

No. 27421

**FEDERAL REPUBLIC OF GERMANY
and
SYRIAN ARAB REPUBLIC**

**Agreement concerning financial cooperation (with annex).
Signed at Damascus on 3 August 1988**

Authentic texts: German, Arabic and English.

Registered by the Federal Republic of Germany on 17 July 1990.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
RÉPUBLIQUE ARABE SYRIENNE**

**Accord de coopération financière (avec annexe). Signé à
Damas le 3 août 1988**

Textes authentiques : allemand, arabe et anglais.

Enregistré par la République fédérale d'Allemagne le 17 juillet 1990.

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

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

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

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 Syrian Arab Republic,

Have agreed as follows:

Article 1

(1) The Government of the Federal Republic of Germany shall enable the Government of the Syrian Arab Republic or another recipient to be determined jointly by the two Governments to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, the following loans:

(a) A loan up to a total of DM 102,300,000 (one hundred two million three hundred thousand Deutsche Mark) for the project "Thayem Power Station"; this loan shall consist of the following portions:

- (aa) One portion of up to DM 31,400,000 (thirty-one million four hundred thousand Deutsche Mark) made available in 1979 (Agreement of 4 May 1979)² on the reallocation of which agreement was reached in Damascus on the occasion of the German-Syrian consultations of 20 April 1986;
- (ab) One portion of up to DM 44,100,000 (forty-four million one hundred thousand Deutsche Mark) proposed in 1980, on the utilization of which agreement was reached in Damascus on the occasion of the German-Syrian consultations of 20 April 1986;
- (ac) One portion of up to DM 26,800,000 (twenty-six million eight hundred thousand Deutsche Mark) proposed in Damascus on the occasion of the German-Syrian consultations of 9 April 1988.

In accordance with the record of the German-Syrian consultations of 9 April 1988, the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, shall offer the Syrian Government additionally a financial credit of up to DM 24,000,000 (twenty-four million Deutsche Mark) to meet the foreign exchange

¹ Came into force on 3 August 1988 by signature, in accordance with article 8.

² United Nations, *Treaty Series*, vol. 1243, p. 347.

costs for the project "Thayem Power Station" in excess of DM 102,300,000 (one hundred two million three hundred thousand Deutsche Mark);

(b) A loan up to a total of DM 20,000,000 (twenty million Deutsche Mark) to meet foreign exchange costs resulting from the purchase of goods and services to cover current civilian requirements, and to meet foreign exchange and local currency costs of transport, insurance and assembly arising in connection with the importation of goods financed under this Agreement.

(2) The supplies and services referred to in paragraph 1 (b) above must be such as are covered by the list annexed to this Agreement and for which credits have been opened after the signing of the agreements to be concluded pursuant to Article 2 of the present Agreement.

(3) This Agreement shall also apply if, at a later date, the Government of the Federal Republic of Germany enables the Government of the Syrian Arab Republic to obtain from the Kreditanstalt für Wiederaufbau further loans or financial contributions for the preparation of the project "Thayem Power Station" or further financial contributions for attendant measures required for its implementation and support.

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

Article 2

(1) The utilization of the amounts referred to in Article 1 of this Agreement as well as the terms and conditions on which they are made available shall be governed by the provisions of the agreements to be concluded between the recipient of the loans and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

(2) The Government of the Syrian Arab Republic, 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 borrower's liabilities under the agreements to be concluded pursuant to paragraph 1 above.

Article 3

The Government of the Syrian Arab Republic shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Syrian Arab Republic in connection with the conclusion and implementation of the agreements referred to in Article 2 of the present Agreement.

Article 4

The Government of the Syrian Arab Republic shall allow passengers and suppliers free choice of transport enterprises for such transportation by sea, land or air of persons and goods as results from the granting of the loans, abstain from taking any measures that might exclude or impair the 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.

Article 5

Supplies and services for projects financed from the loan under Article 1 (1) (a) of this Agreement shall, unless otherwise provided for in individual cases, be subject to public tender.

Article 6

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 preferential use being made of the economic potential of Land Berlin.

Article 7

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

Article 8

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

DONE at Damascus on 3 August 1988 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.

For the Government of the Federal Republic
of Germany:

ACHENBACH

For the Government of the Syrian Arab Republic:

БАКЖАЛ

ANNEX TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE SYRIAN ARAB REPUBLIC CONCERNING FINANCIAL CO-OPERATION

1. List of goods and services eligible for financing from the loan under Article 1 (1) (b) of the Agreement of 3 August 1988:

- (a) Industrial raw and auxiliary materials as well as semi-manufactures,
- (b) Industrial equipment as well as agricultural machinery and implements,
- (c) Spare parts and accessories of all kinds,
- (d) Chemical products, in particular fertilizers, plant protection agents, pesticides, medicaments,
- (e) Other industrial products of importance for the development of the Syrian Arab Republic,
- (f) Advisory services, patents and licence fees.

2. Imports not included in the above list may only be financed with the prior approval of the Government of the Federal Republic of Germany.

3. The importation of luxury and consumer goods for personal needs as well as any goods and facilities serving military purposes may not be financed from the loan.
