

TANZANIA

Economic and Technical Cooperation

The American Ambassador to the Minister for Finance of Tanzania

No. 23/68

DAR ES SALAAM, February 8, 1968

EXCELLENCY:

I have the honor to refer to recent conversations between representatives of our two Governments and to advise you that the Government of the United States of America will be prepared to furnish to the Government of the United Republic of Tanzania economic, technical and related assistance in accordance with the understandings set forth below.

1. The Government of the United States of America will furnish such economic, technical and related assistance hereunder as may be requested by representatives of the appropriate agency or agencies of the Government of the United Republic of Tanzania, and approved by representatives of the agency designated by the Government of the United States of America to administer its responsibilities hereunder, or as may be requested and approved by other representatives designated by the Government of the United States of America and the Government of the United Republic of Tanzania. The furnishing of such assistance shall be subject to applicable United States laws and regulations. It shall be made available in accordance with arrangements agreed upon between the above mentioned representatives.
2. The Government of the United Republic of Tanzania will make the fullest contribution permitted by its manpower, resources, facilities and general economic condition in furtherance of the purpose for which assistance is made available hereunder; will take appropriate steps to assure the effective use of such assistance; will cooperate with the Government of the United States of America to assure that procurement will be at reasonable prices and on reasonable terms; will permit observation and review by United States representatives of programs and operations hereunder; and records pertaining thereto; will provide the Government of the United States of America with full and complete information concerning such programs and operations and other relevant information which the Government of the United States of America may need to determine the nature and scope of operations and to evaluate the effectiveness of the assistance furnished or contemplated; and will give to the people of the United Republic of Tanzania full publicity concerning programs and operations hereunder. With respect to cooperative technical assistance programs hereunder, the Government of the United Republic of Tanzania will also bear a fair share of the costs thereof; will, to the maximum extent possible, seek full coordination and integration of such programs with other technical cooperation programs being carried on in the United Republic of Tanzania; and will cooperate with other nations participating in such programs in the mutual exchange of technical knowledge and skills.

3. In any case where commodities or services are furnished on a grant basis under arrangements which will result in the accrual of proceeds to the Government of the United Republic of Tanzania from the import or sale of such commodities or services, the Government of the United Republic of Tanzania, except as may otherwise be mutually agreed upon by the representatives referred to in paragraph 1, hereof, will establish in its own name a Special Account with the Bank of Tanzania; will deposit promptly in such Special Account the amounts of local currency equivalent to such proceeds; and, upon notification from time to time by the Government of the United States of America of its local currency requirements, will make available to the Government of the United States of America, in the manner requested by that Government, out of any balances in the Special Account, such sums as are stated in such notifications to be necessary for such requirements.

The Government of the United Republic of Tanzania may draw upon any remaining balances in the Special Account for such purposes beneficial to the United Republic of Tanzania as may be agreed upon from time to time by the representatives referred to in paragraph 1 hereof. Any unencumbered balance of funds which remain in the Special Account upon termination of assistance hereunder to the Government of the United Republic of Tanzania shall be disposed of for such purposes as may be agreed upon by the representatives referred to in paragraph 1 hereof.

4. The Government of the United States of America and the Government of the United Republic of Tanzania agree that a special mission and its personnel will be received by the Government of the United Republic of Tanzania to carry out and discharge the responsibilities of the Government of the United States under this agreement. The Government of the United Republic of Tanzania agree to give full cooperation to the special mission and its personnel, including the furnishing of facilities necessary for the purpose of carrying out the provisions of this agreement. The Government of the United Republic of Tanzania also agree to afford full and complete immunity from both civil and criminal jurisdiction to all personnel accredited to the special mission except citizens and permanent residents of the United Republic to perform work in connection herewith.

5. In order to assure the maximum benefits to the people of the United Republic of Tanzania from the assistance to be furnished hereunder:

(a) Any supplies, materials, equipment or funds introduced into or acquired in the United Republic of Tanzania by the Government of the United States of America, or any contractor financed by that Government, for purposes of any program or project conducted hereunder shall, while such supplies, materials, equipment or funds are used in Tanzania in connection with such a program or project, be exempt from any taxes on ownership shall be exempt from any tariffs, customs duties, import and export taxes, or taxes on purchase of property, and any other taxes or similar charges in the United Republic of Tanzania. No direct tax (whether in the nature of an income, profits, business tax or otherwise) shall be imposed upon any contractor, not having a regular place of business in East Africa, who is financed by the Government of the United States of America hereunder.

