

No. 20292

**FEDERAL REPUBLIC OF GERMANY
and
NICARAGUA**

**Agreement concerning financial co-operation (with annex).
Signed at Managua on 27 March 1980**

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 27 mars 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 NATIONAL RECONSTRUCTION OF THE REPUBLIC OF NICARAGUA CONCERNING FINANCIAL CO-OPERATION

The Government of the Federal Republic of Germany and the Government of National Reconstruction 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 between the two Contracting Parties,

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 National Reconstruction 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 6 million (six million Deutsche Mark).

(2) Under the terms of this Agreement, only the supplies and services specified in the appended list and for which the relevant supply or service contracts have been concluded after 1 November 1979 may be financed.

Article 2. (1) The utilization of the 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 National Reconstruction 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 National Reconstruction 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.

¹ Came into force on 27 March 1980 by signature, in accordance with article 7.

Article 4. The Government of National Reconstruction of the Republic of Nicaragua shall allow passengers and suppliers free choice of transport enterprises for such transport by 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 necessary permits 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 National Reconstruction 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 27 March 1980, in duplicate, in the German and Spanish languages, both texts being equally authentic.

For the Government of the Federal Republic of Germany:
[Signed]
VOLKER HAAK

For the Government of National Reconstruction
of the Republic of Nicaragua:
[Signed]
MIGUEL D'ESCOTO

ANNEX TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE
FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF
NATIONAL RECONSTRUCTION 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 27 March 1980, may be financed from the loan:

— Goods to cover current civil requirements, in particular:

- (a) Chemicals used in coffee-rust control,
- (b) Equipment and vehicles for coffee-rust control.

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.

[Signed]
VOLKER HAAK

[Signed]
MIGUEL D'ESCOTO