

No. 18539

FEDERAL REPUBLIC OF GERMANY
and
BRAZIL

Protocol concerning financial co-operation—*Power Grid Extension Programme in North-East Brazil of the Companhia Hidrelétrica do São Francisco*. Signed at Brasília on 4 April 1979

Authentic texts: German and Portuguese.

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

RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
BRÉSIL

Protocole de coopération financière — *Mise en place du réseau énergétique de la Companhia Hidrelétrica do São Francisco dans le Nord-Est du Brésil*. Signé à Brasília le 4 avril 1979

Textes authentiques : allemand et portugais.

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

[TRANSLATION — TRADUCTION]

PROTOCOL¹ BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL CONCERNING FINANCIAL CO-OPERATION

The Government of the Federal Republic of Germany and the Government of the Federative Republic of Brazil,

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

Desiring to strengthen and enhance these friendly relations as partners in financial co-operation,

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

Intending to promote economic and social development in Brazil,

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable the Government of the Federative Republic of Brazil, or another borrower to be jointly selected by the two Governments, to raise a loan up to a total of DM 24 million with the Kreditanstalt für Wiederaufbau, Frankfurt-on-Main, for the purpose of financing the foreign exchange costs of purchasing goods and services for the power grid extension programme in North-East Brazil of the Companhia Hidrelétrica do São Francisco, provided that, on examination, the programme is deemed worthwhile.

(2) The programme specified in paragraph 1 may be replaced by other projects if the Government of the Federal Republic of Germany and the Government of the Federative Republic of Brazil so agree.

(3) The Government of the Federal Republic of Germany has declared that it is prepared, in accordance with the existing domestic guidelines and provided that the other conditions are fulfilled, to furnish guarantees for that part of the order which is not covered by financial assistance, up to a total of DM 19.2 million in respect of export arrangements entered into by enterprises having their principal place of business within the German area of application of this Protocol for the purpose of implementing the power grid extension in North-East Brazil. The provisions of the following articles shall apply both to the loan granted within the framework of financial co-operation for funding the power grid extension programme in North-East Brazil and to the proposed additional loan in so far as the latter loan is authorized by the Brazilian Government and the Kreditanstalt für Wiederaufbau is the lender.

Article 2. (1) Utilization of the loan referred to in article 1, paragraph 1, 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.

¹ Came into force on 4 April 1979 by signature, in accordance with article 8.

(2) In so far as it is not itself the borrower, the Government of the Federative Republic of Brazil 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 Federal Republic of Brazil shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other fiscal charges levied in the Federative Republic of Brazil in connection with the conclusion or execution of the contracts referred to in article 2.

Article 4. With respect to such transport of passengers and goods by sea and air as results from this Protocol, each Contracting Party shall refrain from excluding or impeding the participation, on an equal footing, of the regular transport enterprises of the other Contracting Party and shall grant the relevant permits that may be necessary for such transport.

Article 5. Supplies and services for projects financed from the loan shall be subject to international public tender, unless otherwise provided in individual cases.

Article 6. 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 economic opportunities provided by *Land Berlin*.

Article 7. With the exception of those provisions of article 4 which refer to air transport, this Protocol 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 Federative Republic of Brazil within three months after the entry into force of this Protocol.

Article 8. This Protocol shall enter into force on the date of its signature.

DONE at Brasília on 4 April 1979, in duplicate in the German and Portuguese languages, both texts being equally authentic.

For the Government of the Federal Republic
of Germany:

Dr. PETER HERMES

For the Government of the Federative Republic
of Brazil:

R. S. GUERREIRO