

No. 27283

**FEDERAL REPUBLIC OF GERMANY
and
PARAGUAY**

**Agreement concerning financial cooperation. Signed at
Asunción on 17 December 1987**

Authentic texts: German and Spanish.

Registered by the Federal Republic of Germany on 11 May 1990.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PARAGUAY**

**Accord de coopération financière. Signé à Asunción le 17 dé-
cembre 1987**

Textes authentiques : allemand et espagnol.

Enregistré par la République fédérale d'Allemagne le 11 mai 1990.

[TRANSLATION — TRADUCTION]

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

The Government of the Federal Republic of Germany and

The Government of the Republic of Paraguay,

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

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 Paraguay,

Have agreed as follows:

Article 1

(1) The Government of the Federal Republic of Germany shall enable the Administración Nacional de Electricidad (ANDE) to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt am Main, for the project "Rural electrification in eastern Paraguay", a loan of up to DM 10,500,000 (ten million five hundred thousand deutsche mark).

(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 Paraguay to obtain from the Kreditanstalt für Wiederaufbau, Frankfurt am Main, further loans or financial contributions for preparing the project or other financial contributions for collateral measures required for the implementation and maintenance of the project "Rural electrification in eastern Paraguay".

Article 2

(1) Utilization of the amount referred to in article 1, as well as the conditions on which it is granted, shall be governed by the contracts to be concluded between the Kreditanstalt für Wiederaufbau, Frankfurt am Main, and the borrower, the Administración Nacional de Electricidad (ANDE); these contracts shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

(2) The Government of the Republic of Paraguay shall stand surety *vis-à-vis* the Kreditanstalt für Wiederaufbau for all deutsche mark payments to be made in discharge of the borrower's obligations under the contracts to be concluded pursuant to paragraph 1.

¹ Came into force on 17 December 1987 by signature, in accordance with article 8.

Article 3

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

Article 4

The Government of the Republic of Paraguay shall allow passengers and suppliers free choice of transport enterprises for such transport by sea, land and air of passengers and goods as results from the granting of the loan, 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

The procedure for placing orders for implementing the project referred to in article 1 shall be laid down in the loan contract to be concluded between the Kreditanstalt für Wiederaufbau and the borrower, the Administración Nacional de Electricidad (ANDE).

Article 6

With regard to supplies and services resulting from the granting of the loan, the Government of the Federal Republic of Germany attaches particular importance to preference being given to the economic potential of *Land Berlin*.

Article 7

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 Paraguay within the three months following the date of entry into force of this Agreement.

Article 8

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

DONE at Asunción on 17 December 1987 in two copies in the German and Spanish languages, both texts being equally authentic.

For the Government of the Federal Republic
of Germany:

Dr. RICHARD LOUIS

For the Government of the Republic of Paraguay:

Dr. CARLOS AUGUSTO SALDIVAR