

No. 20306

**FEDERAL REPUBLIC OF GERMANY
and
ECUADOR**

**Agreement concerning financial co-operation. Signed at
Quito on 30 January 1980**

Authentic texts: German and Spanish.

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

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
ÉQUATEUR**

**Accord de coopération financière. Signé à Quito le
30 janvier 1980**

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 ECUADOR CONCERNING FINANCIAL CO-OPERATION

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

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

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

Aware that the maintenance of these relations constitutes the basis of this Agreement,

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

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable the Government of the Republic of Ecuador, or other borrowers to be jointly selected by the two Governments, to obtain from the Kreditanstalt für Wiederaufbau, Frankfurt am Main:

(a) For the Banco Nacional de Fomento (BNF), a loan of up to DM 15 million (fifteen million Deutsche Mark), and

(b) For the project "Provision of Equipment for the Los Rios Electricity Supply Scheme," a loan of up to DM 15 million (fifteen million Deutsche Mark), provided that, on examination, the activities are deemed worthwhile.

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

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 contracts to be concluded between the borrowers and the Kreditanstalt für Wiederaufbau.

(2) The Government of the Republic of Ecuador, provided that 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' obligations under the agreements to be concluded pursuant to paragraph (1) above.

Article 3. The Government of the Republic of Ecuador shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other fiscal charges levied in the Republic of Ecuador in connection with the conclusion and implementation of the contracts referred to in article 2.

¹ Came into force on 30 January 1980 by signature, in accordance with article 8.

Article 4. The Government of the Republic of Ecuador shall allow passengers and suppliers free choice of transport enterprises for such transport by sea and air of persons and goods as results from the granting of the loans, refrain from taking any measures that might exclude or impede the participation on equal terms of transport enterprises having their principal 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 loan referred to in article 1, paragraph (1) (b), shall, unless otherwise provided for in individual cases, be subject to public tender within the German area of application of this 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 preference being given to 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 declaration to the contrary to the Government of the Republic of Ecuador 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 its signature.

DONE at Quito, on 30 January 1980, in duplicate, in the German and Spanish languages, both texts being equally authentic.

For the Government of the Federal Republic of Germany:

[Signed]

KARL ROLF NAGEL

Ambassador of the Federal Republic of Germany

For the Government of the Republic of Ecuador:

[Signed]

ALFREDO PAREJA DIEZCANSECO

Minister for Foreign Affairs