(b) All personnel, accredited to the special mission, except citizens and permanent residents of the Government of the United Republic of Tanzania, shall be exempt from

income and social security taxes levied under the laws of the United Republic of Tanzania with respect to income which is paid from funds provided by the Government of the United States of America or any agency thereof and upon which they are subject to the income or social security tax laws of the United States of America or any other Government and from taxes on the purchase, ownership, use or disposition of personal movable property (including automobiles) intended for their own use. Such personnel and members of their families shall receive the same treatment with respect to the payment of customs and import and export duties on personal effects, equipment and supplies imported into the United Republic of Tanzania to diplomatic personnel of the Embassy of the United States of America in the United Republic of Tanzania, subject only to the limitation that continuous customs free entry shall be limited to personnel, including their families, of comparable grade to personnel of the Embassy accorded continuous customs free entry.

(c) All personnel who, being employees of the Government of the United States of America other than citizens or pertinent residents of Tanzania, are present in Tanzania in connection with this Agreement but not accredited to the Special Mission under paragraph 4 of this Agreement, shall be accorded the privileges and immunities accorded to the non-representational staff of the Embassy.

(d) All personnel (other than those referred to in paragraphs (b) and (c) of this Article) under contract with, or employed by public or private organizations under contract with, the Government of the United States of America, or the Government of the United Republic of Tanzania, or financed by the Government of the United States of America, who, not being citizens of or normally resident in Tanzania, shall be exempt from income and social security taxes levied under the laws of the United Republic of Tanzania with respect to income upon which they are obligated to pay income or social security taxes to any other government and on first arrival in the United Republic of Tanzania, shall be entitled to customs privileges not less favorable than those presently conferred by Item 144 of the 1st Schedule to the Customs Tariff Ordinance, by the Customs Tariff (Remission of Customs Duties) (Technical Assistance) (General) Order, 1965; and if specifically provided by the project agreement, the benefit conferred by the Private Motor Vehicles Registration Tax (Technical Assistance Exemption) Order, 1965.

(e) Funds introduced into the United Republic of Tanzania for purposes of furnishing assistance hereunder shall be convertible into currency of the United Republic of Tanzania at the rate providing the largest number of units of such currency per United States dollar, which, at the time the conversion is made, banks in the United Republic of Tanzania apply to transfers from abroad.

6. The Government of the United States of America and the Government of the United Republic of Tanzania will establish procedures whereby the Government of the United Republic of Tanzania will so deposit, segregate, or assure title to all funds allocated to or derived from any program of assistance undertaken hereunder by the Government of the United States of America that such funds shall not be subject to garnishment, attachment, seizure or other legal process by any person, firm, agency, corporation, or organization or government of the Government of the United Republic of Tanzania is advised by the Government of the United States of America that such legal process would interfere with the attainment of the objectives of the programme of assistance Hereunder.

7. All or part of the program of assistance provided herein may, except as may otherwise be provided in arrangements agreed upon pursuant to paragraph 1 hereof, be terminated by either Government if that Government determines that because of changed conditions the continuation of such assistance is unnecessary or undesirable. The termination of such assistance under this provision may include the termination of deliveries of any commodities hereunder not yet delivered.

I have the honor to propose that, if these understandings are acceptable to the Government of the United Republic of Tanzania, the present note and your Excellency's reply note concurring therein shall be deemed to have entered into force on February 8, 1968, and which shall remain in force until thirty days after the receipt by either Government of written notification of the intention of the other to terminate it, it being understood, however, that in the event of such termination the provisions hereof shall remain in full force and effect with respect to assistance theretofore furnished.

Accept, Excellency, the renewed assurance of my highest consideration.

