

No. 18527

**FEDERAL REPUBLIC OF GERMANY
and
PHILIPPINES**

**Agreement concerning financial co-operation. Signed at
Manila on 13 December 1978**

Authentic texts: German and English.

Registered by the Federal Republic of Germany on 14 April 1980.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PHILIPPINES**

**Accord de coopération financière. Signé à Manille le
13 décembre 1978**

Textes authentiques : allemand et anglais.

Enregistré par la République fédérale d'Allemagne le 14 avril 1980.

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

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

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 financial co-operation in a spirit of partnership,

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

Intending to contribute to social and economic 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 determined 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 DM 9,000,000 (nine million deutsche mark) for the project "Sea-going Dredger Supply III" 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 states its readiness in principle to furnish, within the scope of existing national regulations and provided the other conditions for cover are fulfilled, guarantees for that portion of the order value up to a maximum of DM 17,000,000 (seventeen million deutsche mark) not financed from the loan provided 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.

¹ Came into force on 13 December 1978 by signature, in accordance with article 8.

(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 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 in connection with the conclusion or 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 or 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 this Agreement, and grant permits for the participation of such enterprises as required.

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 this 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. This Agreement shall enter into force on the date of signature thereof.

DONE at Manila on the 13th day of December 1978 in duplicate in the English and German languages, both texts being equally authentic.

For the Government
of the Republic of the Philippines:

[Signed — Signé]¹

For the Government
of the Federal Republic
of Germany:

[Signed — Signé]²

[Signed — Signé]³

¹ Signed by Carlos P. Romulo — Signé par Carlos P. Romulo.

² Signed by W. Eger — Signé par W. Eger.

³ Signed by Winfried Böll — Signé par Winfried Böll.