

No. 20283

**FEDERAL REPUBLIC OF GERMANY
and
PARAGUAY**

**Agreement concerning financial co-operation. Signed at
Asunción on 17 October 1979**

Authentic texts: German and Spanish.

Registered by the Federal Republic of Germany on 31 July 1981.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PARAGUAY**

**Accord de coopération financière. Signé à Asunción le
17 octobre 1979**

Textes authentiques : allemand et espagnol.

Enregistré par la République fédérale d'Allemagne le 31 juillet 1981.

[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 consolidate and strengthen these friendly relations through financial co-operation as partners,

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

Intending to contribute to social and economic development in 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 obtain a loan of up to DM 4 million (four million deutsche mark) from the Kreditanstalt für Wiederaufbau (Reconstruction Loan Corporation), Frankfurt am Main, to finance measures to assist in the expansion of the drinking water supply and waste water disposal in rural areas in the Department of San Pedro through the Servicio Nacional de Saneamiento Ambiental (SENASA) (National Environmental Sanitation Service).

Article 2. 1. The utilization of the loan and the terms and conditions on which it will be granted shall be determined by agreements to be concluded between the borrower, the Servicio Nacional de Saneamiento Ambiental (SENASA) and the Kreditanstalt für Wiederaufbau, which 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 fulfilment of the borrower's liabilities under the agreements to be concluded in accordance with paragraph 1.

Article 3. The Government of the Republic of Paraguay shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in Paraguay in connection with the conclusion and execution of the agreements referred to in article 2.

Article 4. The Government of the Republic of Paraguay shall allow passengers and suppliers free choice of transport enterprises for such land, sea or air transport of persons and goods as arises from the grant of the loan; it shall refrain from taking any measure that might exclude or impair the participation of transport enterprises having their principal place of business in the German area of application of

¹ Came into force on 17 October 1979 by signature, in accordance with article 7.

this Agreement and shall grant any permits necessary for participation by such transport enterprises.

Article 5. With regard to supplies and services resulting from the grant of the loan, the Government of the Federal Republic of Germany attaches particular importance to the preferential utilization of the economic potential of *Land Berlin*.

Article 6. With the exception of the provisions of article 4 which relate to air transport, this Agreement shall also apply to *Land Berlin*, unless the Government of the Federal Republic of Germany makes a declaration to the contrary to the Government of the Republic of Paraguay within three months following the entry into force of the present Agreement.

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

DONE at Asunción on 17 October 1979, in two original copies, each in the German and Spanish languages, both texts being equally authentic.

For the Government of the Federal Republic of Germany:

[Signed]

J. ENGELS

For the Government of the Republic of Paraguay:

[Signed]

NOGUÉS