/s/ JOHN H. BURNS

His Excellency
A.H. JAMAL,
Minister for Finance
Dar es Salaam

The Minister for Finance of Tanzania to the American Ambassador

FEBRUARY 8, 1968

EXCELLENCY:

I have the honour to your note of to-day's date which reads as follows:

"I have the honour to refer to recent conversations between representatives of the appropriate agency or agencies of the Government of the United Republic of Tanzania, and approved by representatives of the agency designated by the Government of the United States of America to administer its responsibilities hereunder, or as may be requested and approved by other representatives designated by the Government of the United States of America and the Government of the United Republic of Tanzania. the furnishing of such assistance shall be subject to applicable United States laws and regulations. It shall be made available in accordance with arrangements agreed upon between the above mentioned representatives.

2. The Government of the United Republic of Tanzania will make the fullest contribution permitted by its manpower, resources, facilities and general economic condition in furtherance of the purpose for which assistance is made available hereunder; will take appropriate steps to assure the effective use of such assistance; will co-operate with the Government of the United States of America to assure that procurement will be at reasonable prices and on reasonable terms; will permit observation and review by United States representatives of programmes and operations and other relevant information concerning such programmes and operations and other relevant information which the

Government of the United States of America may need to determine the nature and scope of operations and to evaluate the effectiveness of the assistance furnished or contemplated; and will give to the people of the United Republic of Tanzania full publicity concerning programmes and operations hereunder. With respect to co-operative technical assistance programmes hereunder, the Government of the United Republic of Tanzania will also bear a fair share of the costs thereof; will, to the maximum extent possible, seek full co-ordination and integration of such programmes with other technical co-operation programmes being carried on in the United Republic of Tanzania; and will co-operate with other nations participating in such programmes in the mutual exchange of technical knowledge and skills.

3. In any case where commodities or services are furnished on a grant basis under arrangements which will result in the accrual of proceeds to the Government of United Republic of Tanzania from the import or sale of such commodities or services, the Government of the United Republic of Tanzania, except as may otherwise be mutually agreed upon by the representatives referred to in paragraph 1, hereof, will establish in its own name a Special Account with the Bank of Tanzania: will deposit promptly in such Special Account the amounts of local currency equivalent to such proceeds; and, upon notification from time to time by the Government of the United States of America of its local currency requirements, will make available to the Government of the United States of America, in the manner requested by that Government, out of any balances in the Special Account, such sums as are stated in such notifications to be necessary for such requirements.

The Government of the United Republic of Tanzania may draw upon any remaining balances in the Special Account for such purpose beneficial to the United Republic of Tanzania as may be agreed upon from time to time by the representatives referred to in paragraph 1 hereof. Any unencumbered balance of funds which remain in the Special Account upon termination of assistance hereunder to the Government of the United Republic of Tanzania shall be disposed of for such purposes as may be agreed upon by the representatives referred to in paragraph 1 hereof.

4. The Government of the United States of America and the Government of the United Republic of Tanzania agree that a special mission and its personnel will be received by the Government of the United Republic of Tanzania to carry out and discharge the responsibilities of the Government of the United States under this agreement. The Government of United Republic of Tanzania agree to give full co-operation to the special mission and its personnel, including the furnishing of facilities necessary for the purpose of carrying out the provisions of this agreement. The Government of the United Republic of Tanzania also agree to afford full and complete immunity from both civil and criminal jurisdiction to all personnel accredited to the special mission, except citizens and permanent residents of the United Republic, to perform work in connection herewith.

5. In order to assure the maximum benefits to the people of the United Republic of Tanzania from the assistance to be furnished hereunder:

(a) Any supplies, materials, equipment or funds introduced into or acquired in the United Republic of Tanzania by the Government of the United States of America, or any

contractor financed by that Government, for purposes of any programme or project conducted hereunder shall, while such supplies, materials, equipment or funds are used in Tanzania in connection with such a programme or project, be exempt from any taxes on ownership or use of property, and any other taxes, investment or deposit requirements and currency controls in the United Republic of Tanzania, and the import, export, purchase, or use of any such supplies, materials, equipment or funds in connection with such a programme or project shall be exempt from any tariffs, customs duties, import and export taxes, or taxes on purchase of property, and any other taxes or similar charges in the United Republic of Tanzania. No direct tax (whether in the nature of any income, profits, business tax or otherwise) shall be imposed upon any contractor, not having a regular place of business in East Africa, who financed by the Government of the United States of America hereunder.

