

No. 26779

FEDERAL REPUBLIC OF GERMANY
and
MADAGASCAR

**Agreement concerning financial cooperation. Signed at
Antananarivo on 29 April 1987**

Authentic texts: German and French.

Registered by the Federal Republic of Germany on 5 September 1989.

RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
MADAGASCAR

**Accord de coopération financière. Signé à Antananarivo le
29 avril 1987**

Textes authentiques : allemand et français.

Enregistré par la République fédérale d'Allemagne le 5 septembre 1989.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL
REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE
DEMOCRATIC REPUBLIC OF MADAGASCAR CONCERNING
FINANCIAL COOPERATION

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

In the spirit of the friendly relations existing between the Federal Republic of
Germany and the Democratic Republic of Madagascar,

Desiring to strengthen and enhance these friendly relations through financial
cooperation 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 Democratic
Republic of Madagascar,

With reference to section 3.1.2 of the record of the intergovernmental negotia-
tions of 15 May 1986,

Have agreed as follows:

Article 1

The Government of the Federal Republic of Germany shall enable the Deutsche
Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern GmbH, Co-
logne (DEG) to grant the Société textile de Majunga S.A., Majunga (SOTEMA) a
participation loan with conversion rights in the amount of FMG 3,000,000,000 (three
billion Malagasy francs). For this purpose, the Government of the Federal Republic
of Germany shall place at the disposal of DEG an amount of up to DM 8,000,000
(eight million deutsche mark).

Article 2

The participation loan referred to in article 1 of this Agreement shall be made
available under a financing contract to be concluded with SOTEMA.

Article 3

1. The Government of the Democratic Republic of Madagascar shall, with
respect to the participation loan referred to in article 1 of this Agreement, guarantee
the free import of all foreign means of payment in connection with the granting of
the loan and the free transfer of the instalments to be agreed on for reimbursement
of the loan, as well as interest and accessory expenses.

2. The Government of the Democratic Republic of Madagascar shall under-
take, on its own behalf and on behalf of the Central Bank of Madagascar (Banque

¹ Came into force on 29 April 1987 by signature, in accordance with article 6.

centrale de Madagascar) not to impede SOTEMA in the execution of its payment obligations to DEG.

3. In the event that the participation loan is converted to participation, the Government of the Democratic Republic of Madagascar and the Central Bank of Madagascar shall not impede the payment to DEG of proceeds of alienation or any other proceeds.

Article 4

1. The Government of the Democratic Republic of Madagascar shall exempt DEG from all taxes and other fiscal charges levied in the Democratic Republic of Madagascar in connection with the granting and reimbursement of the participation loan referred to in article 1 of this Agreement, as well as from interest and accessory expenses.

2. In the event that the participation loan should be converted into participation, corresponding measures shall apply regarding the return transfer of proceeds of alienation or liquidation, as well as any proceeds from the participation.

Article 5

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 Government of the Democratic Republic of Madagascar within the three months following the date of entry into force of this Agreement.

Article 6

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

DONE at Antananarivo on 29 April 1987, in two originals, in the German and French languages, both texts being equally authentic.

For the Government of the Federal Republic
of Germany:

ROLLIN

For the Government of the Democratic Republic
of Madagascar:

MAURICE RAMAROZAKA
