

FRAMEWORK AGREEMENT

BETWEEN

**THE GOVERNMENT OF THE REPUBLIC OF AUSTRIA
REPRESENTED BY THE FEDERAL MINISTER OF FINANCE**

AND

**THE GOVERNMENT OF THE REPUBLIC OF KENYA
REPRESENTED BY THE NATIONAL TREASURY AND ECONOMIC
PLANNING**

ON

FINANCIAL CO-OPERATION

The Austrian Federal Minister of Finance and the Kenyan National Treasury and Economic Planning (hereinafter referred to as "Parties"),

Guided by the traditional friendly relations between the two countries,

Expressing their satisfaction over the past cooperation under the Austrian Promotional Schemes and important achievements attained thereunder,

Desiring to further strengthen and deepen their relationship with a view to enhancing economic and financial cooperation in sectors/areas of mutual interest,

Recognizing that the promotion of bilateral co-operation may contribute to economic and social development, sustainable growth and welfare,

have agreed as follows:

Article 1

Objective

The objective of this Framework Agreement is to establish a framework for financial cooperation between the Parties for the provision of concessional loans under the Austrian Soft Loan Scheme in support of sectors/projects of mutual interest in the Republic of Kenya.

Financial cooperation between the two Parties is conducted in accordance with their respective laws, regulations, relevant policies and mandates as well as their international obligations.

Article 2

Scope

Financial cooperation is carried out within an indicative financial framework amount of up to EUR 40.000.000-(Euro forty million) through the provision of concessional loans principally offered as tied aid, extended via Oesterreichische Kontrollbank Aktiengesellschaft (OeKB), Vienna, by the banking sector for the financing of capital goods and related services for public sector projects in the Republic of Kenya.

Article 3

Entities involved in Concessional Loans

Concessional Loans are negotiated and concluded directly between commercial banks as lenders and the Kenyan National Treasury and Economic Planning as borrower under separate loan agreements.

Article 4

Eligibility and Financial Conditions

The eligibility for support/financing under the Austrian Soft Loan Scheme is appraised case by case with due regard to applicable OECD disciplines for concessional financing and the Soft Loan Policy in force. Terms and conditions offered thereunder are set in conformity with international rules, in particular those resulting from the "OECD Arrangement on Officially Supported Export Credits". The concessionality level for tied aid credits shall be at least 35 %.

The terms and conditions are subject to change due to the annual resetting of the discount rate under the auspices of the OECD and a country risk reclassification.

Article 5

Procurement

Project procurement is to be made in accordance with the laws and regulations applicable in the Republic of Kenya.

Article 6

Guarantee

The Minister of National Treasury and Economic Planning of the Republic of Kenya hereby irrevocably and unconditionally guarantees the fulfilment of all payment obligations resulting from Austrian concessional loans and recognizes these guarantees' legal enforceability.

Article 7

Taxes

The Government of the Republic of Kenya shall under its applicable laws and regulations exempt all payments under this Framework Agreement from all taxes and other charges levied in the Republic of Kenya.

Article 8

Dispute Resolution

Any dispute arising from the application of the Agreement shall be settled amicably through mutual negotiations through diplomatic channels.

Article 9

Legal Status

Each of the Parties hereby agrees and confirms that this Framework Agreement shall be binding upon themselves in respect of the contents thereof.

Any and all correspondence made or notices to be sent or required to be made under this Agreement shall be in writing, signed by the Party giving such notice and shall be delivered by electronic mail to the other parties as its addresses set forth herein below or at such other addresses as such other Parties may subsequently notify. All notices shall be deemed given when delivered.

Article 10

Notices

The following addresses will act as contacting points for the relevant Parties:

Austrian Federal Ministry of Finance/OeKB via Commercial Counsellor in Nairobi as contact point

Telephone No.: AT MoF +43 1 51433 503184

Address: Austria Federal Ministry of Finance , Department III/7, Johannesgasse 5, 1010 Vienna

Email Address: christoph.kreutler@bmf.gv.at

Attention: AT MoF Mr. Christoph Kreutler, Director, Head of Department III/7

Government of the Republic of Kenya

Telephone No: +254 20 2252299

Address: P.O BOX 30007-00100 Nairobi, Kenya

Email Address: ps@treasury.go.ke and pstreasury01@gmail.com

Attention: Principal Secretary

Article 11

Amendments

This Framework Agreement shall only be amended by mutual written consent of the Parties. Amendments shall come into effect on the date determined by the Parties.

Article 12

Entry into Force, Duration and Termination

This Framework Agreement shall enter into force on the first day of the month following the month in which the Parties have notified each other of the fulfilment of all procedures and preconditions necessary for its entry into force in their respective country. It will remain in force for a period of two years, extendable thereafter for further periods by mutual agreement of the Parties.

Each Party may terminate this Framework Agreement by giving six months' prior written notice to the other Party. The termination shall not affect the execution of contracts already conducted.

Done in two originals, both in English language.

Nairobi, 2nd August 2023

Nairobi, 2nd August 2023

**For the Government of the Republic of
Austria represented by the Federal Minister
of Finance**

**For the Government of the Republic of
Kenya represented by the Cabinet
Secretary, the National Treasury and
Economic Planning**

Christian Fellner

Njuguna Ndung'u

	Untersigner	serialNumber=734173660,CN=Bundeskanzleramt,C=AT
	Datum/Zeit	2023-09-27T13:25:12+02:00
	Prüfinformation	Informationen zur Prüfung des elektronischen Siegels bzw. der elektronischen Signatur finden Sie unter: https://www.signaturpruefung.gv.at Informationen zur Prüfung des Ausdrucks finden Sie unter: https://www.bundeskanzleramt.gv.at/verifizierung
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