

No. 18489

**FEDERAL REPUBLIC OF GERMANY
and
PARAGUAY**

**Agreement concerning financial co-operation. Signed at
Asunción on 9 November 1978**

Authentic texts: German and Spanish.

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

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PARAGUAY**

**Accord de coopération financière. Signé à Asunción le
9 novembre 1978**

Textes authentiques : allemand et espagnol.

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

[TRANSLATION — TRADUCTION]

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

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

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

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 this Agreement,

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

Have agreed as follows:

Article 1. The Government of the Federal Republic of Germany shall enable the Government of the Republic of Paraguay to raise a loan up to a total of DM 7,000,000 (seven million Deutsche Mark) with the Kreditanstalt für Wiederaufbau, Frankfurt am Main, for the financing of a line of agricultural credit in the Department of Itapúa, through the Banco Nacional de Fomento (BNF).

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

(2) The Central Bank of Paraguay shall guarantee to the Kreditanstalt für Wiederaufbau all payments in discharge of the borrower's liabilities under the contracts to be concluded pursuant to paragraph 1 of this article.

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

Article 4. The Government of the Republic of Paraguay shall allow passengers and suppliers free choice of means of transport for such transportation of persons and goods by land, sea or air as results from the granting of the loan, 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 in the German area of application of this Agreement, and grant the relevant permits that may be necessary for the participation of such enterprises.

¹ Came into force on 9 November 1978 by signature, in accordance with article 7.

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 the commercial opportunities provided by *Land Berlin*.

Article 6. 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 declaration to the contrary to the Government of the Republic of Paraguay within three months after the entry into force of this Agreement.

Article 7. This Agreement shall enter into force on the date of its signature.

DONE at Asunción on 9 November 1978 in duplicate, in the German and Spanish languages, both texts being equally authentic.

For the Government of the Federal Republic of Germany:
J. ENGELS

For the Government of the Republic of Paraguay:
ALBERTO NOGUÉS