

No. 23529

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

**Agreement concerning financial co-operation. Signed at
Bonn on 19 January 1984**

Authentic texts: German and English.

Registered by the Federal Republic of Germany on 17 September 1985.

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

**Accord de coopération financière. Signé à Bonn le 19 jan-
vier 1984**

Textes authentiques : allemand et anglais.

Enregistré par la République fédérale d'Allemagne le 17 septembre 1985.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED
REPUBLIC OF TANZANIA AND THE GOVERNMENT OF THE
FEDERAL REPUBLIC OF GERMANY CONCERNING FINAN-
CIAL CO-OPERATION

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

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

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,

With reference to the Summary Record of the German-Tanzanian intergovernmental negotiations of 11 February 1982,

Have agreed as follows:

Article 1. (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 of up to DM 72,129,000 (seventy-two million one hundred and twenty-nine thousand Deutsche Mark).

(2) DM 448,156.89 (four hundred forty-eight thousand one hundred and fifty-six Deutsche Mark) of the amount referred to in paragraph 1 above shall be taken from the financial contribution pledged under the Agreement of 6 February 1971 for the loading bridge Tanga and DM 3,781,000 (three million seven hundred and eighty-one thousand Deutsche Mark) from the financial contribution pledged under the Agreement of 13 July 1973 for the Tanzania Rural Development Bank; the aforementioned Agreements shall be amended accordingly by the present Agreement.

Article 2. (1) The financial contributions pursuant to Article 1 of this Agreement shall be utilized as follows:

- (a) DM 4,000,000 (four million Deutsche Mark) for the water supply Tanga;
- (b) DM 48,500,000 (forty-eight million five hundred thousand Deutsche Mark) for the hydroelectric power station Mtera;
- (c) DM 19,629,000 (nineteen million six hundred and twenty-nine thousand Deutsche Mark) for the Mufindi pulp and paper mill.

(2) The utilization of the financial contributions as well as the terms and conditions on which they are made available 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.

¹ Came into force on 19 January 1984 by signature, in accordance with article 9.

Article 3. (1) The Government of the Federal Republic of Germany shall make available to the Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern GmbH (German Finance Company for Investments in Developing Countries), Cologne, an amount of up to DM 2,500,000 (two million five hundred thousand Deutsche Mark) for the granting of a further loan with equity features of up to TSh 12,500,000 (twelve million five hundred thousand Tanzanian Shillings) to the Tanganyika Development Finance Company Ltd.

(2) The loan with equity features of the Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern GmbH referred to in paragraph 1 above shall be granted in accordance with a financing agreement still to be concluded, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

(3) The Government of the United Republic of Tanzania and the Bank of Tanzania shall with regard to the loan with equity features referred to in paragraph 1 above guarantee the free transfer of all payments under the financing agreement to be concluded in accordance with paragraph 2 above as well as the free transfer of the capital and returns and, in case of sale or liquidation, of the proceeds of such sale or liquidation.

The Government of the United Republic of Tanzania undertakes not to hinder the Tanganyika Development Finance Company Ltd. in the fulfilment of its payment and repayment obligations to the Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern GmbH under the financing agreement referred to in paragraph 2 above.

(4) The Government of the United Republic of Tanzania shall, in accordance with the laws applicable in the United Republic of Tanzania, grant on request "approved status" in respect of the loan with equity features of the Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern GmbH pursuant to paragraph 1 above.

Article 4. The Government of the United Republic of Tanzania shall exempt the Kreditanstalt für Wiederaufbau and the Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern GmbH 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 referred to in 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 German area of application of this Agreement, and grant any necessary permits for the participation of such enterprises.

Article 6. The procedure to be followed in awarding the contracts for the implementation of the projects referred to in Article 2 of this Agreement shall be determined in the financing agreements to be concluded between the Government of the United Republic of Tanzania and the Kreditanstalt für Wiederaufbau.

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 Bonn on 19 January 1984 in duplicate in the English and German languages, both texts being equally authentic.

For the Government
of the United Republic of Tanzania:

[Signed — Signé]¹

For the Government
of the Federal Republic of Germany:

[Signed — Signé]²

[Signed — Signé]³

¹ Signed by Kighoma A. Malima — Signé par Kighoma A. Malima.

² Signed by Lautenschlager — Signé par Lautenschlager.

³ Signed by Dr. Jürgen Warnke — Signé par Jürgen Warnke.