

No. 26480

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**FEDERAL REPUBLIC OF GERMANY**  
**and**  
**KENYA**

**Agreement concerning financial cooperation—*Loan to the Development Finance Company of Kenya*. Signed at Nairobi on 19 November 1987**

*Authentic texts: German and English.*

*Registered by the Federal Republic of Germany on 16 March 1989.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE**  
**et**  
**KENYA**

**Accord de coopération financière — *Prêt à la Development Finance Company of Kenya*. Signé à Nairobi le 19 novembre 1987**

*Textes authentiques : allemand et anglais.*

*Enregistré par la République fédérale d'Allemagne le 16 mars 1989.*

## 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,

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 grant the Development Finance Company of Kenya, Nairobi, hereinafter referred to as "the DFCK", a loan with equity features up to an amount of KSh.1,892,500 (one million eight hundred and ninety-two thousand five hundred Kenya Shillings).

The Government of the Federal Republic of Germany shall make available to the DEG for this purpose an amount of up to DM 236,564.19 (two hundred and thirty-six thousand five hundred and sixty-four Deutsche Mark).

### *Article 2*

The DEG loan with equity features referred to in Article 1 of this Agreement shall be granted in accordance with the provisions of the financing agreement to be concluded with the DFCK.

### *Article 3*

(1) With regard to the loan with equity features referred to in Article 1 of this Agreement, the Government of the Republic of Kenya shall guarantee the free importation of foreign currency in connection with the granting of the loan as well as the free transfer of the agreed amortization payments on the loan with equity features and of interest and incidental expenses.

(2) The Government of the Republic of Kenya undertakes on its own behalf and on behalf of the Central Bank of Kenya not to hinder the DFCK in the discharge of its liabilities to the DEG.

<sup>1</sup> Came into force on 19 November 1987 by signature, in accordance with article 6.

(3) Should the loan with equity features be converted into an investment, the Government of the Republic of Kenya and the Central Bank of Kenya shall not hinder the payment of sale proceeds and of any returns to the DEG.

#### Article 4

(1) The Government of the Republic of Kenya shall exempt the DEG from all taxes and other public charges levied in the Republic of Kenya in connection with the granting and amortization of the loan with equity features referred to in Article 1 of this Agreement as well as with interest and incidental expenses.

(2) The same shall apply to the repatriation of sale or liquidation proceeds and of any returns on the investment in the event that the loan with equity features is converted into an investment.

#### Article 5

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 6

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

DONE at Nairobi on 19th of November 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>

[Signed — Signé]<sup>3</sup>

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

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

<sup>3</sup> Signed by Volkmar Köhler — Signé par Volkmar Köhler.