

No. 14897

**FEDERAL REPUBLIC OF GERMANY
and
PAKISTAN**

**Agreement concerning financial assistance in the form of
supplementary financing of the Tarbela Dam Project.
Signed at Bonn on 5 December 1975**

Authentic texts: German and English.

Registered by the Federal Republic of Germany on 21 July 1976.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PAKISTAN**

**Accord relatif à l'octroi d'une aide financière sous la forme
d'un financement additionnel du Projet de construction
du barrage de Tarbela. Signé à Bonn le 5 décembre
1975**

Textes authentiques : allemand et anglais.

Enregistré par la République fédérale d'Allemagne le 21 juillet 1976.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE ISLAMIC
REPUBLIC OF PAKISTAN AND THE GOVERNMENT OF THE
FEDERAL REPUBLIC OF GERMANY CONCERNING FINAN-
CIAL ASSISTANCE IN THE FORM OF SUPPLEMENTARY
FINANCING OF THE TARBELA DAM PROJECT

The Government of the Islamic Republic of Pakistan and the Government of the Federal Republic of Germany,

In the spirit of the friendly relations existing between the Islamic Republic of Pakistan and the Federal Republic of Germany,

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

Aware that the maintenance of those relations constitutes the basis of the present Agreement,

Wishing to supplement the aid which the Government of the Islamic Republic of Pakistan has hitherto received from the Government of the Federal Republic of Germany,

Acting in conformity with the measures to safeguard the global financing of the Tarbela Dam project (Tarbela supplementary financing) agreed among the members of the Tarbela Fund under the auspices of the World Bank,²

Intending to contribute to economic and social development in the Islamic Republic of Pakistan,

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable the Government of the Islamic Republic of Pakistan to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, a loan of up to 15 million DM (fifteen million German Marks).

(2) The borrower may claim the loan by instalments of 5 million DM (five million German Marks) for disbursement on 1 January 1976, 1 July 1976, and 1 January 1977, in each case together with any residual amounts not claimed previously.

(3) The loan shall be used to meet the costs of repair and extension work on the Tarbela Dam in accordance with the requirements laid down by the World Bank.

(4) In the event that the work referred to in paragraph 3 does not use up the whole loan on account of contributions made by third States or on other grounds, the Government of the Federal Republic of Germany agrees to any residual amount being used to finance irrigation and agricultural follow-up activities within the framework of the Indus Basin Programme, subject to the conditions mentioned in article 2 below and provided that such activities have been found to be eligible for promotion.

Article 2. (1) The loan shall bear an interest rate of 2 per cent per annum. It shall have a maturity of 30 years including 10 years' grace.

¹ Came into force on 5 December 1975 by signature, in accordance with article 8.

² United Nations, *Treaty Series*, vol. 637, p. 41.

(2) The other conditions on which the loan is 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 the Islamic Republic of Pakistan shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Islamic Republic of Pakistan at the time of the conclusion, or during the implementation, of the agreements referred to in article 2 (2) of the present Agreement.

Article 4. The Government of the Islamic Republic of Pakistan shall allow passengers and suppliers free choice of transport enterprises for such transportation by land, sea or air of persons and goods as results from the granting of the loan, abstain from taking any measures that might exclude or impair the fair and equal participation of transport enterprises having their place of business in the German area of application of the present Agreement, and grant permits for such participation as required.

Article 5. Supplies and services for projects financed from the loan shall, unless otherwise provided for in individual cases, be subject to international public tender.

Article 6. With regard to supplies resulting from the granting of the loan, the Government of the Federal Republic of Germany attaches particular importance to preference being given to products of industries 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 the Islamic Republic of Pakistan within three months of the date of entry into force of this Agreement.

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

DONE at Bonn on December 5, 1975, in duplicate in the English and German languages, both texts being authentic.

For the Government
of the Islamic Republic
of Pakistan:

[Signed — Signé]¹

For the Government
of the Federal Republic
of Germany:

[Signed — Signé]²

[Signed — Signé]³

¹ Signed by S. K. Malik — Signé par S. K. Malik.

² Signed by Lahn — Signé par Lahn.

³ Signed by Klamser — Signé par Klamser.