

No. 25133

**FEDERAL REPUBLIC OF GERMANY
and
PAKISTAN**

**Agreement concerning financial co-operation (with annex).
Signed at Islamabad on 13 May 1986**

Authentic texts: German and English.

Registered by the Federal Republic of Germany on 24 July 1987.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PAKISTAN**

**Accord de coopération financière (avec annexe). Signé à
Islamabad le 13 mai 1986**

Textes authentiques : allemand et anglais.

Enregistré par la République fédérale d'Allemagne le 24 juillet 1987.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING FINANCIAL 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 13 May 1986 of the intergovernmental negotiations held in Islamabad from 11 to 13 May, 1986,

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 a financial contribution up to a total of DM 120,000,000 (one hundred and twenty million Deutsche Mark); of this amount DM 100,000,000 (one hundred million Deutsche Mark) shall be provided as loans and DM 20,000,000 (twenty million Deutsche Mark) as a financial contribution.

(2) The loans shall be used according to the specifications of paragraphs 3 to 5 below and the financial contribution according to the specifications of paragraph 6 below.

(3) A loan of up to DM 40,000,000 (forty million Deutsche Mark) shall be used to meet foreign exchange costs for the project "Expansion of the Tarbela hydroelectric power station, Phases 13 and 14" if, after examination, the project has been found eligible for promotion.

(4) A loan of up to DM 50,000,000 (fifty million Deutsche Mark) shall be used to meet foreign exchange costs for the project "Bin Qasim thermal power station" if, after examination, the project has been found eligible for promotion.

(5) A loan of up to DM 10,000,000 (ten 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 1 May, 1986.

¹ Came into force on 13 May 1986 by signature, in accordance with article 7.

(6) A financial contribution of up to DM 20,000,000 (twenty million Deutsche Mark) shall be used for the UNHCR (United Nations High Commissioner for Refugees) project "Income-generating programme for refugee areas" if, after examination, the project has been found eligible for promotion.

(7) The projects referred to in paragraphs 3, 4 and 6 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 the financial contribution referred to in Article 1 of this Agreement and the terms and conditions on which they are made available, as well as the procedure for awarding contracts, shall be governed by the provisions of the agreements to be concluded between the recipient of the loans and the financial contribution 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 the financial contribution, 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. With regard to supplies and services resulting from the granting of the loans and the financial contribution, the Government of the Federal Republic of Germany attaches particular importance to preferential use being made of 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 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 7. This Agreement shall enter into force on the date of signature thereof.

DONE at Islamabad on 13 May 1986 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

[Signed — Signé]³

ANNEX TO THE AGREEMENT OF 13 MAY, 1986 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 (5) of the Agreement of 13 May, 1986.

- (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 plant protection agents, pesticides, medicaments, colouring agents.

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 Akhtar — Signé par Akhtar.

² Signed by Berendonck — Signé par Berendonck.

³ Signed by Dr. Ehmann — Signé par Ehmann.