

No. 25461

**FEDERAL REPUBLIC OF GERMANY
and
MOZAMBIQUE**

**Agreement concerning financial co-operation (with annex).
Signed at Maputo on 26 May 1986**

Authentic texts: German and Portuguese.

Registered by the Federal Republic of Germany on 9 November 1987.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
MOZAMBIQUE**

**Accord de coopération financière (avec annexe). Signé à
Maputo le 26 mai 1986**

Textes authentiques : allemand et portugais.

Enregistré par la République fédérale d'Allemagne le 9 novembre 1987.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL
REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF MOZAMBIQUE CONCERNING FINAN-
CIAL 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 co-operation 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 results of the intergovernmental negotiations of 28 to 30 October 1985 and to the Record of negotiations of 30 October 1985,

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 26,800,000 (twenty-six million, eight hundred thousand deutsche mark) and financial contributions up to a total of DM 1,600,000 (one million, six hundred thousand deutsche mark).

2. The loans and financial contributions shall be utilized as specified in the following subparagraphs (a) to (e), provided that, after examination, the various projects qualify for promotion:

- (a) A loan of up to DM 20,000,000 (twenty million deutsche mark) for the road transport sector programme;
- (b) A loan of up to DM 3,400,000 (three million, four hundred thousand deutsche mark) for derailment equipment;
- (c) A loan of up to DM 3,400,000 (three million, four hundred thousand deutsche mark) for aid in goods for restoring the Maputo coal-burning power plant as listed in the annex to this Agreement;
- (d) A financial contribution of up to DM 700,000 (seven hundred thousand deutsche mark) as collateral measures (managerial aid) for the programme referred to in subparagraph (a);
- (e) A financial contribution up to DM 900,000 (nine hundred thousand deutsche mark) for the "studies and skilled personnel fund II" project.

¹ Came into force on 26 May 1986 by signature, in accordance with article 7.

3. The projects referred to in paragraph 2, subparagraphs (a) to (e), 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. Financial contributions granted for preparatory and collateral measures in accordance with paragraph 2 shall be converted into loans if they are not used for such measures.

Article 2. Utilization of the contributions 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 contributions; 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 contributions, 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 apply also 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 26 May 1986, in two originals, in the German and Portuguese languages, both texts being equally authentic.

For the Government of the Federal Republic of Germany:

ONNO HÜCKMANN

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

LUIS-MARIA ALCÂNTARA SANTOS

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

1. List of goods and services which, under article 1 of the intergovernmental Agreement of 26 May 1986, may be financed from the loan:

- Spare parts including assembly services for restoring the Maputo coal-burning power station;
- Advisory services, patents and licence fees.

2. Imported goods not included in this list may be financed only with the prior consent of the Government of the Federal Republic of Germany.

3. Imports of luxury and consumer goods for private use and goods and installations for military purposes shall not be financed from the loan.
