

No. 18443

**FEDERAL REPUBLIC OF GERMANY
and
AFGHANISTAN**

**Agreement concerning financial assistance. Signed at Kabul
on 10 December 1977**

Authentic texts: German and English.

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

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
AFGHANISTAN**

**Accord d'aide financière. Signé à Kaboul le 10 décembre
1977**

Textes authentiques : allemand et anglais.

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

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

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

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

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

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

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

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable the Government of the Republic of Afghanistan and/or other borrowers to be jointly selected by the two Governments to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, loans up to DM 25,000,000 (twenty-five million German Marks) for the projects

(a) Extension of the Kabul city network and rural electrification in the Kabul area,
(b) Extension of Radio Afghanistan (reserve),

if, after examination, they have been found eligible for promotion.

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

Article 2. (1) The loans shall have a term of fifty years, including ten years of grace, and carry interest at a rate of 0.75 per cent per annum.

(2) The other conditions on which the loans are granted shall be governed by the provisions of the agreements to be concluded between the borrowers and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

(3) The Government of the Republic of Afghanistan, to the extent that it is not itself the borrower, shall guarantee to the Kreditanstalt für Wiederaufbau all payments in German Marks to be made in fulfilment of the borrowers' liabilities under the agreements to be concluded pursuant to paragraph 2 above.

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

¹ Came into force on 10 December 1977 by signature, in accordance with article 8.

Article 4. The Government of the Republic of Afghanistan 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 loans, 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 permits for the participation of such enterprises as required.

Article 5. Supplies and services for projects financed from the loans 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 loans, 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 Republic of Afghanistan 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 Kabul on December 10th, 1977, in duplicate in the English and German languages, both texts being equally authentic.

For the Government
of the Republic of Afghanistan:

[Signed — Signé]¹

For the Government
of the Federal Republic of Germany:

[Signed — Signé]²

¹ Signed by Ferough — Signé par Ferough.

² Signed by F. J. Hoffmann — Signé par F. J. Hoffmann.