

No. 20291

**FEDERAL REPUBLIC OF GERMANY
and
NICARAGUA**

**Agreement concerning financial co-operation (with annex).
Signed at Managua on 31 October 1979**

Authentic texts: German and Spanish.

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

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
NICARAGUA**

**Accord de coopération financière (avec annexe). Signé à
Managua le 31 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 NICARAGUA CONCERNING FINANCIAL CO-OPERATION

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

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

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 Nicaragua,

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable the Government of the Republic of Nicaragua, or another borrower to be jointly selected by the two Governments, to obtain from the Kreditanstalt für Wiederaufbau, Frankfurt am Main, for the purpose of financing the foreign-exchange cost of the goods and services provided to cover current civil requirements, and the foreign-exchange and national currency costs of transport, insurance and assembly incurred in connection with the financed importation of goods, a loan of up to DM 20 million (twenty million Deutsche Mark).

(2) Such supplies and services shall be from among those specified in the list annexed to this Agreement and the supply of service contracts shall have been concluded after 1 August 1979.

Article 2. (1) The utilization of this loan as well as the terms and conditions on which it is granted shall be governed by the contracts 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.

(2) The Government of the Republic of Nicaragua, 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 borrower's obligations under the contracts to be concluded pursuant to paragraph (1) above.

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

Article 4. The Government of the Republic of Nicaragua shall allow passengers and suppliers free choice of transport enterprises for such transport by

¹ Came into force on 31 October 1979 by signature, in accordance with article 7.

sea, land and air of persons and goods as results from the granting of the loan, refrain from taking any measures that might exclude or impede the participation of transport enterprises having their principal place of business in the German area of application of this Agreement, and grant any permits necessary for the participation of such enterprises.

Article 5. With regard to supplies and services resulting from the granting of the loan, the Government of the Federal Republic of Germany attaches particular importance to preference being given to the economic potential of *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 Nicaragua within three months of the date of entry into force of this Agreement.

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

DONE at Managua on 31 October 1979, in duplicate, in the German and Spanish languages, both texts being equally authentic.

For the Government of the Federal Republic of Germany:

[Signed]
GERHARD KUNZ

For the Government of the Republic of Nicaragua:

[Signed]
ALFONSO ROBELO

[Signed]
JOAQUÍN CUADRA

ANNEX TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE
FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE
REPUBLIC OF NICARAGUA CONCERNING FINANCIAL CO-OPERATION

1. List of goods and services which, pursuant to article 1 of the intergovernmental Agreement of 31 October 1979, may be financed from the loan:

- (a) Industrial raw materials and auxiliary materials, and semi-finished products;
- (b) Industrial equipment, and agricultural machinery and implements, including any necessary spare parts;
- (c) Spare parts and accessories of all kinds;
- (d) Chemical-industry products, especially fertilizers, plant-protection and pest-control agents, and pharmaceuticals;
- (e) Other industrial products of importance for the development of the Republic of Nicaragua;
- (f) Advisory services, patents and licences.

2. Imported goods not included in this list may be financed only with the prior consent of the Government of the Federal Republic of Germany.

3. Imported luxury items and consumer goods for private use and goods and installations serving military purposes shall not be financed from the loan.