

No. 25138

**FEDERAL REPUBLIC OF GERMANY
and
EGYPT**

**Agreement concerning financial co-operation. Signed at
Cairo on 2 September 1985**

Authentic texts: German, Arabic and English.

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

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
ÉGYPTE**

**Accord de coopération financière. Signé au Caire le 2 sep-
tembre 1985**

Textes authentiques : allemand, arabe et anglais.

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

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

The Government of the Federal Republic of Germany and the Government of the Arab Republic of Egypt,

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

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 Arab Republic of Egypt,

With reference to the Summary Record of Discussions of 21 March 1985,
Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable the Government of the Arab Republic of Egypt or other borrowers to be determined jointly by the two Governments to obtain from the Kreditanstalt für Wiederaufbau, Frankfurt/Main, loans of up to DM 226.5 million (two hundred and twenty-six point five million Deutsche Mark) and, as necessary, financial contributions of up to DM 8.5 million (eight point five million Deutsche Mark) for preparatory and attendant implementation and support measures, i.e. a total of up to DM 235.0 million (two hundred and thirty-five million Deutsche Mark), for the projects

- a) Pulp and Paper Factory Kous,
 - b) Sewerage Kafr El Sheikh, Phase II,
 - c) Extension of the Telecommunication System, Phase II b 1,
 - d) Electricity Sector – Study on the Energy Rationalisation in Industries with High Energy Consumption,
 - e) Electricity Sector – Rehabilitation of Four Transformer Stations and the Siouf Power Station,
 - f) Study and Expert Fund IV,
 - g) National Cement Co. Tebbin, Assistance in the Operation,
 - h) El Sebaeia Clay Brick Factory, Assistance in the Operation,
 - i) Measures in Railway Sector, Operations Control System,
 - j) Fourth Coke Oven Battery Helwan,
 - k) Ductile Iron Pipes Plant, El Nasr Casting Co., Assistance in the Operation,
- if, after examination, the projects have been found eligible for promotion.

¹ Came into force on 19 February 1986, the date on which the Government of the Arab Republic of Egypt informed the Government of the Federal Republic of Germany of the completion of its national requirements, in accordance with article 7.

(2) This Agreement shall also apply if, at a later date, the Government of the Federal Republic of Germany enables the Government of the Arab Republic of Egypt to obtain from the Kreditanstalt für Wiederaufbau further loans or financial contributions.

(3) The projects referred to in paragraph 1 above may be replaced by other projects if the Government of the Arab Republic of Egypt and the Government of the Federal Republic of Germany so agree. Financial contributions for preparatory and attendant measures pursuant to paragraph 1 above shall be converted into loans in the event that they are not used for such measures.

(4) The disbursement of the loans and financial contributions earmarked for the projects referred to in paragraph 1 *c*) to *k*) above shall be subject to the fulfilment on time of the payment liabilities assumed under the Agreed Protocol of 8 February 1973 between the Government of the Arab Republic of Egypt and the Government of the Federal Republic of Germany.¹

Article 2. (1) The utilization of the amount referred to in Article 1 of this Agreement, the terms and conditions on which it is made available — including appropriate fees and other items of financing cost according to adopted banking practices agreed upon between the Central Bank of Egypt and the Kreditanstalt für Wiederaufbau — as well as the procedure to be followed in awarding the contracts, shall be governed by the provisions of the agreements to be concluded between the recipients of the loans and financial contributions and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany, without adding any other financing cost on the recipient's side exceeding the financing cost as mentioned herewith.

(2) The Government of the Arab Republic of Egypt, 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. No taxes or other public charges levied in the Arab Republic of Egypt in connection with the conclusion and implementation of the agreements referred to in Article 2 of the present Agreement shall be incurred by the Kreditanstalt für Wiederaufbau.

Article 4. The Government of the Arab Republic of Egypt shall allow passengers and suppliers free choice of transport enterprises for such transportation by land, sea 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 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. Transportation by sea shall be effected on vessels of the regular shipping lines of the Federal Republic of Germany and the Arab Republic of Egypt in accordance with the agreement of 25 January 1973 concluded between these shipping lines.

Article 5. With regard to supplies and services resulting from the granting of the loans and financial contributions, the Government of the Federal Republic of

¹ United Nations, *Treaty Series*, vol. 1157, p. 211.

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 Arab Republic of Egypt within three months of the date of entry into force of this Agreement.

Article 7. This Agreement shall enter into force on the date on which the Government of the Arab Republic of Egypt has informed the Government of the Federal Republic of Germany that the national requirements on the side of the Arab Republic of Egypt for the entry into force of the Agreement have been fulfilled.

DONE at Cairo on 2 September 1985 in duplicate in the German, Arabic and English languages, all three texts being authentic. In case of divergent interpretations of the German and Arabic texts, the English text shall prevail.

[Signed — Signé]¹

For the Government
of the Federal Republic of Germany

[Signed — Signé]²

For the Government
of the Arab Republic of Egypt

¹ Signed by Hans-Dietrich Genscher — Signé par Hans-Dietrich Genscher.

² Signed by Dr. Kamal A. El Ganzoury — Signé par Kamal A. El Ganzoury.