

No. 20259

**FEDERAL REPUBLIC OF GERMANY
and
PAKISTAN**

**Agreement concerning financial co-operation. Signed at
Bonn on 30 November 1979**

Authentic texts: German and English.

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

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PAKISTAN**

**Accord de coopération financière. Signé à Bonn le
30 novembre 1979**

Textes authentiques : allemand et anglais.

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

AGREEMENT¹ BETWEEN THE PRESIDENT OF THE ISLAMIC REPUBLIC OF PAKISTAN AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING FINANCIAL CO-OPERATION

The President of the Islamic Republic of Pakistan and the Government of the Federal Republic of Germany,

In the spirit of the friendly relations existing between the Islamic Republic of Pakistan 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,

In supplementation of previous assistance accorded to the Government of the Islamic Republic of Pakistan by the Government of the Federal Republic of Germany,

Intending to contribute to social and economic development in the Islamic Republic of Pakistan,

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable the Government of the Islamic Republic of Pakistan or other borrowers to be determined jointly by the two Governments to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, loans up to DM 70,000,000 (seventy million deutsche mark).

(2) The loans pursuant to paragraph 1 above shall be used in accordance with paragraphs 3 to 5 below if, after examination, the projects have been found eligible for promotion.

(3) Up to DM 35,000,000 (thirty-five million deutsche mark) shall be used for the Ghotki irrigation programme.

(4) Up to DM 15,000,000 (fifteen million deutsche mark) shall be used to finance foreign exchange costs resulting from the purchase of bus chassis (programme-related commodity assistance).

(5) Up to DM 20,000,000 (20 million deutsche mark) shall be used to finance foreign exchange costs resulting from the purchase of telecommunications materials (programme-related commodity assistance).

(6) The Government of the Federal Republic of Germany proceeds on the understanding that the Government of the Islamic Republic of Pakistan will use the rupee counterpart funds arising from the sale of the deutsche mark so loaned for development projects.

(7) The projects referred to in paragraphs 3 to 5 above may be replaced by other projects if the Government of the Islamic Republic of Pakistan and the Government of the Federal Republic of Germany so agree.

¹ Came into force on 30 November 1979 by signature, in accordance with article 8.

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 Islamic Republic of Pakistan, insofar as 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 Islamic Republic of Pakistan shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Islamic Republic of Pakistan 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 Islamic Republic of Pakistan shall allow passengers and suppliers free choice of transport enterprises for such transportation by land, 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 Islamic Republic of Pakistan 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 Bonn on 30 November 1979 in duplicate in the English and German languages, both texts being equally authentic.

For the President
of the Islamic Republic of Pakistan:

[Signed — Signé]¹

For the Government
of the Federal Republic of Germany:

[Signed — Signé]²

[Signed — Signé]³

¹ Signed by Aftab Ahmad Khan — Signé par Aftab Ahmad Khan.

² Signed by G. van Well — Signé par G. van Well.

³ Signed by Dr. F. Klamser — Signé par F. Klamser.