

No. 16365

**FEDERAL REPUBLIC OF GERMANY
and
LAO PEOPLE'S DEMOCRATIC REPUBLIC**

Agreement concerning financial assistance. Signed at Vientiane on 9 March 1976

Authentic texts: German and French.

Registered by the Federal Republic of Germany on 1 February 1978.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
RÉPUBLIQUE DÉMOCRATIQUE POPULAIRE LAO**

Accord d'aide financière. Signé à Vientiane le 9 mars 1976

Textes authentiques : allemand et français.

Enregistré par la République fédérale d'Allemagne le 1^{er} février 1978.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL
REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE
LAO PEOPLE'S DEMOCRATIC REPUBLIC CONCERNING FI-
NANCIAL ASSISTANCE

The Government of the Federal Republic of Germany and the Government of the Lao People's Democratic Republic,

Considering the friendly relations existing between the Federal Republic of Germany and the Lao People's Democratic Republic,

Desiring to strengthen 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 contribute to economic and social development in the Lao People's Democratic Republic,

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable Electricité du Laos to obtain a loan not exceeding a total of DM 13 million (thirteen million Deutsche Mark) from the *Kreditanstalt für Wiederaufbau* (Reconstruction Loan Corporation), Frankfurt am Main, for the project "Nam Ngum Phase II."

Article 2. (1) The utilization of this loan, and the conditions on which it is granted, shall be governed by the contracts to be concluded between the borrower 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 Lao People's Democratic Republic shall guarantee to the *Kreditanstalt für Wiederaufbau* all payments in Deutsche Mark in fulfilment of the borrower's liabilities under the contracts to be concluded in accordance with paragraph 1.

Article 3. The Government of the Lao People's Democratic Republic shall exempt the *Kreditanstalt für Wiederaufbau* from all taxes and other public charges levied in the Lao People's Democratic Republic at the time of the conclusion or execution of the contracts referred to in article 2.

Article 4. The Government of the Lao People's Democratic Republic shall allow passengers and suppliers a free choice of transport enterprises for such transportation of passengers and goods by sea and by air as results from the granting of the loan; it shall refrain from taking any measures that might exclude or impede the participation of transport enterprises which have their headquarters within the German area of application of this Agreement and shall grant any permits that may be necessary for the participation of such transport enterprises.

¹ Came into force on 9 March 1976 by signature, in accordance with article 8.

Article 5. Contracts for deliveries and performances relating to projects financed by the loan 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 loan, 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 Lao People's Democratic Republic within three months from the date of entry into force of this Agreement.

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

DONE at Vientiane on 9 March 1976, in duplicate in the German and French languages, both texts being equally authentic.

For the Government of the Federal Republic of Germany:

[Signed]

EDGAR VON SCHMIDT-PAULI
Ambassador Extraordinary and Plenipotentiary
of the Federal Republic of Germany

For the Government of the Lao People's Democratic Republic:

[Signed]

PHOUNE SIPRASEUTH
Deputy Prime Minister and Minister for Foreign Affairs
