

No. 18519

**FEDERAL REPUBLIC OF GERMANY
and
TONGA**

**Agreement concerning financial co-operation. Signed at
Nuku'alofa on 1 December 1978**

Authentic texts: German and English.

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

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
TONGA**

**Accord de coopération financière. Signé à Nukualofa le
1^{er} décembre 1978**

Textes authentiques : allemand et anglais.

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

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

The Government of the Kingdom of Tonga and the Government of the Federal Republic of Germany,

In the spirit of the friendly relations existing between the Kingdom of Tonga 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 this Agreement,

Intending to contribute to social and economic development in the Kingdom of Tonga,

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable the Government of the Kingdom of Tonga to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/ Main, loans within the framework of financial co-operation up to a total of DM 18,000,000 (eighteen million deutsche mark) as follows:

- (a) For the project "Regional Cargo Vessel" up to DM 17,000,000 (seventeen million deutsche mark);
- (b) For the project "Interinsular Shipping" up to DM 1,000,000 (one million deutsche mark).

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

(3) The Government of the Federal Republic of Germany is willing in principle, within the scope of existing national regulations and provided that the other conditions of cover are met, to assume, in respect of that part of the order value not financed from the loan under financial co-operation, guarantees up to a maximum of DM 3,000,000 (three million deutsche mark) for such export transactions as have been concluded in connection with the project "Regional Cargo Vessel" 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 envisaged in addition to the loan provided under financial co-operation, in so far as the Kreditanstalt für Wiederaufbau is the lender.

Article 2. (1) The loans pursuant to article 1 (1) above shall as an exception carry a rate of interest of 1 per cent per annum. They shall have a maturity of thirty years, including fifteen years of grace in respect of the project "Regional Cargo Vessel" and ten years of grace in respect of the project "Interinsular Shipping".

¹ Came into force on 1 December 1978 by signature, in accordance with article 7.

(2) The utilization of the loans as well as the other terms and conditions on which they are 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.

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

Article 4. The Government of the Kingdom of Tonga 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 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 loan for the project "Regional Cargo Vessel" shall, unless otherwise provided for in individual cases, be subject to public tender restricted to the German area of application of the present Agreement.

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 Kingdom of Tonga within three months of the date of entry into force of this Agreement.

The present Agreement shall enter into force on the date of signature thereof.

DONE at Nuku'alofa on 1 December 1978 in duplicate in the English and German languages, both texts being equally authentic.

For the Government
of the Kingdom of Tonga:

[Signed — Signé]¹

For the Government
of the Federal Republic
of Germany:

[Signed — Signé]²

¹ Signed by Tapa — Signé par Tapa.

² Signed by Döring — Signé par Döring.