

No. 29578

**FEDERAL REPUBLIC OF GERMANY
and
MOZAMBIQUE**

**Agreement concerning financial cooperation (with annex).
Signed at Maputo on 25 November 1988**

Authentic texts: German and Portuguese.

Registered by Germany on 8 February 1993.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
MOZAMBIQUE**

**Accord de coopération financière (avec annexe). Signé à
Maputo le 25 novembre 1988**

Textes authentiques : allemand et portugais.

Enregistré par l'Allemagne le 8 février 1993.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF MOZAMBIQUE CONCERNING FINANCIAL COOPERATION

The Government of the Federal Republic of Germany and the Government of the People's Republic of Mozambique,

Acting in the spirit of the existing friendly relations between the Federal Republic of Germany and the People's Republic of Mozambique,

Guided by the desire to strengthen and deepen these friendly relations through financial cooperation based on partnership,

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,

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 (Reconstruction Credit Institute), Frankfurt am Main, a loan of up to DM 10,000,000 (ten million deutsche mark) for the financing of the foreign currency costs resulting from the acquisition of goods and services intended to satisfy the current civilian requirements, and of the transport, insurance and assembly costs, in foreign and domestic currency, connected with the financed import of goods. The deliveries and services in question must be among those that are contained in the list attached as an annex to this Agreement and for which the delivery and service contracts were concluded after 1 October 1988.

(2) Subject to agreement between the Government of the Federal Republic of Germany and the Government of the People's Republic of Mozambique, other projects may be substituted for the project referred to in paragraph (1).

Article 2

The use of the amounts referred to in article 1, the terms and conditions under which they are made available, and the procedure for the placing of orders shall be laid down in contracts to be concluded between the Kreditanstalt für Wiederaufbau and the recipients of the loans; these contracts shall be subject to the legal provisions in force 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 to which it

¹ Came into force on 25 November 1988 by signature, in accordance with article 7.

may be subject in the People's Republic of Mozambique in connection with the conclusion and execution of the contracts referred to in article 2.

Article 4

With regard to the transport of persons and goods, by sea and air, occasioned by the granting of the loans, the regular national carriers of both countries shall be ensured equal and fair opportunities, with consideration given in every instance to the most economical way for the People's Republic of Mozambique.

Article 5

The Government of the Federal Republic of Germany is particularly interested in having preference accorded to the use of the economic potential of *Land Berlin* in providing the supplies and services arising out of the granting of the financial contribution.

Article 6

This Agreement shall also apply to *Land Berlin*, provided that the Government of the Federal Republic of Germany has not made a contrary declaration to the Government of the People's Republic of Mozambique within three months from the date of entry into force of the Agreement.

Article 7

This Agreement shall enter into force on the date on which it is signed.

DONE at Maputo, on 25 November 1988, in duplicate in the German and Portuguese languages, both texts being equally authentic.

For the Government
of the Federal Republic of Germany:

REINHART KRAUS

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

JACINTO VELOSO

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 COOPERATION

1. List of the goods and services that, in accordance with article 1 of the Intergovernmental Agreement of 25 November 1988, may be financed through the loan:

- Raw materials and auxiliary materials for industry as well as semi-finished products;
- Industrial equipment as well as agricultural machines and implements;
- All kinds of spare parts and accessories;
- Chemical industry products, in particular fertilizers, plant health agents and insecticides, and medicines;
- Other industrial products of importance to the development of Mozambique;
- Consultancy services, patents and royalties.

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

3. The import of luxury items and of consumer goods for private use, and also of goods and systems designed for military purposes, is excluded from financing through the loan.
