

**No. 24422**

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**FEDERAL REPUBLIC OF GERMANY  
and  
UGANDA**

**Agreement concerning financial co-operation (with annex).  
Signed at Kampala on 12 March 1985**

*Authentic texts: German and English.*

*Registered by the Federal Republic of Germany on 12 November 1986.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
OUGANDA**

**Accord de coopération financière (avec annexe). Signé à  
Kampala le 12 mars 1985**

*Textes authentiques : allemand et anglais.*

*Enregistré par la République fédérale d'Allemagne le 12 novembre 1986.*

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

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The Government of the Republic of Uganda and the Government of the Federal Republic of Germany,

In the spirit of the friendly relations existing between the Republic of Uganda 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 Republic of Uganda,

With reference to the minutes on the results of the Ugandan-German inter-governmental negotiations of 21 December 1983 and 16 November 1984,

Have agreed as follows:

*Article 1.* (1) The Government of the Federal Republic of Germany shall enable the Government of the Republic of Uganda to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, financial contributions of up to a total of DM 34,000,000 (thirty-four million Deutsche Mark).

(2) The financial contributions are to be used as follows if, after examination, the projects have been found eligible for promotion:

- (a) An amount of DM 10,000,000 (ten million Deutsche Mark) to meet foreign exchange costs resulting from the purchase of goods and services to cover current civilian requirements, and to meet foreign exchange and local currency costs of transport, insurance and assembly arising in connection with the importation of goods financed under this Agreement (Commodity Aids III and IV). The supplies and services must be such as are covered by the list annexed to this Agreement and for which supply or service contracts have been concluded after 1 June 1984;
- (b) An amount of DM 9,500,000 (nine million five hundred thousand Deutsche Mark) for a road maintenance unit;
- (c) An amount of DM 8,000,000 (eight million Deutsche Mark) for spare parts for locomotives of Ugandan Railways;
- (d) An amount of DM 5,500,000 (five million five hundred thousand Deutsche Mark) for the restoration of agricultural central storehouses, and;
- (e) An amount of DM 1,000,000 (one million Deutsche Mark) for the study and expert fund.

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<sup>1</sup> Came into force on 12 March 1985 by signature, in accordance with article 7.

(3) The DM 11,000,000 (eleven million Deutsche Mark) originally earmarked for the "Lake Katwe Salt Project" (intergovernmental agreement of 28 April 1982)<sup>1</sup> shall also be used to finance the projects referred to in paragraphs 2 (b), (c) and (d). No more funds are therefore available for the "Lake Katwe Salt Project".

(4) This Agreement shall also apply if, at a later date, the Government of the Federal Republic of Germany enables the Government of the Republic of Uganda to obtain from the Kreditanstalt für Wiederaufbau, Frankfurt/Main, further financial contributions for attendant measures required for the implementation and support of the projects referred to in paragraph 2 above.

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

(6) Further details as to the utilization of the amounts referred to in paragraph 2 above, the terms and conditions on which they are made available as well as the procedure for awarding contracts shall be governed by the provisions of the agreements to be concluded between the recipient of the financial contributions and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

*Article 2.* (1) The Government of the Federal Republic of Germany shall enable the Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern GmbH (German Finance Company for Investments in Developing Countries), Cologne,

- (a) To increase its previous shareholding in the Development Finance Company of Uganda Ltd. in the amount of US\$ 6,010,000 (six million ten thousand Ugandan shillings) by up to US\$ 112,500,000 (one hundred twelve million five hundred thousand Ugandan shilling);
- (b) To grant to the Development Finance Company of Uganda Ltd. a loan with equity features of up to US\$ 112,500,000 (one hundred twelve million five hundred thousand Ugandan shillings).

To this end, the Government of the Federal Republic of Germany shall make available to the Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern an amount of up to DM 2,000,000 (two million Deutsche Mark).

(2) The increase in shareholding, pursuant to paragraph 1 above, of the Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern and the granting of the loan with equity features shall be effected in accordance with the Memorandum and Articles of Association of the Development Finance Company of Uganda Ltd. and with the financial agreements to be concluded with that Company.

(3) The Government of the Republic of Uganda

- (a) Shall with regard to the share and loan with equity features referred to in paragraph 1 above guarantee the free import of any foreign currency in connection with the acquisition of the share and granting of the loan with equity features as well as the free transfer of any returns and of the proceeds from sale or liquidation as well as of interest and repayments;
- (b) Undertakes on its own behalf and on behalf of the Bank of Uganda not to hinder the Development Finance Company of Uganda Ltd. in the fulfilment of

<sup>1</sup> United Nations, *Treaty Series*, vol. 1485, 1-25457.

its liabilities to the Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern.

Similarly, the Government of the Republic of Uganda and the Bank of Uganda shall not obstruct the payment to the Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern of the purchasing price by any party acquiring the share referred to in paragraph 1 above;

- (c) Shall, in accordance with the law applicable in Uganda, grant on request "approved status" in respect of the share of the Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern referred to in paragraph 1 above.

(4) The Government of the Republic of Uganda shall exempt the Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern from all taxes and other public charges levied in Uganda in connection with the acquisition, sale or liquidation of the share referred to in paragraph 1 above, and with the returns therefrom.

(5) In case the share referred to in paragraph 1 above is increased through the issue of bonus shares, the guarantees and pledges given by the Government of the Republic of Uganda pursuant to paragraphs 3 and 4 above shall also apply to the increased share.

*Article 3.* The Government of the Republic of Uganda shall exempt the Kreditanstalt für Wiederaufbau and the Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern from all taxes and other public charges levied in Uganda in connection with the conclusion and implementation of the agreements referred to in Articles 1 and 2 of the present Agreement.

*Article 4.* The Government of the Republic of Uganda 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 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 5.* 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 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 contrary declaration to the Government of the Republic of Uganda within three months of the date of entry into force of this Agreement.

*Article 7.* This Agreement shall enter into force on the date of signature thereof.

DONE at Kampala on March 12, 1985 in duplicate in the English and German languages, both texts being equally authentic.

For the Government  
of the Republic of Uganda:

[Signed — Signé]<sup>1</sup>

For the Government  
of the Federal Republic of Germany:

[Signed — Signé]<sup>2</sup>

ANNEX TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC  
OF UGANDA AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GER-  
MANY CONCERNING FINANCIAL CO-OPERATION

1. List of goods and services eligible for financing from the financial contribution under Article 1 of the intergovernmental Agreement of March 12, 1985:

- (a) Industrial raw and auxiliary materials as well as semi-manufactures,
- (b) Industrial equipment as well as agricultural machinery and implements,
- (c) Spare parts and accessories of all kinds,
- (d) Chemical products, in particular fertilizers, plant protection agents, pesticides, medica-  
ments,
- (e) Other industrial products of importance for the development of the Republic of Uganda,
- (f) Advisory services, patents and licence fees,
- (g) Up to DM two million for fuel and lubricants for the project "road maintenance unit".

The goods and services under (a) to (f) shall be imported from the Federal Republic of Germany.

2. Imports not included in the above list may only be financed with the prior approval of the Government of the Federal Republic of Germany.

3. The importation of luxury and consumer goods for personal needs as well as any goods and facilities serving military purposes may not be financed from the financial contribu-  
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<sup>1</sup> Signed by Onegi Obel — Signé par Onegi Obel.

<sup>2</sup> Signed by Günter Held — Signé par Günter Held.