

No. 23559

**FEDERAL REPUBLIC OF GERMANY
and
BOLIVIA**

Agreement concerning financial co-operation—*Loans for various projects.* Signed at La Paz on 18 December 1984

Authentic texts: German and Spanish.

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

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
BOLIVIE**

Accord de coopération financière — *Prêts pour divers projets.* Signé à La Paz le 18 décembre 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 BOLIVIA ON FINANCIAL CO-OPERATION

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

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

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 Bolivia,

Having regard to the intergovernmental negotiations on financial and technical co-operation, held from 22 to 24 May 1984 at La Paz,

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable the Government of the Republic of Bolivia and/or other borrower, to be selected jointly by the two Governments, to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt am Main, for the following projects:

- (a) Irrigation scheme, Altiplano/Valles/Punata II and Huarina II (extension) scheme, a loan of up to DM 10,000,000 (ten million deutsche mark), provided that, after examination, the project qualifies for promotion;
- (b) Rural basic sanitation programme, phase I (Oruro) (extension), a loan of up to DM 1,500,000 (one million five hundred thousand deutsche mark), provided that, after examination, the project qualifies for promotion;
- (c) Maintenance equipment to be supplied for the La Paz sewer system, a loan of up to DM 2,000,000 (two million deutsche mark), provided that, after examination, the project qualifies for promotion;
- (d) INALPRE Credit Fund (increment), a loan of up to DM 5,000,000 (five million deutsche mark).

(2) The amount of DM 13,000,000 (thirteen million deutsche mark), taken from the DM 26,000,000 (twenty-six million deutsche mark) earmarked for financing the "El Alto drainage and sewer system" project, shall also be utilized to finance the projects referred to in paragraph 1. Execution of the El Alto project shall be deferred for the time being, by agreement between the Government of the Federal Republic of Germany and the Government of the Republic of Bolivia.

¹ Came into force on 18 December 1984 by signature, in accordance with article 7.

(3) The projects referred to in paragraph 1, subparagraphs (a) to (c) may be replaced by other projects if the Government of the Federal Republic of Germany and the Government of Bolivia so agree.

Article 2. (1) Utilization of the amounts referred to in article 1, paragraph 1, the terms and conditions on which they are granted as well as the procurement procedure to be applied shall be governed by the contracts to be concluded between the Kreditanstalt für Wiederaufbau and the recipients of the loans; these contracts shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

(2) The Government of the Republic of Bolivia, 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' liabilities under the contracts to be concluded pursuant to paragraph 1.

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

Article 4. The Government of the Republic of Bolivia 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, on an equal footing, 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 loans, 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 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 Bolivia 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 La Paz on 18 December 1984, in two originals, in the German and Spanish languages, both texts being equally authentic.

For the Government of the Federal Republic of Germany:
Dr. HELLMUT HOFF

For the Government of the Republic of Bolivia:
JORGE CRESPO