

No. 29661

**FEDERAL REPUBLIC OF GERMANY
and
PAKISTAN**

**Agreement concerning financial cooperation (with annex).
Signed at Islamabad on 14 December 1989**

Authentic texts: German and English.

Registered by Germany on 23 March 1993.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PAKISTAN**

Accord de coopération financière (avec annexe). Signé à Islamabad le 14 décembre 1989

Textes authentiques : allemand et anglais.

Enregistré par l'Allemagne le 23 mars 1993.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE ISLAMIC
REPUBLIC OF PAKISTAN AND THE GOVERNMENT OF THE
FEDERAL REPUBLIC OF GERMANY CONCERNING FINAN-
CIAL CO-OPERATION IN 1989

The Government of the Islamic Republic of Pakistan
and

the Government of the Federal Republic of Germany,

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

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
Islamic Republic of Pakistan,

with reference to the Minutes, dated 26 April 1989, of the inter-
governmental negotiations held in Bonn from 24 to 26 April 1989,

have agreed as follows:

Article 1

- (1) The Government of the Federal Republic of Germany shall
enable the Government of the Islamic Republic of Pakistan or
other recipients to be determined jointly by the two Govern-

¹ Came into force on 14 December 1989 by signature, in accordance with article 7.

ments to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, loans and financial contributions up to a total of DM 115,000,000 (one hundred and fifteen million Deutsche Mark); of this amount DM 85,000,000 (eighty-five million Deutsche Mark) shall be provided as loans and DM 30,000,000 (thirty million Deutsche Mark) as financial contributions.

- (2) The loans shall be used according to the specifications of paragraphs 3 to 5 below and the financial contributions according to the specifications of paragraphs 6 and 8 below.
- (3) A loan of up to DM 5,000,000 (five million Deutsche Mark) shall be used 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. The supplies and services must be such as are covered by the list annexed to this Agreement and for which supply or service contracts were concluded after 1 July 1989.
- (4) A loan of up to DM 35,000,000 (thirty-five million Deutsche Mark) shall be used to meet foreign exchange costs arising in connection with the project "Telecommunication V/Phase 3" if, after examination, the project has been found eligible for promotion.
- (5) A loan of up to DM 45,000,000 (forty-five million Deutsche Mark) shall be used to meet foreign exchange costs arising in connection with the project "Private Sector Energy Devel-

opment Fund" if, after examination, the project has been found eligible for promotion.

- (6) A financial contribution of up to DM 10,000,000 (ten million Deutsche Mark) shall be used for the project "Basic Education in Charsadda District/North-West Frontier Province" if, after examination, the project has been found eligible for promotion.
- (7) A financial contribution of up to DM 8,000,000 (eight million Deutsche Mark) shall be used for the project "Children's Hospital, Quetta" if, after examination, the project has been found eligible for promotion.
- (8) A financial contribution of up to DM 12,000,000 (twelve million Deutsche Mark) shall be used for the project "Small-scale Hydroelectric Power Stations in the North-West Frontier Province" if, after examination, the project has been found eligible for promotion.
- (9) The projects referred to in paragraphs 4 to 8 above may be replaced by other projects if the Government of the Islamic Republic of Pakistan and the Government of the Federal Republic of Germany so agree.

Article 2

- (1) The utilization of the loans and the financial contributions 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

recipient of the loans and the financial contributions 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 Islamic Republic of Pakistan, 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 Islamic Republic of Pakistan shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Islamic Republic of Pakistan 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 Islamic Republic of Pakistan 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 and the financial contributions, 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 contributions, 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 Islamic Republic of Pakistan within three months of the date of entry into force of this Agreement.

Article 7

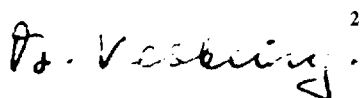
This Agreement shall enter into force on the date of signature thereof.

DONE at Islamabad on December 14, 1983
in duplicate in the English and German languages, both texts being equally authentic.

For the Government
of the Islamic Republic of Pakistan:

A handwritten signature in black ink, appearing to read 'Khalid Mahmood Chima', followed by a superscripted '1'.

For the Government
of the Federal Republic of Germany:

A handwritten signature in black ink, appearing to read 'A. Vestring', followed by a superscripted '2'.

¹ Khalid Mahmood Chima.

² A. Vestring.

Annex to the Agreement of Dec. 14, 1983 between the Government of the Islamic Republic of Pakistan and the Government of the Federal Republic of Germany concerning Financial Co-operation

1. List of goods and services eligible for financing from the loan under Article 1 (3) of the Agreement of 14.12.83
 - (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 plant protection agents, pesticides, medicaments, colouring agents.
 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.
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