

No. 29686

**FEDERAL REPUBLIC OF GERMANY
and
PHILIPPINES**

**Agreement concerning financial cooperation. Signed at
Manila on 22 August 1990**

Authentic texts: German and English.

Registered by Germany on 23 March 1993.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PHILIPPINES**

**Accord de coopération financière. Signé à Manille le 22 août
1990**

Textes authentiques : allemand et anglais.

Enregistré par l'Allemagne le 23 mars 1993.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING FINANCIAL COOPERATION

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 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 Republic of the Philippines,

with reference to the Summary Record, dated 25 October 1989, of the Philippine-German intergovernmental negotiations held in Manila from 23 to 25 October 1989,

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

¹ Came into force on 22 August 1990 by signature, in accordance with article 7.

and/or other recipients to be determined jointly by the two Governments to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main,

- (a) a loan of up to DM 40,000,000 (forty million Deutsche Mark) for the project Sucat - Santa Mesa - Balintawak Transformer Station and Transmission Line if, after examination, the project has been found eligible for promotion, and
 - (b) a financial contribution of up to DM 20,000,000 (twenty million Deutsche Mark) for the project Measures for the Protection of Tropical Forests if, after examination, the project has been found eligible for promotion and it has been confirmed that, being an environmental protection project, it fulfils the special criteria for promotion via financial contributions.
- (2) In the event that the confirmation referred to in paragraph 1 (b) above cannot be provided, the Government of the Federal Republic of Germany shall enable the Government of the Republic of the Philippines to obtain from the Kreditanstalt für Wiederaufbau for the said project a loan up to the amount of the envisaged financial contribution.
- (3) The 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.
- (4) To the extent that the project referred to in paragraph 1 (b) above is replaced by a project related to envi-

ronmental protection, social infrastructure or a self-help-oriented measure for the eradication of poverty in accordance with the special criteria for promotion via financial contributions, a financial contribution may be granted; otherwise, the financial contribution may be replaced by a loan.

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 loan and/or financial contribution 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 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 loan 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 loan 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 Manila on *August 22, 1990*
in duplicate in the English and German languages, both texts
being equally authentic.

For the Government
of the Republic of the Philippines:
[Signed — Signé]¹

For the Government
of the Federal Republic of Germany:
[Signed — Signé]²

¹ Signed by Raul S. Manglapus — Signé par Raul S. Manglapus.

² Signed by Peter Scholz — Signé par Peter Scholz.