

No. 29590

**FEDERAL REPUBLIC OF GERMANY
and
PHILIPPINES**

**Agreement concerning financial cooperation. Signed at Bonn
on 7 December 1988**

Authentic texts: German and English.

Registered by Germany on 8 February 1993.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PHILIPPINES**

**Accord de coopération financière. Signé à Bonn le 7 décembre
1988**

Textes authentiques : allemand et anglais.

Enregistré par l'Allemagne le 8 février 1993.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE REPUBLIC
OF THE PHILIPPINES AND THE GOVERNMENT OF THE FED-
ERAL REPUBLIC OF GERMANY CONCERNING FINANCIAL
CO-OPERATION

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

in the spirit of the friendly relations existing between the Republic of the
Philippines and the Federal Republic of Germany,

desiring to strengthen and intensify those friendly relations through finan-
cial 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 Republic of
the Philippines,

with reference to the Concluding Report, dated 7 December 1988, of the
German-Philippine intergovernmental negotiations held in Bonn from 5 to
7 December 1988,

have agreed as follows:

Article 1

- (1) The Government of the Federal Republic of Germany shall enable the
Government of the Republic of the Philippines and/or other recipients
to be determined jointly by the two Governments to obtain from the
Kreditanstalt für Wiederaufbau (Development Loan Corporation),
Frankfurt/Main, loans up to a total of DM 40,000,000 (forty million
Deutsche Mark) for projects selected by the two Governments pursuant
to the Concluding Report of 7 December 1988 if, after examination, the
projects have been found eligible for promotion, and a financial contri-
bution of up to DM 10,000,000 (ten million Deutsche Mark). The finan-

¹ Came into force on 7 December 1988 by signature, in accordance with article 7.

cial contribution is earmarked for reconstruction activities designed to obviate damage caused by hurricane.

- (2) The selected projects referred to in paragraph 1 above may be replaced by other projects if the Government of the Republic of the Philippines and the Government of the Federal Republic of Germany so agree.

Article 2

- (1) The utilization of the amounts referred to in Article 1 of this Agreement and the terms and conditions on which they are made available, as well as the procedure for awarding contracts, shall be governed by the provisions of the agreements to be concluded between the recipients of the loans and the financial contribution and the Kreditanstalt für Wiederaufbau, which agreements shall be subject to the laws and regulations applicable in the Federal Republic of Germany.
- (2) The Government of the Republic of the Philippines, in so far 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 borrowers' liabilities under the agreements to be concluded pursuant to paragraph 1 above.

Article 3

The Government of the Republic of the Philippines shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Republic of the Philippines 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 Republic of the Philippines shall allow passengers and suppliers free choice of transport enterprises for such transportation by sea or air of persons and goods as results from the granting of the loans and the financial contribution, abstain from taking any measures that might exclude or impair the participation on equal terms 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

With regard to supplies and services resulting from the granting of the loans and the financial contribution, the Government of the Federal Republic of Germany attaches particular importance to preferential use being made of the economic potential of Land Berlin.

Article 6

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


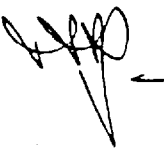
Article 7

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


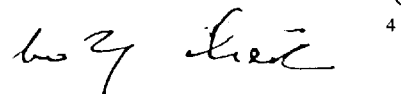
DONE at Bonn on 7 December 1988

in duplicate in the English and German languages, both texts being equally authentic.

For the Government
of the Republic of the Philippines:

 1
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For the Government
of the Federal Republic of Germany:

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¹ C. Espiritu.

² F. Pante.

³ Jürgen Sudhoff.

⁴ Wolf Preuss.