

No. 29711

**GERMANY
and
LAO PEOPLE'S
DEMOCRATIC REPUBLIC**

Agreement concerning financial cooperation—*Remission of debts* (with protocol). Signed at Vientiane on 10 July 1991

Authentic texts: German, Lao and French.

Registered by Germany on 23 March 1993.

**ALLEMAGNE
et
RÉPUBLIQUE DÉMOCRATIQUE
POPULAIRE LAO**

Accord de coopération financière — *Remise de dettes* (avec protocole). Signé à Vientiane le 10 juillet 1991

Textes authentiques : allemand, lao et français.

Enregistré par l'Allemagne le 23 mars 1993.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE LAO PEOPLE'S DEMOCRATIC REPUBLIC CONCERNING FINANCIAL COOPERATION (REMISSION OF DEBTS)

The Government of the Federal Republic of Germany and the Government of the Lao People's Democratic Republic,

Having regard to resolution 165 (S-IX) of 11 March 1978² of the Trade and Development Board of the United Nations Conference on Trade and Development, in which the industrialized countries state their readiness to adjust the terms of past official development assistance to poorer developing countries, particularly the least developed among them, in order to bring them into line with the currently prevailing softer terms, or to adopt other equivalent measures,

In the spirit of the friendly relations existing between the Federal Republic of Germany and the Lao People's Democratic Republic, desiring to strengthen and intensify those friendly relations through financial cooperation 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 Lao People's Democratic Republic,

Hoping that this Agreement also supports the efforts of the Government of the Lao People's Democratic Republic to preserve natural resources and protect the environment,

Have agreed as follows:

Article 1

(1) The Government of the Federal Republic of Germany shall provide for the loan agreements which were concluded by the Société centrale des Eaux du Laos, the Electricité du Laos and the Banque nationale du Laos with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt am Main, and which were underwritten by the Government of the Lao People's Democratic Republic, namely

The agreement of 6 May 1966 concerning DM 3,600,000 (three million six hundred thousand deutsche mark),

The agreement of 3 November 1970 concerning DM 6,000,000 (six million deutsche mark),

The agreement of 8 June 1972 concerning DM 6,600,000 (six million six hundred thousand deutsche mark),

¹ Came into force on 10 July 1991 by signature, in accordance with article 4.

² United Nations, *Official Records of the United Nations Conference on Trade and Development, Ninth Special Session, Supplement No. 1*, p. 1.

The agreement of 19 May 1976 concerning DM 1,000,000 (one million deutsche mark), which was reduced to DM 664,753.87 (six hundred sixty-four thousand seven hundred fifty-three deutsche mark and eighty-seven pfennige) pursuant to the request of the Government of the Lao People's Democratic Republic dated 18 July 1988, by means of a letter from the Kreditanstalt für Wiederaufbau dated 10 October 1988,

The agreement of 25 September 1974 concerning DM 11,500,000 (eleven million five hundred thousand deutsche mark),

The agreement of 19 May 1976 concerning DM 13,000,000 (thirteen million deutsche mark),

The agreement of 23 August 1977 concerning DM 13,100,000 (thirteen million one hundred thousand deutsche mark), which was reduced to DM 10,921,456.94 (ten million nine hundred twenty-one thousand four hundred fifty-six deutsche mark and ninety-four pfennige), pursuant to the request of the Government of the Lao People's Democratic Republic dated 18 July 1988, by means of a letter from the Kreditanstalt für Wiederaufbau dated 10 October 1988,

The agreement of 19 May 1976 concerning DM 9,400,000 (nine million four hundred thousand deutsche mark),

to be amended to the effect that

(a) As from 30 June 1990, the principal and interest due on loans granted to the Société centrale des Eaux du Laos, the Electricité du Laos and the Banque nationale du Laos shall no longer be paid to the Kreditanstalt für Wiederaufbau, but shall be paid in national currency to the Government of the Lao People's Democratic Republic in full discharge of any obligations;

(b) As from 30 June 1990, commitment charges shall not be made on amounts not disbursed under the loan agreements referred to in paragraph 1 above.

(2) On the basis of paragraph 1 above, and subject to the agreements to be concluded with the Kreditanstalt für Wiederaufbau pursuant to article 2 of this Agreement, the claim to repayment of a total of DM 49,942,000.00 (forty-nine million nine hundred forty-two thousand deutsche mark) plus interest and commitment charges shall be waived.

Article 2

Further details shall be settled in separate agreements to be concluded between the Société centrale des Eaux du Laos, the Electricité du Laos and the Banque nationale du Laos and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

Article 3

The Government of the Lao People's Democratic Republic shall, to the extent possible, use the funds in national currency released through the remission of debts for specific, verifiable measures of environmental protection and the preservation of natural resources. Details shall be laid down in a protocol, which shall constitute an integral part of this Agreement.

Article 4

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

DONE at Vientiane on 10 July 1991, in duplicate in the German, Lao and French languages, all three texts being equally authentic. In case of divergent interpretations of the German and Lao texts, the French text shall prevail.

For the Government
of the Federal Republic of Germany:

CLAUS SÖNKSEN

For the Government
of the Lao People's Democratic Republic:

SOUBANH SRITHIRATH

PROTOCOL

The Government of the Federal Republic of Germany and the Government of the Lao People's Democratic Republic,

On the occasion of the signing of the Agreement of 10 July 1991 between the Government of the Federal Republic of Germany and the Government of the Lao People's Democratic Republic concerning financial cooperation (remission of debts) and in implementation of the second sentence of article 3 thereof, have agreed as follows:

The two Governments agree that article 3 of the Agreement shall be realized as follows:

(1) The Government of the Lao People's Democratic Republic shall use to the extent possible the funds available on account of the debt remission in national currency for measures concerning protection of the environment and of natural resources in Laos. The amounts to be made available annually for this purpose shall be based on the debt service payments which would have to be made without the debt remission.

(2) Measures concerning protection of the environment and of natural resources may concern:

- Support of institutions dedicated to the protection of the environment and of natural resources (institution building);
- Specific projects/programmes in this field, aimed in particular at the protection of tropical rain forests.

(3) The Government of the Lao People's Democratic Republic shall transmit to the Government of the Federal Republic of Germany in advance a list of the measures to be promoted in each subsequent fiscal year of Laos, together with comments. Consultations shall take place if either Government so desires.

(4) After the end of each fiscal year, the Government of the Lao People's Democratic Republic shall inform the Government of the Federal Republic of Germany about the utilization of the funds.

(5) After a term of three years, the two Governments shall jointly review the procedure agreed on above.
