

No. 14348

**FEDERAL REPUBLIC OF GERMANY
and
LAOS**

Agreement concerning financial assistance. Signed at Vientiane on 11 April 1974

Authentic texts: German and French.

Registered by the Federal Republic of Germany on 7 October 1975.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
LAOS**

Accord d'aide financière. Signé à Vientiane le 11 avril 1974

Textes authentiques : allemand et français.

Enregistré par la République fédérale d'Allemagne le 7 octobre 1975.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ CONCERNING FINANCIAL ASSISTANCE BETWEEN THE
GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND
THE GOVERNMENT OF THE KINGDOM OF LAOS

The Government of the Federal Republic of Germany and the Government of the Kingdom of Laos,

Considering the friendly relations existing between the Federal Republic of Germany and the Kingdom of Laos,

Desiring to consolidate and intensify these friendly relations by fruitful co-operation in the field of development assistance,

Being aware that the maintenance of these relations is the basis for the present Agreement,

Purposing to promote the development of the Laotian economy,

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable the Government of the Kingdom of Laos and/or other borrowers, to be selected jointly by the two Governments, to obtain loans not exceeding a total of 20 (twenty) million Deutsche Mark from the Kreditanstalt für Wiederaufbau (Reconstruction Loan Corporation), Frankfurt-on-Main, for the following projects, provided that, after being studied, they are found to merit support:

- Partial projects relating to the second phase of construction of the Nam Ngum power station in an amount not exceeding DM 10 (ten) million, in accordance with the arrangement concerning the second Nam Ngum development fund;
- Programmes relating to agricultural and industrial development.

(2) The projects referred to in paragraph 1 may, by agreement between the Government of the Federal Republic of Germany and the Government of the Kingdom of Laos, be replaced by other projects.

Article 2. (1) The utilization of these loans and the conditions on which they are granted shall be governed by the contracts to be concluded between the borrowers and the Kreditanstalt für Wiederaufbau; the said contracts shall be subject to the legal provisions applicable in the Federal Republic of Germany.

(2) The Government of the Kingdom of Laos, in so far as it is not itself the borrower, shall guarantee to the Kreditanstalt für Wiederaufbau all payments and the resulting transfer in fulfilment of the borrower's obligations under the loan contracts to be concluded.

Article 3. The Government of the Kingdom of Laos shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in Laos at the time of the conclusion or execution of the loan contracts referred to in article 2.

Article 4. The Government of the Kingdom of Laos shall allow passengers and suppliers a free choice of transport enterprises for such transportation of passengers and goods by sea and air as results from the granting of the loans, shall refrain from taking any measures that might exclude or impede the participation of German transport enterprises

¹ Came into force on 11 April 1974 by signature, in accordance with article 8.

which have their headquarters in the German area of application of this Agreement and shall issue the necessary permits, if any.

Article 5. Contracts for deliveries and performances in respect of projects financed by the loans shall be awarded by international public tender, unless otherwise stipulated in individual cases.

Article 6. The Government of the Federal Republic of Germany is particularly desirous that, for deliveries resulting from the granting of the loans, preference should be given to the products of the industry of *Land Berlin*.

Article 7. With the exception of those provisions of article 4 which relate to air traffic, 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 Kingdom of Laos within three months of the entry into force of this Agreement.

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

DONE at Vientiane on 11 April 1974, in four copies, two in German and two in French, all the texts being equally authentic.

For the Government of the Federal Republic of Germany:

[Signed]

ULRICH VON RHAMM

Ambassador of the Federal Republic of Germany

For the Government of the Kingdom of Laos:

[Signed]

PHAGNA PHOUMI VONGVICHIT

Minister for Foreign Affairs
