

No. 21692

**FEDERAL REPUBLIC OF GERMANY
and
NICARAGUA**

**Agreement concerning financial co-operation—*Foreign exchange costs of products and services (with annex).*
Signed at Managua on 3 July 1980**

Authentic texts: German and Spanish.

Registered by the Federal Republic of Germany on 17 March 1983.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
NICARAGUA**

Accord de coopération financière — *Frais en devises afférents à la fourniture de marchandises et de services (avec annexe).* Signé à Managua le 3 juillet 1980

Textes authentiques : allemand et espagnol.

Enregistré par la République fédérale d'Allemagne le 17 mars 1983.

[TRANSLATION — TRADUCTION]

**AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL
REPUBLIC OF GERMANY AND THE GOVERNMENT OF NA-
TIONAL RECONSTRUCTION OF THE REPUBLIC OF NICA-
RAGUA 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 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 National Reconstruction of the Republic of Nicaragua, or another borrower to be jointly selected by the two Governments, to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt am Main, for the purpose of financing the foreign-exchange costs of the goods and services provided to cover current civil requirements, as well as the foreign-exchange and national-currency costs of transport, insurance and assembly incurred in connection with the goods importation financed under this Agreement, a loan of up to DM 15,000,000 (fifteen million deutsche mark).

(2) Such supplies and services shall be from among those specified in the list annexed to this Agreement, for which the relevant delivery contracts have been concluded after signature of the loan contracts to be concluded in accordance with article 2.

Article 2. (1) 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 National Reconstruction of the Republic of Nicaragua, to the extent that it is not itself the borrower, shall stand surety *vis-à-vis* the Kreditanstalt für Wiederaufbau for all deutsche mark payments to be made in discharge of obligations incumbent on the borrower under the contracts to be concluded as provided for in article 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

¹ Came into force on 3 July 1980 by signature, in accordance with article 7.

fiscal charges levied in the Republic of Nicaragua in connection with the conclusion and execution of the contracts referred to in article 2.

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 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 the three months following 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 3 July 1980, in two originals, in the German and Spanish languages, both texts being equally authentic.

For the Government of the Federal Republic of Germany:

VOLKER HAAK

For the Government of National Reconstruction
of the Republic of Nicaragua:

MIGUEL D'ESCOTO

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

1. List of goods and services which, under article 1 of the intergovernmental Agreement of 3 July 1980, may be financed from the loan.

- (a) Industrial raw materials and auxiliary materials and semifinished products,
- (b) Industrial equipment and agricultural machinery and tools,
- (c) Spare parts and accessories of all kinds,
- (d) Products of the chemical industry, especially fertilizers, pesticides and insecticides, medicaments,
- (e) Other industrial products of importance for the development of the Republic of Nicaragua,
- (f) Advisory services, patents and licences fees.

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. Imports of luxury and consumer goods for private use and goods and installations for military purposes shall not be financed from the loan.
