

No. 27426

**FEDERAL REPUBLIC OF GERMANY
and
ECUADOR**

**Agreement concerning financial cooperation. Signed at Quito
on 14 September 1988**

Authentic texts: German and Spanish.

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

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
ÉQUATEUR**

**Accord de coopération financière. Signé à Quito le 14 sep-
tembre 1988**

Textes authentiques : allemand et espagnol.

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

[TRANSLATION — TRADUCTION]

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

The Government of the Federal Republic of Germany and

The Government of the Republic of Ecuador,

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

Have agreed as follows:

Article 1

1. The Government of the Federal Republic of Germany shall enable the Government of the Republic of Ecuador, or other recipients designated jointly by the two Governments, to raise loans totalling up to DM 58,000,000 (fifty-eight million deutsche mark) with the Kreditanstalt für Wiederaufbau (Development Loan Corporation) of Frankfurt am Main, provided that, on examination, the projects to be financed qualify for support.

2. The amount referred to in paragraph 1 shall be used for the following projects:

- (a) Urban development of Babahoyo;
- (b) Drinking water supply and waste water disposal for medium-sized cities;
- (c) Equipping of rural hospitals;
- (d) Programme of loans for small-scale fishing (Banco Nacional de Fomento/BNF II).

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 Republic of Ecuador so agree.

Article 2

1. The use of the amounts referred to in article 1 and the terms and conditions on which they are granted shall be governed by contracts to be concluded between the Kreditanstalt für Wiederaufbau and the recipients of the loans.

2. The Government of the Republic of Ecuador, in so far as it is not itself a borrower, shall stand surety *vis-à-vis* the Kreditanstalt für Wiederaufbau for all

¹ Came into force on 14 September 1988 by signature, in accordance with article 8.

deutsche mark payments to be made in discharge of obligations incumbent on the borrowers under the contracts to be concluded as provided for in paragraph 1.

Article 3

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

Article 4

The Government of the Republic of Ecuador shall allow passengers and suppliers free choice of transport enterprises for such transport by sea and air of passengers and goods as results from the granting of the loans, 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 the implementation of the projects referred to in article 1 shall be laid down in the loan contracts to be concluded between the Kreditanstalt für Wiederaufbau and the recipients of the loans.

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 preference being given to the economic potential of *Land Berlin*.

Article 7

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

Article 8

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

DONE at Quito on 14 September 1988, in four copies, two in German and two in Spanish, both texts being equally authentic.

For the Government
of the Federal Republic of Germany:
JOACHIM GRAF SCHIRNDING
Ambassador

For the Government
of the Republic of Ecuador:
MARIO ALEMÁN SALVADOR
Acting Minister for Foreign Affairs