

No. 29577

**FEDERAL REPUBLIC OF GERMANY
and
MOZAMBIQUE**

**Agreement concerning financial cooperation. Signed at
Maputo on 25 April 1988**

Authentic texts: German and Portuguese.

Registered by Germany on 8 February 1993.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
MOZAMBIQUE**

**Accord de coopération financière. Signé à Maputo le 25 avril
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,

Referring to the intergovernmental negotiations conducted on 16 November 1987 in Bonn,

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, loans totalling up to DM 16,800,000 (sixteen million eight hundred thousand deutsche mark).

(2) The loans shall be used for the following projects:

(a) A loan of up to DM 10,700,000 (ten million seven hundred thousand deutsche mark) for the expansion of the Beira Telex Exchange (Central de Telex de Beira);

(b) A loan of up to DM 6,100,000 (six million one hundred thousand German marks) for the overhauling of the Maputo Auxiliary Thermal Power Plant (Central térmica auxiliar de Maputo).

The loan referred to under (b) shall be granted in addition to the loans already made available under the Agreements between the Federal Republic of Germany and the Government of the People's Republic of Mozambique Concerning Financial Cooperation of 26 May 1986² (article 1, paragraph 2, subparagraph (c)) and of 19 January 1987³ (article 1, paragraph 2, subparagraph (a)) in the amounts of DM 3,400,000 (three million four hundred thousand deutsche mark) and DM 7,000,000 (seven mil-

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

² United Nations, *Treaty Series*, vol. 1485, No. I-25461.

³ *Ibid.*, vol. 1526, No. I-26475.

lion deutsche mark), respectively. In this way the total amount made available for the overhaul of the Maputo Auxiliary Thermal Power Plant shall be DM 16,500,000 (sixteen million five hundred thousand deutsche mark).

(3) 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 projects referred to in paragraph 2, subparagraphs (a) and (b).

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 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

With the exception of those provisions of article 4 that refer to air transport, 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 April 1988, in duplicate in the German and Portuguese languages, both texts being equally authentic.

For the Government
of the Federal Republic of Germany:

P. SCHOLZ

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

JACINTO VELOSO
