

**No. 18528**

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**FEDERAL REPUBLIC OF GERMANY  
and  
PHILIPPINES**

**Agreement concerning financial co-operation. Signed at  
Manila on 19 May 1979**

*Authentic texts: German and English.*

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

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
PHILIPPINES**

**Accord de coopération financière. Signé à Manille le  
19 mai 1979**

*Textes authentiques : allemand et anglais.*

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

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING FINANCIAL CO-OPERATION

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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 through financial co-operation in a spirit of partnership,

Aware that the maintenance of those relations constitutes the basis of this 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 other borrowers to be determined jointly by the two Governments to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, loans of up to DM 20,000,000 (twenty million deutsche mark) for the projects "Island Electrification II" and "Imelda Settlement Project Leyte" if, after examination, the projects 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 the Philippines and the Government of the Federal Republic of Germany so agree.

*Article 2.* (1) The utilization of the loans as well as the terms and conditions on which they 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.

(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 borrowers' 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 and implementation of the agreements to be concluded pursuant to 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

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<sup>1</sup> Came into force on 19 May 1979 by signature, in accordance with article 8.

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 this Agreement, and grant any necessary permits for the participation of such enterprises.

*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 and services resulting from the granting of the loans, 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 19 May 1979 in duplicate in the English and German languages, both texts being equally authentic.

For the Government  
of the Republic of the Philippines:

[Signed — Signé]<sup>1</sup>

[Signed — Signé]<sup>2</sup>

For the Government  
of the Federal Republic of Germany:

[Signed — Signé]<sup>3</sup>

[Signed — Signé]<sup>4</sup>

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<sup>1</sup> Signed by Imelda R. Marcos — Signé par Imelda R. Marcos.

<sup>2</sup> Signed by Gregorio Abad — Signé par Gregorio Abad.

<sup>3</sup> Signed by W. Eger — Signé par W. Eger.

<sup>4</sup> Signed by Rainer Offergeld — Signé par Rainer Offergeld.