

No. 18465

**FEDERAL REPUBLIC OF GERMANY
and
NICARAGUA**

**Agreement concerning financial assistance. Signed at
Managua on 11 April 1978**

Authentic texts: German and Spanish.

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

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
NICARAGUA**

Accord d'aide financière. Signé à Managua le 11 avril 1978

Textes authentiques : allemand et espagnol.

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

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL
REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE
REPUBLIC OF NICARAGUA CONCERNING FINANCIAL AS-
SISTANCE

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

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

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

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

Intending to promote economic and social development in the Republic of Nicaragua,

Have agreed as follows:

Article 1. The Government of the Federal Republic of Germany shall enable the Central Bank of Nicaragua to raise a loan up to a total of DM 3,000,000 (three million Deutsche Mark) with the Kreditanstalt für Wiederaufbau, Frankfurt-on-Main, for the financing of investment projects of private and small co-operative enterprises in the manufacturing and handicraft industry for civilian requirements outside Managua, within the mandate of the Fondo Especial de Desarrollo (FED).

Article 2. (1) Utilization of this loan as well as the terms and conditions on which it is granted shall be governed by the contracts to be concluded between the borrower and the Kreditanstalt für Wiederaufbau; such contracts shall be subject to the legal provisions applicable in the Federal Republic of Germany.

(2) The Government of the Republic of Nicaragua shall guarantee to the Kreditanstalt für Wiederaufbau all payments in Deutsche Mark in discharge of the borrower's liabilities under the contracts to be concluded pursuant to paragraph 1.

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

Article 4. The Government of the Republic of Nicaragua shall allow passengers and suppliers free choice of transport enterprises for such conveyance by sea and air of passengers and goods as results from the granting of the loan, shall refrain from taking any measures that might exclude or impede the participation, on an equal footing, of transport enterprises having their principal place of business

¹ Applied provisionally from 11 April 1978, the date of signature, and came into force definitively on 18 May 1978, the date on which the Government of Nicaragua notified the Government of the Federal Republic of Germany of the completion of the required legal procedures, in accordance with article 7.

within the German area of application of this Agreement, and grant the relevant permits that may be necessary for the participation of such enterprises.

Article 5. The Government of the Federal Republic of Germany attaches particular importance, with regard to supplies and services resulting from the granting of the loan, to preference being given to products of the industry of *Land Berlin*.

Article 6. With the exception of those provisions of article 4 which refer to air traffic, this Agreement shall also apply to *Land Berlin*, provided that the Government of the Federal Republic of Germany does not make a declaration to the contrary to the Government of the Republic of Nicaragua within three months after the date of entry into force of this Agreement.

Article 7. This Agreement shall apply provisionally from the date of its signature and shall enter into force when the Government of the Republic of Nicaragua notifies the Government of the Federal Republic of Germany that the requisite legal formalities for its approval have been completed.

DONE at Managua on 11 April 1978, in duplicate in the German and Spanish languages, both texts being equally authentic.

For the Government of the Federal Republic of Germany:

H. U. MEYER-LINDEMANN

For the Government of the Republic of Nicaragua:

JULIO C. QUINTANA
