

No. 23515

**FEDERAL REPUBLIC OF GERMANY
and
PHILIPPINES**

**Agreement concerning financial co-operation. Signed at
Manila on 8 December 1983**

Authentic texts: German and English.

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

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PHILIPPINES**

**Accord de coopération financière. Signé à Manille le 8 dé-
cembre 1983**

Textes authentiques : allemand et anglais.

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

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

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

In the spirit of the friendly relations existing between the Republic of the Philippines 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 Republic of the Philippines, particularly with reference to the Summary Record of 14 October 1982 of discussions held on 13 and 14 October 1982 in Bonn,

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable the Government of the Republic of the Philippines and/or other recipients to be determined jointly by the two Governments to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main,

1. A loan of up to DM 11,000,000 (eleven million Deutsche Mark) for the project "Island electrification III",
2. A loan of up to DM 14,000,000 (fourteen million Deutsche Mark) for the project "Rural water supply",
3. A loan of up to DM 12,000,000 (twelve million Deutsche Mark) for the project "Visayas telecommunications",

if, after examination, the projects have been found eligible 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 the Philippines to obtain from the Kreditanstalt für Wiederaufbau further loans or financial contributions for the preparation of the projects referred to in paragraph 1 above or financial contributions for attendant measures required for their implementation and support.

(3) The projects referred to in paragraph 1 (1) and (2) above may be replaced by other projects if the Government of the Republic of the Philippines and the Government of the Federal Republic of Germany so agree.

Financial contributions for preparatory and attendant measures pursuant to paragraph 2 above shall be converted into loans in the event that they are not used for such measures.

Article 2. (1) The utilization of the amounts referred to in Article 1 of this Agreement as well as the terms and conditions on which they are made available shall

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

be governed by the provisions of the agreements to be concluded between the recipients of the loans 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 Republic of the Philippines, 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 Republic of the Philippines shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Republic of the Philippines 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 Republic of the Philippines shall allow passengers and suppliers free choice of transport enterprises for such transportation by sea or air of persons and goods as results from the granting of the loans, abstain from taking any measures that might exclude or impair the fair and equal participation 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. Supplies and services for projects financed from the loans shall, unless otherwise provided for in individual cases, be subject to international public tender.

Article 6. 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 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 Republic of the Philippines 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 Manila on December 8, 1983 in duplicate in the English and German languages, both texts being equally authentic.

[Signed — Signé]¹

For the Government
of the Republic of the Philippines

[Signed — Signé]²

For the Government
of the Federal Republic of Germany

¹ Signed by Collantes — Signé par Collantes.

² Signed by Dr. Zeller — Signé par Zeller.