

No. 21698

**FEDERAL REPUBLIC OF GERMANY
and
ZIMBABWE**

**Agreement concerning financial co-operation (with annex).
Signed at Salisbury on 16 July 1980**

Authentic texts: German and English.

Registered by the Federal Republic of Germany on 17 March 1983.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
ZIMBABWE**

**Accord de coopération financière (avec annexe). Signé à
Salisbury le 16 juillet 1980**

Textes authentiques : allemand et anglais.

Enregistré par la République fédérale d'Allemagne le 17 mars 1983.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF ZIMBABWE AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING FINANCIAL CO-OPERATION

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

In the spirit of the friendly relations existing between Zimbabwe 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 Zimbabwe,

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable the Government of Zimbabwe to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, loans up to DM 50,000,000 (fifty million deutsche mark) for the following purposes:

- (a) a loan up to DM 40,000,000 (forty million deutsche mark) for the project "Reconstruction work in rural areas", if, after examination, the project has been found eligible for promotion;
- (b) a loan up to DM 10,000,000 (ten million deutsche mark) 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 the present Agreement.

These supplies and services must be such as are covered by the list annexed to the present Agreement and for which supply or service contracts have been concluded after the entry into force of this Agreement.

(2) The project referred to in paragraph 1 (a) above may be replaced by other projects if the Government of Zimbabwe and the Government of the Federal Republic of Germany so agree.

Article 2. The utilization of the loans as well as the terms and conditions on which they are granted shall be governed by the provisions of the agreements to be concluded between the borrower 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 Zimbabwe shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in Zimbabwe in connection with the conclusion and implementation of the agreements to be concluded pursuant to article 2 of the present Agreement.

¹ Came into force on 16 July 1980 by signature, in accordance with article 8.

Article 4. The Government of Zimbabwe shall allow passengers and suppliers free choice of transport enterprises for such transportation by sea, land or air of persons and goods as results from the granting of the loans, 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. Supplies and services for projects financed from the loan pursuant to article 1 (1) (a) of the present Agreement, shall, unless otherwise provided for in individual cases, be subject to international public tender.

Article 6. With regard to supplies and services resulting from the granting of the loans, the Government of the Federal Republic of Germany attaches particular importance to preferential use being made of the economic potential of Land Berlin.

Article 7. 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 Zimbabwe within three months of the date of entry into force of this Agreement.

Article 8. This Agreement shall enter into force on the date of signature thereof.

DONE at Salisbury on July 16, 1980 in duplicate in the English and German languages, both texts being equally authentic.

For the Government
of Zimbabwe:

[Signed]

Senator ENOS NKALA
Minister of Finance

For the Government
of the Federal Republic of Germany:

[Signed]

RAINER OFFERGELD
Federal Minister for
Economic Co-operation

ANNEX TO THE AGREEMENT BETWEEN THE GOVERNMENT OF ZIMBABWE
AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING
FINANCIAL CO-OPERATION

1. List of goods and services eligible for financing from the loan under article 1 (1) (b) of the Agreement of July 16, 1980:

- (a) Industrial raw and auxiliary materials as well as semi-manufactures,
- (b) Industrial equipment as well as agricultural machinery and implements,
- (c) Spare parts and accessories of all kinds,
- (d) Chemical products, in particular fertilizers, plant protection agents, pesticides, medications,
- (e) Other industrial products of importance for the development of Zimbabwe,
- (f) Advisory services, patents and licence fees.

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.
