

**No. 21194**

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**BRAZIL  
and  
FEDERAL REPUBLIC OF GERMANY**

**Protocol concerning financial co-operation. Signed at  
Brasília on 2 July 1982**

*Authentic texts: Portuguese and German.*

*Registered by Brazil on 28 July 1982.*

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**BRÉSIL  
et  
RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE**

**Protocole de coopération financière. Signé à Brasília le  
2 juillet 1982**

*Textes authentiques : portugais et allemand.*

*Enregistré par le Brésil le 28 juillet 1982.*

[TRANSLATION — TRADUCTION]

PROTOCOL<sup>1</sup> BETWEEN THE GOVERNMENT OF THE FEDERATIVE  
REPUBLIC OF BRAZIL AND THE GOVERNMENT OF THE FED-  
ERAL REPUBLIC OF GERMANY CONCERNING FINANCIAL  
CO-OPERATION

The Government of the Federative Republic of Brazil and the Government of the Federal Republic of Germany,

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

Desiring to strengthen and enhance those friendly relations by financial co-operation in a spirit of equality,

Aware that the maintenance of those relations constitutes the basis for the present Protocol,

Intending to contribute to the economic and social development of the Federative Republic of Brazil,

Have agreed as follows:

*Article I.* 1. The Government of the Federal Republic of Germany shall enable the Government of the Federative Republic of Brazil, or other borrowers to be jointly selected by the two Governments, to raise a loan up to a total of 40 million DM (forty million Deutsche Mark) with the Kreditanstalt für Wiederaufbau, Frankfurt-on-Main, in accordance with paragraphs 2 and 3.

2. Of the total loan amount of 40 million Deutsche Mark referred to in paragraph 1:

- (a) Up to 10 million Deutsche Mark shall be earmarked for the project entitled "Small-Scale Irrigation in the State of Paraíba";
- (b) Up to 20 million Deutsche Mark shall be earmarked for the project entitled "Sertanejo/Piauí Agricultural Credit Programme"; and
- (c) Up to 10 million Deutsche Mark shall be earmarked for the project entitled "Water Supply for the Rural Area of Santa Maria de Vitória (Bahia)".

3. The projects specified in paragraph 2 may be replaced by other projects if the Government of the Federative Republic of Brazil and the Government of the Federal Republic of Germany so agree.

4. In addition, financial contributions of the order of up to 600,000 Deutsche Mark for the financing of collateral services relating to the project entitled "Sertanejo/Piauí Agricultural Credit Programme" and up to 200,000 Deutsche Mark for the financing of collateral services for the project entitled "Water Supply for the Rural Area of Santa Maria de Vitória (Bahia)". If the said financial contributions are not used for such purposes, they shall be converted to loans.

5. This Agreement shall also apply if the Government of the Federal Republic of Germany subsequently enables the Government of the Federative Republic of Brazil, through the Kreditanstalt für Wiederaufbau, Frankfurt-on-Main, to obtain

<sup>1</sup> Came into force on 2 July 1982 by signature, in accordance with article VIII.

new loans for the preparation of the projects referred to in paragraph 2 or financial contributions for the adoption of collateral measures necessary for the execution of the aforementioned projects and for auxiliary measures.

*Article II.* 1. The utilization of the loans referred to in article I, paragraphs 2 and 3, 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, Frankfurt-on-Main, and such contracts shall be subject to the legal provisions applicable in the Federal Republic of Germany.

2. The Government of the Federative Republic of Brazil, in so far as it is not itself the borrower, shall guarantee to the Kreditanstalt für Wiederaufbau all payments in Deutsche Mark in discharge of the borrowers' liabilities under the contracts to be concluded pursuant to paragraph 1.

*Article III.* With respect to the conclusion and execution of the contracts referred to in article II, the Kreditanstalt für Wiederaufbau shall be exempt from all taxes and other fiscal charges to which it may be subject in the Federative Republic of Brazil.

*Article IV.* With respect to the transport of passengers and, in so far as necessary and subject to prior agreement with the competent Brazilian and German authorities, of goods:

- (a) In the case of air transport, neither Contracting Party shall prevent or obstruct the participation, with equality of rights, of the other Contracting Party's transport enterprises operating regular airline services, and each Contracting Party shall grant the necessary authorization for carrying out such transport;
- (b) In the case of sea transport, the provisions of the Agreement on Sea Transport between the Federative Republic of Brazil and the Federal Republic of Germany signed on 4 April 1979 and of the Additional Protocol thereto, signed on the same date, shall apply.

*Article V.* The supply of goods and services for projects financed from the loans shall be the subject of international public tender, unless otherwise decided by agreement in individual cases.

*Article VI.* It is particularly important for the Government of the Federal Republic of Germany that, in the case of the supply of goods and services resulting from the granting of the loans, preference should be given to products of the industry of *Land Berlin*.

*Article VII.* With the exception of those provisions of article IV which refer to air transport, this Protocol 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 Federative Republic of Brazil within three months after the entry into force of this Protocol.

*Article VIII.* This Protocol shall enter into force on the date of its signature.

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DONE at Brasília on 2 July 1982, in duplicate in the Portuguese and German languages, both texts being equally authentic.

For the Government  
of the Federative Republic of Brazil:

*[Signed]*

RAMIRO SARAIVA GUERREIRO

For the Government  
of the Federal Republic of Germany:

*[Signed]*

JOACHIM KAMPMANN

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