

Nairobi, 12/05/2021
Minister of Finance

(to Embassy of Belgium)

Your Excellency,

I have the honour to acknowledge the receipt of your letter of today's date which reads as follows:

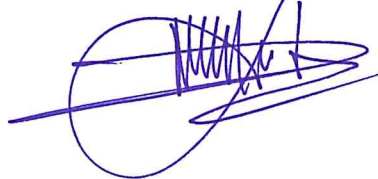
"In conformity with Article 10 of the Agreement signed on the 12/05/2021 between the Government of the Republic of Kenya and the Government of the Kingdom of Belgium on the granting of financial assistance by the Government of the Kingdom of Belgium to the Government of the Republic of Kenya, I have the honour to confirm you that the formalities required by the Belgian legislation for the enforcement of this Agreement have been duly complied with.

Consequently, I would propose that the date of entry into effect of the Agreement be fixed at today's date."

I am pleased to confirm that the contents of your letter are acceptable to the Government of the Republic of Kenya and that your letter and this reply place on record the understanding of our two Governments in this matter which comes into operation on the date of this reply.

Please accept, Your Excellency, the assurances of my highest consideration.

FOR THE GOVERNMENT
OF THE REPUBLIC OF KENYA



**AGREEMENT BETWEEN
THE GOVERNMENT OF THE KINGDOM
OF BELGIUM AND THE GOVERNMENT OF
THE REPUBLIC OF KENYA
RELATING TO THE GRANTING OF
FINANCIAL ASSISTANCE FOR MEDICAL
WASTE TREATMENT PLANTS**

The Government of the Kingdom of Belgium, hereinafter referred to as "the Belgian Government" and the Government of the Republic of Kenya, hereinafter referred to as the "Government of Kenya";

Considering that the Royal Decree of 30th May 1997 authorises in Belgium the Minister of Finance and the Minister who has foreign trade relations in his attributions to grant loans to foreign States;

Deeming it desirable to favour the friendly relations and the trade expansion between Belgium and Kenya;

Have agreed as follows:

ARTICLE 1

Provision of funds

1. The Belgian Government shall grant to the Government of Kenya a financial assistance in the form of a 0 % interest loan amounting to 10.000.000 euro (ten million euro) with a maturity of forty (40) years and a grace period of twenty (20) years.
2. To this end, the National Bank of Belgium will open a non-interest bearing account in euro in the name of the Government of Kenya.
3. Money will be paid into this account according to the needs, and, at the most, to a total amount of 10.000.000 euro (ten million euro).

ARTICLE 2

Repayment

1. The Government of Kenya will repay to the Belgian Government the loan granted under the terms of the present Agreement. Proceeds of the loan will be reimbursed in twenty instalments, based on the invoices submitted.
2. These reimbursements will be effected in euro in Brussels to the National Bank of Belgium, in its capacity as treasurer to the Belgian State; they shall be effected annually on the 31st December of each year, and for the first time on the 31st December of the twentieth year following the year of payment on the account referred to under section 2.3.
3. These repayments will be effected in favour of IBAN BE43 6792 0040 2101 of the Federal Public Service Finance of Belgium, with bpost (BIC: PCHQBEBB), with "Kenya" as communication.

OK

ARTICLE 3

Assignment of the loan

The financial assistance provided under this Agreement shall be used entirely and exclusively by the Government of Kenya for the production, delivery and installation of 15 AMB Series 250 Ecosteryl medical waste treatment plants.

The financing of Belgian goods and services shall also comply with the rules laid down in the OECD Arrangement on guidelines for officially supported export credits.

The technical procedures for implementing the provisions of this article are described in annexe 1 of the present Agreement.

ARTICLE 4

Availability of the Financial Assistance.

Unless otherwise agreed, the share of the financial assistance which will not have been committed within five years following the entry into force of the Agreement will be considered as cancelled.

ARTICLE 5

Tax exemption

Belgian financial aid of 10.000.000 euro granted under this Agreement shall in no circumstances be used for the payment of any taxes, customs duties, entry taxes and other fiscal and administrative charges (including VAT) on supplies and equipment, works and services. If taxes or charges are payable according to the Republic of Kenya's legislation, they will be borne by the Republic of Kenya Party's project budget.

ARTICLE 6

Intervention of the agents

The National Bank of Belgium and the National Treasury of the Government of the Republic of Kenya, acting as agents of their respective Governments, shall by joint Agreement take the technical measures required for the implementation of the provisions of this Agreement.

