No. 23540

FEDERAL REPUBLIC OF GERMANY and MOZAMBIQUE

Agreement concerning financial co-operation. Signed at Maputo on 17 May 1984

Authentic texts: German and Portuguese.

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

RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE et MOZAMBIQUE

Accord de coopération financière. Signé à Maputo le 17 mai 1984

Textes authentiques: allemand et portugais.

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

[Translation — Traduction]

AGREEMENT BETWEEN THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF MOZAMBIQUE CONCERNING FINANCIAL CO-OPERATION

The Government of the Federal Republic of Germany and the Government of the People's Republic of Mozambique,

In the spirit of the friendly relations existing between the Federal Republic of Germany and the People's Republic of Mozambique,

Desiring to strengthen and enhance these friendly relations through financial cooperation as partners,

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

Intending to contribute to social and economic development in the People's Republic of Mozambique,

Having regard to the Record of the results of the intergovernmental talks of 22 November 1983 between the Federal Republic of Germany and the People's Republic of Mozambique,

Have agreed as follows:

- Article 1. (1) The Government of the Federal Republic of Germany shall enable the Government of the People's Republic of Mozambique to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt am Main, loans of up to a total of DM 44,000,000 (forty-four million deutsche mark) and a financial contribution of up to DM 1,000,000 (one million deutsche mark).
- (2) The loans shall be utilized as specified in subparagraphs (a) to (d) of this article, provided that, after examination, the various projects qualify for promotion, and the financial contribution shall be utilized as specified in subparagraph (e):
- (a) Up to DM 15,000,000 (fifteen million deutsche mark) in commodity aid for the project "Reconditioning dockside cranes in Maputo, Beira and Nacala",
- (b) Up to DM 5,500,000 (five million five hundred thousand deutsche mark) for the project "Renovation of the Maputo marshalling yard",
- (c) Up to DM 7,500,000 (seven million five hundred thousand deutsche mark) for the project "Beira telex exchange",
- (d) Up to DM 16,000,000 (sixteen million deutsche mark) for the project "Food storage silos",
- (e) Up to DM 1,000,000 (one million deutsche mark) for the project "Studies and experts fund".
- (3) This Agreement shall also apply if, at a later date, the Government of the Federal Republic of Germany enables the Government of the People's Republic of Mozambique to obtain from the Kreditanstalt für Wiederaufbau, Frankfurt am Main, further loans or financial contributions for preparing the projects referred to

¹ Came into force on 17 May 1984 by signature, in accordance with article 7.

- in paragraph 2, subparagraphs (a) to (d), or further financial contributions for collateral measures required for the execution and maintenance of the said projects.
- (4) The projects referred to in paragraph 2, subparagraphs (a) to (d), may be replaced by other projects if the Government of the Federal Republic of Germany and the Government of the People's Republic of Mozambique so agree. The financial contributions granted for preparatory and collateral measures in accordance with paragraphs 2 and 3 shall be converted into loans if they are not used for such measures.
- Article 2. Utilization of the amounts referred to in article 1, the terms and conditions on which they are granted as well as the procurement procedure to be applied shall be governed by the contracts to be concluded between the Kreditanstalt für Wiederaufbau and the recipients of the loans and financial contribution; these contracts shall be subject to the laws and regulations applicable in the Federal Republic of Germany.
- Article 3. The Government of the People's Republic of Mozambique shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other fiscal charges levied in Mozambique in connection with the conclusion and implementation of the contracts referred to in article 2.
- Article 4. The regular national carriers of both countries shall be guaranteed equal and fair treatment with regard to such transport by sea and air of persons and goods as results from the granting of the loans and financial contributions, consideration always being given to the most economical route for the People's Republic of Mozambique.
- Article 5. With regard to supplies and services resulting from the granting of the loans and the financial contribution, the Government of the Federal Republic of Germany attaches particular importance to preference being given to the economic potential of Land Berlin.
- Article 6. With the exception of those provisions of article 4 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 declaration to the contrary to the People's Republic of Mozambique within the three months following the date of entry into force of this Agreement.
- Article 7. This Agreement shall enter into force on the date of its signature.

 Done at Maputo on 17 May 1984, in two originals, in the German and Portuguese languages, both texts being equally authentic.

For the Government of the Federal Republic of Germany: HASSO BUCHRUCKER

For the Government of the People's Republic of Mozambique:
Antonio Sumbana