

No. 26770

FEDERAL REPUBLIC OF GERMANY
and
HONDURAS

Agreement concerning financial cooperation. Signed at Tegucigalpa on 2 December 1986

Authentic texts: German and Spanish.

Registered by the Federal Republic of Germany on 5 September 1989.

RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
HONDURAS

Accord de coopération financière. Signé à Tegucigalpa le 2 décembre 1986

Textes authentiques : allemand et espagnol.

Enregistré par la République fédérale d'Allemagne le 5 septembre 1989.

[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 Republic of Honduras
and the Federal Republic of Germany,

Desiring to strengthen and enhance these friendly relations through financial
cooperation 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
Honduras,

Having regard to the Record of Results of the intergovernmental negotiations
held from 9 to 11 September 1985 at Bonn,

Have agreed as follows:

Article 1

(1) The Government of the Federal Republic of Germany shall enable the
Government of the Republic of Honduras and/or another recipient to be selected
jointly by both Governments to raise loans from the Kreditanstalt für Wiederaufbau
(Development Loan Corporation), Frankfurt am Main, for the following projects:

(a) Ocotepeque electrification: up to DM 5,000,000 (five million deutsche
mark), and

(b) Copán electrification: up to DM 3,000,000 (three million 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 raise from the Kreditanstalt für Wiederaufbau, Frankfurt am Main, further loans
for the projects referred to in paragraph 1 or further financial contributions for
collateral measures required for their implementation and maintenance.

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

Article 2

(1) Utilization of the amounts 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 contracts to be concluded between the Kreditanstalt für Wiederaufbau
and the recipient of the loan and financial contribution; these contracts shall be
subject to the laws and regulations applicable in the Federal Republic of Germany.

¹ Came into force on 2 December 1986 by signature, in accordance with article 7.

(2) The Government of the Republic of Honduras, in so far as it is not itself the 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 referred to in paragraph 1.

Article 3

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

Article 4

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 passengers and goods as results from granting the loan and the financial contribution, 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 5

With regard to supplies and services resulting from granting the loan and the financial contribution, 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 also apply 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 three months of the entry into force of this Agreement.

Article 7

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

DONE at Tegucigalpa, D.C., on 2 December 1986, in two originals, in the German and Spanish languages, both texts being equally authentic.

For the Government
of the Federal Republic of Germany:

[Signed]

DR. ECKEHARD SCHÖBER
Ambassador

For the Government
of the Republic of Honduras:

[Signed]

GUILLERMO CÁCERES PINEDA
Deputy Minister for Foreign Affairs