ARTICLE 7

Renunciation to the right of seizure

The Contracting Parties commit themselves expressly to renounce all acts of seizure or freeze of the reciprocal credits that constitute the object of the present agreement,

Act

MILK

during a delay of fifteen years starting at the date of signature of the present agreement.

ARTICLE 8

Conflict resolution

The Belgian Government and the Government of Kenya will make every necessary effort in order to settle amicably any dispute arising between them and relating to the interpretation or the implementation of the present Agreement. If the negotiations fail to reach a satisfactory agreement between the Belgian Government and the Government of Kenya and if, therefore, a violation of the present Agreement is recorded, the parties may then terminate the present Agreement provided they both honor the commitments already made.

The Governing Law of this agreement are the English laws.

ARTICLE 9

Anti-corruption clause

No offer, payment, consideration, or benefit of any kind, which constitutes or could be construed as an illegal or corrupt practice, shall be made, either directly or indirectly, as an inducement or reward for the award or execution of this contract. Any such practice will be grounds for terminating this contract or taking any other corrective action as appropriate.

ARTICLE 10

Entry into force

The provisions of this Agreement shall become effective at a date to be determined by an exchange of letters establishing that the formalities required by the national legislation of each of the Contracting Parties for the implementation of this Agreement have been complied with. This exchange of letters cannot take place before the commercial contract has been signed.

In witness whereof the undersigned, duly authorized thereto, have appended their signatures to this Agreement.

Done in Nairobi, on 12/05/2021.

in two originals in the English language, both texts being equally authentic.

FOR THE GOVERNMENT OF
THE KINGDOM OF BELGIUM



FOR THE GOVERNMENT OF
THE REPUBLIC OF KENYA



Annexe 1

1. The sum in euro made available to Kenya under Article 1 of the Agreement (hereinafter referred to as "sum in euro") shall be used entirely and exclusively for payments in favour of persons and firms whose trading activity is located in Belgium, for the purchase of Belgian capital goods or industrial equipment and services related thereto, effected in compliance with specific performance of contracts for which import licences, where required, have been issued by the Government of the Republic of Kenya, after the date of signature of the Agreement.

The financing of Belgian goods or services shall also comply with the rules laid down in the OECD Arrangement on guidelines for officially supported export credits.

2. The Government of the Republic of Kenya shall send, through the diplomatic channels, to the Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation of Belgium photocopies of the contracts, bills and other documents provided for in these contracts, against which payments are to be effected by means of the sum in euro. The Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation, shall forward these documents to the International and European Financial Affairs Administration of the Treasury of the Federal Public Service Finance who will be responsible for the execution of the payments.

These contracts, bills and other documents shall include the following information :

- a) the date of issue of the import license when such a document is required;
- b) the nature of the services provided;
- c) the nature of the goods delivered as well as their leading number on the Kenyan customs tariff;
- d) the Belgian origin of the goods.

The International and European Financial Affairs Administration of the Treasury of the Federal Public Service Finance of Belgium may request the Government of the Republic of Kenya to supply such additional information as may be necessary to ascertain whether the payments due for the performance of the relevant contracts are in conformity with the objectives of the Agreement.

3. In accordance with Article 6 of the Agreement, the technical measures required for the execution of its provisions will be taken, on the initiative of the National Bank of Belgium, by joint agreement between the National Bank of Belgium and the Ministry of Finance of Kenya.

As soon as these technical measures will have been taken, the Ministry of Finance of Kenya may forward to the National Bank of Belgium one or more irrevocable payment orders aiming at utilizing the sum in euro in respect of payments provided for by the above-mentioned contracts.

The execution of these payment orders shall be subordinated to the formal approval by the International and European Financial Affairs Administration of the Treasury of the Federal Public Service Finance of Belgium.

much

4. If the sum in euro were to be used, in total or in part, as a down payment in the framework of the commercial and financial contract and accompanied by a bank guarantee of refunding, the Government of the Republic of Kenya shall see to it that the bank guarantee stipulates that the realization, for any reason whatsoever, of the said bank guarantee be made as payment in favor of IBAN BE43 6792 0040 2101 of Federal Public Service Finance of Belgium, with bpost (BIC: PCHQBEBB), with following communication "Kenya – refund of guarantee".

CS

MICL