

No. 16799

**FEDERAL REPUBLIC OF GERMANY
and
PARAGUAY**

Agreement concerning financial assistance. Signed at Asunción on 16 May 1977

Authentic texts: German and Spanish.

Registered by the Federal Republic of Germany on 30 June 1978.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PARAGUAY**

Accord d'aide financière. Signé à Asunción le 16 mai 1977

Textes authentiques : allemand et espagnol.

Enregistré par la République fédérale d'Allemagne le 30 juin 1978.

[TRANSLATION — TRADUCTION]

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

The Government of the Federal Republic of Germany and the Government of the Republic of Paraguay,

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

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 co-operate in the economic and social development of Paraguay,

Continuing the co-operation initiated under the Agreements reached between the two Governments on 2 December 1963, 11 February 1967 and 29 April 1971,

Have agreed as follows:

Article 1. The Government of the Federal Republic of Germany shall enable the Government of the Republic of Paraguay to obtain a loan of 10 million Deutsche Mark from the Kreditanstalt für Wiederaufbau, Frankfurt am Main, for the purpose of financing capital investment in private processing and handicraft enterprises through the Banco Nacional de Fomento (BNF).

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 Republic of Paraguay, as borrower, the Banco Nacional de Fomento, as executor of the project, and the Kreditanstalt für Wiederaufbau. These contracts shall be subject to the legal provisions in force in the Federal Republic of Germany.

(2) The Central Bank of the Paraguay shall guarantee to the Kreditanstalt für Wiederaufbau all payments in fulfilment of the obligations of the borrower under the loan contracts to be concluded in accordance with paragraph 1.

(3) The Government of the Republic of Paraguay shall ensure, in respect of the loan referred to in article 1 and its utilization, the most favorable treatment accorded to other loans.

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

Article 4. The Government of the Republic of Paraguay shall allow passengers and suppliers a free choice of transport enterprises for such transport of passengers and goods by land, by sea and by air as may result from the granting of the

¹ Came into force on 16 May 1977 by signature, in accordance with article 7.

loan; it shall refrain from taking any measures that might exclude or impede the participation of transport enterprises which have their principal place of business within the German area of application of this Agreement and shall issue any permits that may, in such cases, be necessary for the participation of such enterprises.

Article 5. 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 6. 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 Republic of Paraguay within three months from the date of entry into force of this Agreement.

Article 7. This Agreement shall enter into force on the date of its signature.

DONE at Asunción, capital of the Republic of Paraguay, on 16 May 1977, in two originals, in the German and Spanish languages, both texts being equally authentic.

For the Government of the Federal Republic of Germany:

Dr. HELLMUT HOFF
Ambassador Extraordinary and Plenipotentiary

For the Government of the Republic of Paraguay:

ALBERTO NOGUÉS
Minister for Foreign Affairs
