

No. 22984

**FEDERAL REPUBLIC OF GERMANY
and
ECUADOR**

**Agreement concerning financial co-operation. Signed at
Quito on 5 October 1983**

Authentic texts: German and Spanish.

Registered by the Federal Republic of Germany on 20 June 1984.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
ÉQUATEUR**

**Accord de coopération financière. Signé à Quito le 5 octobre
1983**

Textes authentiques : allemand et espagnol.

Enregistré par la République fédérale d'Allemagne le 20 juin 1984.

[TRANSLATION — TRADUCTION]

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

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

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

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 Ecuador,

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable the Government of the Republic of Ecuador or other borrowers to be designated jointly by the two Governments to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt am Main, loans of up to a total of DM 20,000,000 (twenty million deutsche mark).

(2) The loans shall be utilized for the financing of the following projects:

- (a) A loan of up to DM 10,000,000 (ten million deutsche mark) for the project "Loja/Zamora basic health programme", provided that, after examination, the project qualifies for promotion;
- (b) Loans up to a total of DM 10,000,000 (ten million deutsche mark), primarily to make good the flood damage caused to infrastructure and also to assist small-scale industry and craft trades, provided that, after examination, the projects qualify for promotion.

(3) This Agreement shall also apply if, at a later date, the Government of the Federal Republic of Germany enables the Government of the Republic of Ecuador to obtain from the Kreditanstalt für Wiederaufbau, Frankfurt am Main, further loans or financial contributions for preparing the projects referred to in paragraphs 2 (a) and 2 (b) or other financial contributions for collateral measures required for the implementation and maintenance of the said projects.

(4) The project referred to in paragraphs 2 (a) and 2 (b) may be replaced by other projects if the Government of the Federal Republic of Germany and the Government of the Republic of Ecuador so agree. Financial contributions granted for preparatory and collateral measures pursuant to paragraph 3 shall be converted into loans if they are not utilized for such measures.

¹ Came into force on 5 October 1983 by signature, in accordance with article 8.

Article 2. (1) Utilization of the amounts specified in article 1 as well as the terms and conditions on which they are granted shall be governed by the contracts to be concluded between the Kreditanstalt für Wiederaufbau and the recipient of the loans.

(2) The Government of the Republic of Ecuador in so far as it is not itself a borrower, shall stand surety *vis-à-vis* the Kreditanstalt für Wiederaufbau for all deutsche mark payments to be made in discharge of the borrowers' obligations under the contracts to be concluded pursuant to paragraph 1.

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

Article 4. The Government of the Republic of Ecuador shall allow passengers and suppliers free choice of transport enterprises for such transport by sea, land and air of passengers and goods as results from the granting of the loans, 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. The procedure for placing orders for supplies and services to implement the projects referred to in article 1 shall be laid down in the loan contracts to be concluded between the Kreditanstalt für Wiederaufbau and the recipients of the loans.

Article 6. With regard to supplies and services resulting from the granting of the contributions, the Government of the Federal Republic of Germany attaches particular importance to preference being given to the economic potential of *Land Berlin*.

Article 7. With the exception of those provisions of article 4 which refer to air transport, this Agreement shall apply also 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 Ecuador within the three months following the date of the entry into force of this Agreement.

Article 8. This Agreement shall enter into force on the date of its signature.

DONE at Quito on 5 October 1983, in two originals, in the German and Spanish languages, both texts being equally authentic.

For the Government of the Federal Republic of Germany:

[Signed]

Dr. JOSEPH ENGELS
Ambassador

[Signed]

Dr. JÜRGEN WARNKE
Federal Minister for Economic Co-operation

For the Government of the Republic of Ecuador:

[Signed]

Dr. LUIS VALENCIA RODRÍGUEZ
Minister for Foreign Affairs
