on equal terms of transport enterprises having their place of business in the

<sup>1</sup> The text between brackets appears only in the German authentic text.

German area of application of this Agreement, and grant any necessary permits for the participation of such enterprises.

*Article 6.* Supplies and services for projects financed from the financial contributions specified in article 2 (1) (a), (c), (e) and (f) of this Agreement shall, unless otherwise provided for in individual cases, be subject to international public tender; services and supplies for projects financed from the financial contribution specified in article 2 (1) (b) above shall, unless otherwise provided for in individual cases, be subject to public tender restricted to the German area of application of this Agreement.

*Article 7.* With regard to supplies and services resulting from the granting of the financial contributions, the Government of the Federal Republic of Germany attaches particular importance to preferential use being made of the economic potential of Land Berlin.

*Article 8.* With the exception of those provisions of article 5 which refer to air transport, this Agreement shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany does not make a contrary declaration to the Government of the United Republic of Tanzania within three months of the date of entry into force of this Agreement.

*Article 9.* This Agreement shall enter into force on the date of signature thereof.

DONE at Dar es Salaam on July 6th, 1979, in duplicate in the English and German languages, both texts being equally authentic.

For the Government  
of the Federal Republic  
of Germany:

[Signed — Signé]<sup>1</sup>

For the Government  
of the United Republic  
of Tanzania:

[Signed — Signé]<sup>2</sup>

<sup>1</sup> Signed by W. Eichborn — Signé par W. Eichborn.

<sup>2</sup> Signed by E. A. Mulokozi — Signé par E. A. Mulokozi.