

No. 29702

**GERMANY
and
ETHIOPIA**

**Agreement concerning financial cooperation (with protocol).
Signed at Addis Ababa on 7 December 1990**

Authentic texts: German and English.

Registered by Germany on 23 March 1993.

**ALLEMAGNE
et
ÉTHIOPIE**

**Accord de coopération financière (avec protocole). Signé à
Addis-Abéba le 7 décembre 1990**

Textes authentiques : allemand et anglais.

Enregistré par l'Allemagne le 23 mars 1993.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE PEOPLE'S
DEMOCRATIC REPUBLIC OF ETHIOPIA AND THE GOVERN-
MENT OF THE FEDERAL REPUBLIC OF GERMANY CON-
CERNING FINANCIAL COOPERATION

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

having regard to Resolution 165 (S-IX) of 11 March 1978² of the
Trade and Development Board (UNCTAD) in which the industrial-
ized countries state their readiness to adjust the terms of past
official development assistance credits to poorer developing coun-
tries, 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 People's
Democratic Republic of Ethiopia 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
People's Democratic Republic of Ethiopia,

¹ Came into force on 7 December 1990 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.

intending to ensure that this Agreement also supports the efforts for intensified common action 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 listed below, concerning a total of DM 152,600,000 (one hundred and fifty-two million six hundred thousand Deutsche Mark), which were concluded by the Government of the Empire of Ethiopia or of the People's Democratic Republic of Ethiopia with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, to be amended to the effect that
- (a) as from 31 December 1989 the loans granted to the Government of the Empire of Ethiopia or of the People's Democratic Republic of Ethiopia shall be turned into grants and hence amortization and interest payments falling due under the aforementioned loan agreements from that date onwards remitted;
- (b) as from 31 December 1989, commitment charges shall not be made on amounts not disbursed under the matured loan agreements referred to above.

List of loan agreements:

3 July 1968	DM 43,520,000 (forty-three million five hundred and twenty thousand Deutsche Mark),
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26 February 1971	DM 7,500,000 (seven million five hundred thousand Deutsche Mark),
17 December 1975	DM 7,200,000 (seven million two hundred thousand Deutsche Mark),
13 July 1972	DM 18,800,000 (eighteen million eight hundred thousand Deutsche Mark),
17 December 1975	DM 14,400,000 (fourteen million four hundred thousand Deutsche Mark),
2 May 1985	DM 9,900,000 (nine million nine hundred thousand Deutsche Mark),
17 December 1975	DM 19,200,000 (nineteen million two hundred thousand Deutsche Mark),
5 February 1975	DM 10,000,000 (ten million Deutsche Mark),
31 August 1978	DM 22,080,000 (twenty-two million eighty thousand Deutsche Mark).

- (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 105,840,400 (one hundred and five million eight hundred and forty thousand four hundred 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 Government fo the People's Democratic Republic of Ethiopia 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 People's Democratic Republic of Ethiopia shall use a substantial amount of 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 Addis Ababa

on 7 December 1990

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

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

[*Signed — Signé*]

ISRAEL K. MARIAM
Deputy Head with the Rank
of Vice Minister
Office of the State Committee
for Foreign Economic Relations

For the Government
of the Federal Republic of Germany:

[*Signed — Signé*]

Dr. PAUL JOACHIM VON STÜLPNAGEL
Ambassador of the Federal Republic
of Germany

[*Signed — Signé*]

Dr. H. C. SIEGFRIED LENGEL
State Secretary
Federal Ministry for Economic
Co-operation

Protocol

The Government of the People's Democratic Republic
of Ethiopia

and

the Government of the Federal Republic of Germany,

on the occasion of the signing of the Agreement of
7 Dec. 1990 between the two Governments concerning
Financial Cooperation and implementing 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:

The Government of the People's Democratic Republic of Ethiopia
shall use a substantial amount of the funds available on
account of the debt remission in national currency for measures
concerning protection of the environment and of natural
resources in Ethiopia. The amounts to be made available
annually shall be based on the debt service payments, which
would have to be made without the debt remission.

The counterpart funds will be used primarily for the following
projects in the forestry sector:

- expansion of the on-going Ethiopian-German reforestation
project (Technical Cooperation),
- forestry project to be financed out of the special pledge of
DM 10,000,000 (ten million Deutsche Mark) in 1988 under
financial cooperation in combination with a technical co-
operation component.

The counterpart funds may also be utilized in other projects in the field of environmental protection provided both the Ethiopian and German sides have given their consent.

Within the scope of the aforementioned projects the counterpart funds may be used for the following purposes:

- operational funds
- local construction and building
- infrastructure
- local personnel
- institution building, e.g. staff training etc.

The Government of the People's Democratic Republic of Ethiopia 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 Ethiopia, together with a comment, as from the fiscal year 1990/91. Consultations shall take place if either Government so desires.

After termination of each fiscal year the Government of the People's Democratic Republic of Ethiopia shall inform the Government of the Federal Republic of Germany of the utilization of the funds.

After a term of three years the two Governments shall jointly review the procedure as agreed above.