

No. 26769

**FEDERAL REPUBLIC OF GERMANY
and
GUATEMALA**

**Agreement concerning financial cooperation (with annex).
Signed at Bonn on 13 October 1986**

Authentic texts: German and Spanish.

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

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
GUATEMALA**

**Accord de coopération financière (avec annexe). Signé à Bonn
le 13 octobre 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 GUATEMALA CONCERNING FINANCIAL CO-
OPERATION

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

In the spirit of the friendly relations existing between the Republic of Guatemala 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 Guatemala,

Having regard to the Record of Results of the intergovernmental negotiations held from 17 to 20 March at Guatemala City,

Have agreed as follows:

Article 1

(1) The Government of the Federal Republic of Germany shall enable the Government of the Republic of Guatemala to raise from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt am Main, loans in the aggregate of DM 48,340,000 (forty-eight million three hundred and forty thousand deutsche mark).

(2) The amount stated in paragraph 1 shall include the following financing commitments for projects which, by mutual agreement of the Parties, are not being implemented or which have residual funds available:

(a) DM 10,000,000 (ten million deutsche mark) from the loan committed by the Agreement of 19 January 1978 for promoting rural housing construction (BANDESA) and for funding investment projects of smaller private building material manufacturers (CORFINA).

(b) DM 840,000 (eight hundred and forty thousand deutsche mark) remaining from the loan committed by the Agreement of 11 March 1976 for San Marcos Hospital.

The foregoing shall amend accordingly the intergovernmental Agreement referred to in subparagraph (a).

(3) The amount referred to in paragraph 1 shall be applied as follows:

¹ Came into force on 5 April 1988, the date on which the Government of the Republic of Guatemala informed the Government of the Federal Republic of Germany of the completion of its domestic requirements, in accordance with article 7.

(a) Up to DM 20,000,000 (twenty million deutsche mark) shall be used to defray the foreign-exchange costs of providing goods and services from the German area of application of this Agreement to meet current civilian requirements and the costs, in foreign and national currencies, of transporting, insuring and assembling imports funded by this Agreement. Such supplies and services shall be limited to those specified in the annex to this Agreement for which supply contracts have been concluded after 1 April 1986.

(b) Up to DM 10,000,000 (ten million deutsche mark) for the “rural water supply and sanitation facilities” project to be carried out in cooperation with the Ministry of Public Health and Social Welfare, provided that, after examination, the project qualifies for promotion.

(c) Up to DM 10,000,000 (ten million deutsche mark) for the “rural road-building” project to be carried out in cooperation with the Ministry of Communications and Public Works, provided that, after examination, the project qualifies for promotion.

(d) Up to DM 7,500,000 (seven million five hundred thousand deutsche mark) for the “Altiplano rural development programme” project to be carried out in cooperation with the Ministry of Rural and Urban Development, provided that, after examination, the project qualifies for promotion.

(e) Up to DM 840,000 (eight hundred forty thousand deutsche mark) for projects to be chosen by both Governments by mutual agreement.

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

Article 2

(1) Of the total of DM 48,340,000 (forty-eight million three hundred and forty thousand deutsche mark), DM 47,500,000 (forty-seven million five hundred thousand deutsche mark) shall be provided as a loan on the following terms: 0.75 per cent per year interest over a 50-year term and a grace period of 10 years. As regards the residual amount of DM 840,000 from the “San Marcos Hospital” project, its terms have already been determined as 2 per cent annual interest with a 30-year term and a grace period of 10 years.

(2) The remaining loan terms, as well as the procurement procedure to be applied, shall be governed by 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.

(3) The Government of the Republic of Guatemala, 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 obligations incumbent on the borrowers under the contracts referred to in paragraph 1.

Article 3

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

Article 4

The Government of the Republic of Guatemala 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 which 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 exceptions 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 Guatemala within the three months following the date of the entry into force of this Agreement.

Article 7

This Agreement shall enter into force on the day on which the Government of the Republic of Guatemala informs the Government of the Federal Republic of Germany that the domestic requirements of the Republic of Guatemala for its entry into force have been complied with.

DONE at Bonn on 13 October 1986, in two originals, in the German and Spanish languages, both texts being equally authentic.

For the Government of the Federal Republic
of Germany:

JÜRGEN RUHFUSS

JÜRGEN WARNKE

For the Government of the Republic of Guatemala:

VINICIO CEREZO

MARIO QUINONES

ANNEX TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE REPUBLIC OF GUATEMALA CONCERNING FINANCIAL COOPERATION

1. List of the goods, and of the services associated with their importation, which, pursuant to article 1, paragraph 3, subparagraph (a), may be financed from the loan:

(a) The means of agricultural production, including fertilizers, farm machinery, implements, spare parts and accessories;

(b) Supplies for the chemical industry, particularly for the manufacture of pharmaceuticals, fertilizers and plant health requisites;

(c) Equipment, spare parts and accessories, industrial raw and auxiliary materials and semi-finished and finished products.

2. Imported goods not covered in this list may be financed only with the prior approval of the Government of the Federal Republic of Germany.

3. The importation of luxury items and consumer goods for private requirements, and of goods and installations serving military purposes, shall not be financed from the loan.
