

No. 23538

**FEDERAL REPUBLIC OF GERMANY
and
HONDURAS**

**Agreement concerning financial co-operation. Signed at
Tegucigalpa on 8 May 1984**

Authentic texts: German and Spanish.

Registered by the Federal Republic of Germany on 17 September 1985.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
HONDURAS**

**Accord de coopération financière. Signé à Tegucigalpa
le 8 mai 1984**

Textes authentiques : allemand et espagnol.

Enregistré par la République fédérale d'Allemagne le 17 septembre 1985.

[TRANSLATION — TRADUCTION]

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

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

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

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 Honduras,

Having regard to the Record of the results of the intergovernmental negotiations held from 26 to 29 October 1983 at Tegucigalpa,

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable the Government of the Republic of Honduras, or another borrower to be designated jointly by the two Governments, to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt am Main, for the projects:

- (a) Transmission lines between Tegucigalpa and Danli and between El Nispero, Santa Rosa and La Entrada, a loan of up to DM 15,000,000 (fifteen million deutsche mark),
- (b) Workshop equipment for training centres of the National Vocational Training Institute (INFOP), a loan of up to DM 5,000,000 (five million deutsche mark),
- (c) Road building and maintenance materials for the Department of Communications, Public Works and Transport (SECOPT), a loan of up to DM 10,000,000 (ten million deutsche mark),
- (d) Measures to improve the marketing infrastructure of the Honduras Federation of Savings and Loan Co-operatives (FACACH), a loan of up to DM 2,000,000 (two million deutsche mark),
- (e) Agricultural credit programme for small projects of the National Agrarian Institute (INA)—pilot phase, a loan of up to DM 3,000,000 (three million deutsche mark),
- (f) Santa Barbara integrated rural development project (extension, for road building, a loan of up to DM 4,000,000 (four million deutsche mark), and
- (g) Studies and experts fund for the preparation of financial co-operation projects, as well as collateral measures required for their execution and maintenance, a

¹ Came into force on 8 May 1984 by signature, in accordance with article 8.

financial contribution of up to DM 2,500,000 (two million five hundred thousand deutsche mark),

provided that, after examination, the projects qualify for promotion.

(2) 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 Honduras to obtain from the Kreditanstalt für Wiederaufbau, Frankfurt am Main, further loans or financial contributions for preparing the projects referred to in paragraph 1, or financial contributions for collateral measures required for their implementation and maintenance.

(3) The projects referred to in paragraph 1 may be replaced by other projects if the Government of the Federal Republic of Germany and the Government of the Republic of Honduras so agree. The financial contribution for preparatory and collateral measures referred to in paragraph 1, subparagraph (9), shall be converted into a loan if it is not used for such measures.

(4) For the project referred to in paragraph 1, subparagraph (a), provision shall be made for additional credit from the Kreditanstalt für Wiederaufbau of up to DM 5,000,000 (five million deutsche mark) under a mixed-financing arrangement. The Government of the Federal Republic of Germany declares that it is in principle prepared under its present internal guidelines and subject to further coverage requirements, to stand surety for the amount of this credit.

Article 2. The total of up to 41.5 million deutsche mark earmarked for executing the projects referred to in article 1 includes a sum of 21.5 million deutsche mark which was made available for the project “El Cajón hydroelectric plant” and is not needed for that project.

Article 3. (1) Utilization of the sums referred to in article 1, the terms and conditions on which they are granted and the procurement procedure to be applied shall be governed by the contracts to be concluded between the Kreditanstalt für Wiederaufbau and the recipient of the loans and financial contributions; these contracts shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

(2) The Government of the Republic of Honduras, 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 obligations incumbent on the borrowers under the contracts to be concluded as provided for in paragraph 1.

Article 4. The Government of the Republic of Honduras shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other fiscal charges levied in Honduras in connection with the conclusion and implementation of the contracts referred to in article 3.

Article 5. The Government of the Republic of Honduras 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 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 6. With regard to supplies and services resulting from the granting of the loans and financial 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 5 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 Honduras within the three months following the date of entry into force of this Agreement.

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

DONE at Tegucigalpa on 8 May 1984, in two originals, in the German and Spanish languages, both texts being equally authentic.

For the Government of the Federal Republic of Germany:

[Signed]

HANS HELMUT HAMBURGER
Ambassador

For the Government of the Republic of Honduras:

[Signed]

EDGARDO PAZ BARNICA
Minister for Foreign Affairs
