

No. 22087

**FEDERAL REPUBLIC OF GERMANY
and
PARAGUAY**

**Agreement concerning financial co-operation. Signed at
Asunción on 19 March 1981**

Authentic texts: German and Spanish.

Registered by the Federal Republic of Germany on 29 July 1983.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PARAGUAY**

**Accord de coopération financière. Signé à Asunción le
19 mars 1981**

Textes authentiques : allemand et espagnol.

Enregistré par la République fédérale d'Allemagne le 29 juillet 1983.

[TRANSLATION — TRADUCTION]

**AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL
REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE
REPUBLIC OF PARAGUAY CONCERNING FINANCIAL CO-
OPERATION**

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

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

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

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

Intending to contribute to the social and economic development of Paraguay,

Have agreed as follows:

Article 1. The Government of the Federal Republic of Germany shall enable the Government of the Republic of Paraguay to raise, with the Kreditanstalt für Wiederaufbau, Frankfurt am Main, a loan of up to DM 4,000,000 (four million Deutsche Mark) for the purpose of promoting municipal development through the Instituto de Desarrollo Municipal (IDM).

Article 2. The utilization of this financial contribution as well as the terms and conditions on which it is granted shall be governed by the contracts to be concluded between the Republic of Paraguay as borrower, the Instituto de Desarrollo Municipal as project-executing agency and the Kreditanstalt für Wiederaufbau. These contracts shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

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

Article 4. The Government of the Republic of Paraguay 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*.

¹ Came into force on 19 March 1981 by signature, in accordance with article 7.

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 Paraguay within three months after 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 Asunción on 19 March 1981, in duplicate in the German and Spanish languages, both texts being equally authentic.

For the Government of the Federal Republic of Germany:

[Signed]

JOSEPH ENGELS
Ambassador

For the Government of the Republic of Paraguay:

[Signed]

ALBERTO NOGUÉS
Minister for Foreign Affairs
