

No. 26104

**FEDERAL REPUBLIC OF GERMANY
and
SOMALIA**

**Agreement concerning financial cooperation. Signed at
Mogadishu on 1 September 1987**

Authentic texts: German and English.

Registered by the Federal Republic of Germany on 19 July 1988.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
SOMALIE**

**Accord de coopération financière. Signé à Mogadishu le
1^{er} septembre 1987**

Textes authentiques : allemand et anglais.

Enregistré par la République fédérale d'Allemagne le 19 juillet 1988.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE SOMALI
DEMOCRATIC REPUBLIC AND THE GOVERNMENT OF THE
FEDERAL REPUBLIC OF GERMANY CONCERNING FINAN-
CIAL CO-OPERATION

The Government of the Somali Democratic Republic and the Government of the Federal Republic of Germany,

In the spirit of the friendly relations existing between the Somali Democratic Republic 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 Somali Democratic Republic,

Have agreed as follows:

Article 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, hereinafter referred to as "the DEG", to acquire an investment amounting to DM 2,000,000 (two million deutsche mark) in Somair Limited, hereinafter referred to as "Somair", and to grant Somair a convertible loan with equity features to the equivalent in Somali shillings of DM 5,000,000 (five million deutsche mark) hereinafter referred to as "the investment".

The Government of the Federal Republic of Germany shall make available to the DEG for this purpose an amount of up to DM 7,000,000 (seven million deutsche mark).

Article 2

The investment by the DEG referred to in Article 1 of this Agreement shall be effected in accordance with the provisions of the financing agreements to be concluded with Somair.

Article 3

(1) With regard to the investment referred to in Article 1 of this Agreement, the Government of the Somali Democratic Republic shall guarantee the free importation of foreign currency in connection with the acquisition of the investment and the granting of the loan with equity features, as well as the free transfer of any returns and sale or liquidation proceeds or interest and amortization payments in respect of the loan or, if the right of conversion is exercised in full or in part, the free transfer of the resultant returns and sale or liquidation proceeds.

¹ Came into force on 1 September 1987 by signature, in accordance with article 7.

(2) The Government of the Somali Democratic Republic shall, in accordance with the laws applicable in the Somali Democratic Republic, grant on request “approved status” in respect of the DEG investment referred to in Article 1 of this Agreement.

(3) The Government of the Somali Democratic Republic undertakes on its own behalf and on behalf of the Central Bank of Somalia not to hinder Somair in the discharge of its liabilities to the DEG.

Similarly, the Government of the Somali Democratic Republic and the Central Bank of Somalia shall not hinder the payment to the DEG of the purchase price by any party acquiring the investment referred to in Article 1 of this Agreement.

(4) The Contracting Parties agree that any returns on the investment referred to in Article 1 of this Agreement shall be paid into a special account of the DEG and used exclusively for such projects as are deemed particularly suited to the development of Somalia’s civil aviation. DEG and Somali Airlines shall decide on the utilization of such returns in agreement with the Government of the Federal Republic of Germany.

Article 4

The Government of the Somali Democratic Republic shall exempt the DEG from all taxes and other public charges levied in the Somali Democratic Republic in connection with the investment referred to in Article 1 of this Agreement.

Article 5

Should the investment referred to in Article 1 of this Agreement be increased through the issue of bonus shares, the guarantees and assurances given by the Government of the Somali Democratic Republic pursuant to Articles 3 and 4 of this Agreement shall also apply to the increased investment.

Article 6

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 Somali Democratic Republic 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 Mogadishu on 1 September 1987, in duplicate in the English and German languages, both texts being equally authentic.

For the Government
of the Somali Democratic
Republic:

[Signed — Signé]¹

For the Government
of the Federal Republic
of Germany:

[Signed — Signé]²

¹ Signed by Dr. Abdurahman Jama Barre — Signé par Abdurahman Jama Barre.

² Signed by Rudolph — Signé par Rudolph.