(b) All personnel, accredited to the special mission, except citizens and permanent residents of the United Republic of Tanzania, shall be exempt from income and social security taxes levied under the laws of the United Republic of Tanzania with respect to income which is paid from funds provided by the Government of the United States of America or any agency thereof and upon which they are subject to the income or social security tax laws of the United States of America or any other Government and from taxes on the purchase, ownership, use or disposition of personal movable property (including automobiles) intended for their own use. Such personnel and members of their families shall receive the same treatment with respect to the payment of customs and import and export duties on personal effects, equipment and supplies imported into the United Republic of Tanzania for their own use, and with respect to other duties and fees, as is accorded by the Government of the United Republic of Tanzania to diplomatic personnel of the Embassy of the United States of America in the United Republic of Tanzania, subject only to the limitation that continuous customs free entry shall be limited to personnel, including their families, of comparable grade to personnel of the Embassy accorded continuous customs free entry.

(c) All personnel who, being employees of the Government of the United States of America other than citizens or permanent residents of Tanzania, are present in Tanzania in connection with this Agreement but not accredited to the Special Mission under paragraph 4 of this Agreement, shall be accorded the privileges and immunities accorded to the non-representational staff of the Embassy.

(d) All personnel (other than those referred to in paragraphs (b) and (c) of this Article) under contract with, or employed by public or private organizations under contract with, the Government of the United States of America, or the government of the Republic of Tanzania, or financed by the Government of the United States of America, who, not being citizens of or normally resident in Tanzania, are present in the United Republic of Tanzania to perform work in connection herewith and whose entrance into the country has been approved by the Government of the United Republic of Tanzania, shall be exempt from income and social security taxes levied under the laws of the United Republic of Tanzania with respect to income upon which they are obligated to pay income or social security taxes to any other government and on first arrival in the United Republic of Tanzania, shall be entitled to customs privileges not less favorable than those presently conferred by Item 144 of the 1st Schedule to the Customs Tariff Ordinance, by the Customs Tariff (Remission of Customs Duties) (Technical Assistance) (General)

Order, 1965; and if specifically provided by the project agreement, the benefit conferred by the Private Motor Vehicles Registration Tax (Technical Assistance Exemption) Order, 1965.

(e) Funds introduced into the United Republic of Tanzania for purposes of furnishing assistance hereunder shall be convertible into currency of the United Republic of Tanzania at the rate providing the largest number of units of such currency per United States dollar, which, at the time the conversion is made, banks in the United Republic of Tanzania apply to transfers from abroad.

6. The Government of the United States of America and the Government of the United Republic of Tanzania will establish procedures whereby the Government of the United Republic of Tanzania will so deposit, segregate, or assure title to all funds allocated to or derived from any programme of assistance undertaken hereunder by the Government of the United States of America that such funds shall not be subject to garnishment, attachment, seizure or other legal process by any person, firm, agency, corporation, organization or government when the Government of the United Republic of Tanzania is advised by the Government of the United States of America that such legal process would interfere with the attainment of the objectives of the programme of assistance hereunder.

7. All or any part of the programme of assistance provided herein, may, except as may otherwise be provided in arrangements agreed upon pursuant to paragraph 1 hereof, be terminated by either Government if that Government determines that because of changed conditions the continuation of such assistance is unnecessary or undesirable. The termination of such assistance under this provision may include the termination of deliveries of any commodities hereunder not yet delivered.

I have the honor to propose that, if these understandings are acceptable to the Government of the United Republic of Tanzania, the present note and your Excellency's reply note concurring therein shall constitute an Agreement between our two Governments which shall be deemed to have entered into force on 8th February, 1968, and which shall remain in force until thirty days after the receipt by either Government of written notification of the intention of the other to terminate it, it being understood, however, that in the event of such termination the provisions hereof shall remain in full force and effect with respect to assistance theretofore furnished."

I have the honour to confirm that the foregoing is acceptable to the Government of the United Republic of Tanzania.

Accept, Excellency, the renewed assurance of my highest consideration.

/s/ A.H. JAMAL

A.H. JAMAL
Minister for Finance,
United Republic of Tanzania

His Excellency
Mr. JOHN H. BURNS
Ambassador of United States of America

to Tanzania,
Dar es Salaam

Agreement effected by exchange of notes
Signed at Dar es Salaam February 8, 1968;
Entered into force February 8, 1968.
19 UST 4614; TIAS 6448; 698 UNTS 67.