

No. 18428

**FEDERAL REPUBLIC OF GERMANY
and
PHILIPPINES**

**Agreement concerning financial co-operation. Signed at
Manila on 10 March 1978**

Authentic texts: German and English.

Registered by the Federal Republic of Germany on 28 March 1980.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PHILIPPINES**

**Accord de coopération financière. Signé à Manille le
10 mars 1978**

Textes authentiques : allemand et anglais.

Enregistré par la République fédérale d'Allemagne le 28 mars 1980.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES CONCERNING FINANCIAL CO-OPERATION

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

In the spirit of the friendly relations existing between the Republic of the Philippines 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,

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

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable the Government of the Republic of the Philippines or another borrower to be jointly selected by the two Governments to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, within the framework of financial co-operation a loan up to 7,000,000 DM (seven million German marks) for the project "Sea-going Dredgers", if, after examination, it has been found eligible for promotion.

(2) The project referred to in paragraph 1 above may be replaced by other projects if the Government of the Republic of the Philippines and the Government of the Federal Republic of Germany so agree.

(3) The Government of the Federal Republic of Germany is willing in principle, to furnish, within the scope of existing national regulations and provided that the other conditions for cover have been met, guarantees for that proportion of the contract value to a maximum of DM 14,000,000 (fourteen million German marks) not financed from the loan under financial co-operation for such export transactions as have been concluded for the purpose of implementing the project referred to in paragraph 1 above by firms having their place of business in the German area of application of this Agreement.

The following articles of this Agreement shall also apply to the loan provided for in addition to the loan granted within the framework of financial co-operation, to the extent that the Kreditanstalt für Wiederaufbau is the lender.

Article 2. (1) The utilization of this loan as well as the terms and conditions on which it 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.

(2) The Government of the Republic of the Philippines, to the extent that it is not itself the borrower, shall guarantee to the Kreditanstalt für Wiederaufbau all

¹ Came into force on 10 March 1978 by signature, in accordance with article 8.

payments in deutsche mark to be made in fulfilment of the borrower's liabilities under the agreements to be concluded pursuant to paragraph 1 above.

Article 3. The Government of the Republic of the Philippines shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Republic of the Philippines at the time of the conclusion, or during the implementation, of the agreements referred to in article 2 of the present Agreement.

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

Article 5. Supplies and services for projects financed from the loan shall, unless otherwise provided for in individual cases, be subject to public tender restricted to the German area of application of the present Agreement.

Article 6. With regard to supplies and services resulting from the granting of the loan, the Government of the Federal Republic of Germany attaches particular importance to preferential use being made of the economic potential 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 Republic of the Philippines 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 Manila on March 10, 1978, in duplicate in the English and German languages, both texts being equally authentic.

For the Government
of the Federal Republic
of Germany:

[Signed — Signé]¹

For the Government
of the Republic
of the Philippines:

[Signed — Signé]²

¹ Signed by W. Eger — Signé par W. Eger.

² Signed by Carlos P. Romulo — Signé par Carlos P. Romulo.