

No. 22985

**FEDERAL REPUBLIC OF GERMANY
and
PAKISTAN**

**Agreement concerning financial co-operation (with annex).
Signed at Bonn on 26 October 1983**

Authentic texts: German and English.

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

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PAKISTAN**

**Accord de coopération financière (avec annexe). Signé à
Bonn le 26 octobre 1983**

Textes authentiques : allemand et anglais.

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

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE ISLAMIC
REPUBLIC OF PAKISTAN AND THE GOVERNMENT OF THE
FEDERAL REPUBLIC OF GERMANY CONCERNING FINAN-
CIAL CO-OPERATION

The Government of the Islamic Republic of Pakistan and the Government of the Federal Republic of Germany,

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

Desiring to strengthen and intensify those friendly relations through financial co-operation in a spirit of partnership,

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

Intending to contribute to social and economic development in the Islamic Republic of Pakistan,

With reference to the minutes of 26 October 1983 of the intergovernmental negotiations held in Bonn from 24 to 26 October 1983,

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable the Government of the Islamic Republic of Pakistan or other recipients to be determined jointly by the two Governments to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, loans and financial contributions up to a total of DM 122,000,000 (one hundred and twenty-two million Deutsche Mark) as follows: DM 102,000,000 (one hundred and two million Deutsche Mark) shall be provided as loans and DM 20,000,000 (twenty million Deutsche Mark) as financial contributions.

(2) The loans shall be used in accordance with paragraphs 3 to 7 below, the financial contributions in accordance with paragraphs 8 and 9 below.

(3) Up to DM 17,000,000 (seventeen million Deutsche Mark) shall be used to meet foreign exchange costs resulting from the purchase of goods and services to cover current civilian requirements, and to meet foreign exchange and local currency costs of transport, insurance and assembly arising in connection with the importation of goods financed under this Agreement. The supplies and services must be such as are covered by the list annexed to this Agreement and for which supply or service contracts have been concluded after 31 December 1983.

(4) Up to DM 20,000,000 (twenty million Deutsche Mark) shall be used to meet foreign exchange costs for the project 220-kV Transmission Line Mardan-Peshawar if, after examination, this has been found eligible for promotion.

(5) Up to DM 5,000,000 (five million Deutsche Mark) shall be used to meet foreign exchange costs for four additional line bays for the Burhan grid station if, after examination, this has been found eligible for promotion.

¹ Came into force on 26 October 1983 by signature, in accordance with article 8.

(6) Up to DM 42,000,000 (forty-two million Deutsche Mark) shall be used to meet foreign exchange costs for the project Gas Turbines Power Station at Kot Adda if, after examination, this has been found eligible for promotion.

(7) Up to DM 18,000,000 (eighteen million Deutsche Mark) shall be used to meet foreign exchange costs for the supply of diesel electric locomotives if, after examination, this has been found eligible for promotion.

(8) Up to DM 10,000,000 (ten million Deutsche Mark) shall be used for the purchase of lorries, spare parts for lorries and jeeps for the Chief Commissioner for Afghan Refugees if, after examination, this has been found eligible for promotion.

(9) Up to DM 10,000,000 (ten million Deutsche Mark) shall be used for the Income-generating Project for Refugee Areas of the UNHCR (United Nations High Commissioner for Refugees) if, after examination, this has been found eligible for promotion.

(10) This Agreement shall also apply if, at a later date, the Government of the Federal Republic of Germany enables the Government of the Islamic Republic of Pakistan to obtain from the Kreditanstalt für Wiederaufbau further loans or financial contributions for the preparation of the projects referred to in paragraphs 4 to 9 above or for attendant measures required for their implementation and support.

(11) The projects referred to in paragraphs 4 to 9 above may be replaced by other projects if the Government of the Islamic Republic of Pakistan and the Government of the Federal Republic of Germany so agree.

Article 2. (1) The utilization of the loans and financial contributions referred to in Article 1 of this Agreement as well as the terms and conditions on which they are made available shall be governed by the provisions of the agreements to be concluded between the Government of the Islamic Republic of Pakistan 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 the Islamic Republic of Pakistan, insofar as 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 borrowers' liabilities under the agreements to be concluded pursuant to paragraph 1 above.

Article 3. The Government of the Islamic Republic of Pakistan shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Islamic Republic of Pakistan in connection with the conclusion and implementation of the agreements referred to in Article 2 of the present Agreement.

Article 4. The Government of the Islamic Republic of Pakistan shall allow passengers and suppliers free choice of transport enterprises for such transportation by sea, land or air of persons and goods as results from the granting of the loans and financial contributions, abstain from taking any measures that might exclude or impair the participation on equal terms of transport enterprises having their 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 to be followed in awarding the contracts for supplies and services for projects financed from the loans and financial contributions pursuant to Article 1 (3) to (9) of this Agreement shall be determined in the loan and

financing agreements to be concluded between the Government of the Islamic Republic of Pakistan and the Kreditanstalt für Wiederaufbau.

Article 6. With regard to supplies and services resulting from the granting of the loans and the financial contributions, the Government of the Federal Republic of Germany attaches particular importance to preferential use being made of 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 also apply to Land Berlin, provided that the Government of the Federal Republic of Germany does not make a contrary declaration to the Government of the Islamic Republic of Pakistan within three months of the date of entry into force of this Agreement.

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

DONE at Bonn on 26 October 1983 in duplicate in the English and German languages, both texts being equally authentic.

For the Government
of the Islamic Republic of Pakistan:

[Signed — Signé]¹

For the Government
of the Federal Republic
of Germany:

[Signed — Signé]²

ANNEX TO THE AGREEMENT OF 26 OCTOBER 1983 BETWEEN THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING FINANCIAL CO-OPERATION

1. List of goods and services eligible for financing from the loan under Article 1 (3) of the Agreement of 26 October 1983:

- (a) industrial raw and auxiliary materials as well as semi-manufactures,
- (b) industrial equipment as well as agricultural machinery and implements,
- (c) spare parts and accessories of all kinds,
- (d) chemical products, in particular fertilizers, plant protection agents, pesticides, medicaments and dyestuffs,
- (e) means of transport,
- (f) other industrial products of importance for the development of the Islamic Republic of Pakistan,
- (g) advisory services, patents and licence fees.

2. Imports not included in the above list may only be financed with the prior approval of the Government of the Federal Republic of Germany.

3. The importation of luxury and consumer goods for personal needs as well as any goods and facilities serving military purposes may not be financed from the loan.

¹ Signed by Naik — Signé par Naik.

² Signed by Walter Gorenflös — Signé par Walter Gorenflös.