

No. 26781

**FEDERAL REPUBLIC OF GERMANY
and
PORTUGAL**

**Agreement concerning financial cooperation. Signed at
Lisbon on 6 May 1987**

Authentic texts: German and Portuguese.

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

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PORTUGAL**

**Accord de coopération financière. Signé à Lisbonne le 6 mai
1987**

Textes authentiques : allemand et portugais.

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
PORTUGUESE REPUBLIC CONCERNING FINANCIAL CO-
OPERATION

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

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

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 Portuguese
Republic,

Have agreed as follows:

Article 1

(1) The Government of the Federal Republic of Germany shall enable the
Government of the Portuguese Republic, and/or other recipients to be selected
jointly by the two Governments, to raise with the Kreditanstalt für Wiederaufbau
(Development Loan Corporation), Frankfurt am Main, loans of up to DM 60,000,000
(sixty million deutsche mark).

(2) With reference to the Record of 11 December 1985 of the 1985 intergovern-
mental negotiations, the loans shall be used to finance the following projects, pro-
vided that, after examination, the projects qualify for promotion:

(a) Up to DM 15,000,000 (fifteen million deutsche mark) for equipment for the
Metrology and Services Laboratory of the Portuguese Quality Institute;

(b) Up to DM 10,000,000 (ten million deutsche mark) to develop the power
supply and distribution in the Autonomous Region of the Azores (EDA II);

(c) Up to DM 35,000,000 (thirty-five million deutsche mark) to finance invest-
ment projects of small and medium-sized enterprises through the Banco de Fomento
Nacional (credit line III).

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

Article 2

(1) Utilization of the loans referred to in article 1, the terms and conditions on
which they are granted and the procurement procedure to be applied shall be gov-

¹ Came into force on 6 May 1987 by signature, in accordance with article 7.

erned by the 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.

(2) The Government of the Portuguese Republic, to the extent that it is not itself the borrower, shall guarantee to the Kreditanstalt für Wiederaufbau all payments in deutsche mark in discharge of the borrowers' liabilities under the contracts to be concluded pursuant to paragraph 1.

Article 3

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

Article 4

The Government of the Portuguese Republic shall allow passengers and suppliers free choice of transport enterprises for such transport by land, sea and air of persons and goods as results from the granting of the loans, refrain from taking any measures which might exclude or impede the participation, on an equal footing, 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 the granting of the loans, 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 Portuguese Republic within the three months following the date of entry into force of this Agreement.

Article 7

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

DONE at Lisbon on 6 May 1987 in duplicate, in the German and Portuguese languages, both texts being equally authentic.

For the Government of the Federal Republic
of Germany:

POENSGEN

For the Government of the Portuguese Republic:

MIGUEL CADILHE