

**No. 26107**

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**FEDERAL REPUBLIC OF GERMANY  
and  
KENYA**

**Agreement concerning financial cooperation (with annex).  
Signed at Nairobi on 2 October 1987**

*Authentic texts: German and English.*

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

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
KENYA**

**Accord de coopération financière (avec annexe). Signé à  
Nairobi le 2 octobre 1987**

*Textes authentiques : allemand et anglais.*

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

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

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

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

With reference to item 2.1.3 of the Summary Record of the intergovernmental negotiations, dated 5 October 1986,

Have agreed as follows:

*Article 1*

(1) The Government of the Federal Republic of Germany shall enable the Government of the Republic of Kenya to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, a loan of up to DM 12,800,393.14 (twelve million eight hundred thousand three hundred and ninety-three deutsche mark and fourteen pfennig) 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 Aid XII).

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 January 1987.

(2) 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 Kenya to obtain further loans from the Kreditanstalt für Wiederaufbau for the implementation of the project Commodity Aid XII.

(3) The residual amount of DM 12,800,393.14 (twelve million eight hundred thousand three hundred and ninety-three deutsche mark and fourteen pfennig) from the loan earmarked for the project Central Workshop for the Ministry of Water Development (intergovernmental Agreement of 1 October 1982<sup>2</sup>) shall be used to finance the commodity aid referred to in paragraph 1 above.

Consequently, only DM 199,606.86 (one hundred and ninety-nine thousand six hundred and six deutsche mark and eighty-six pfennig) are available for the project Central Workshop for the Ministry of Water Development.

<sup>1</sup> Came into force on 2 October 1987 by signature, in accordance with article 7.

<sup>2</sup> United Nations, *Treaty Series*, vol. 1345, p. 177.

### Article 2

The utilization of the amount referred to in Article 1 of this Agreement and the terms and conditions on which it is made available, as well as the procedure for awarding contracts, shall be governed by the provisions of the agreement to be concluded between the recipient of the loan and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

### Article 3

The Government of the Republic of Kenya shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Republic of Kenya in connection with the conclusion and implementation of the agreement referred to in Article 2 of the present Agreement.

### Article 4

The Government of the Republic of Kenya 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 loan, 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 loan, 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 Kenya 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 Nairobi on 2nd October 1987, in duplicate in the English and German languages, both texts being equally authentic.

For the Government  
of the Republic of Kenya:

[Signed — Signé]<sup>1</sup>

For the Government  
of the Federal Republic  
of Germany:

[Signed — Signé]<sup>2</sup>

<sup>1</sup> Signed by George Saitoti — Signé par George Saitoti.

<sup>2</sup> Signed by Klaiber — Signé par Klaiber.

ANNEX TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF KENYA AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING FINANCIAL COOPERATION

1. List of goods and services eligible for financing from the loan under Article 1 of the Agreement of 2nd October 1987:

- (a) Industrial raw and auxiliary materials as well as semi-manufactures,
- (b) Industrial equipment as well as machinery and implements,
- (c) Spare parts and accessories of all kinds,
- (d) Chemical products, medicaments,
- (e) Other industrial products of importance for the development of the Republic of Kenya,
- (f) Trucks and transport equipment,
- (g) Advisory services, patents and licence fees.

The goods and services referred to in sub-paragraphs (a) to (g) above shall be procured in 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 loan.

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