

May 27, 1971

AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE FEDERAL REPUBLIC OF GERMANY CONCERNING FINANCIAL ASSISTANCE

Note: The Agreement entered into force, May 27, 1981.

Reference: This Agreement is also published in X DEA TS No. 1, p. 49.

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 by fruitful cooperation in the field of development assistance,

Aware that the maintenance of those relations constitutes the basis of the present Agreement,

Intending to promote the development of the Philippine economy, 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 to take up with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/ Main, a loan up to a total of twelve million five hundred thousand German Marks for the development of several Philippine ports. (2) The loan forms part of the project's global financing for which, in addition, by means of Federal guarantees covering an order value of up to ten million German Marks export financing through supplier's credits or tied financial credits is made available. (3) The loan referred to in paragraph 1 above may also be used for other projects, if the Government of the Republic of the Philippines and the Government of the Federal Republic of Germany so agree.

ARTICLE 2

The utilization of the loan as well as the terms and conditions on which it is granted shall be governed by the provisions of the agreement to be concluded between the borrowers and the Kreditanstalt für Wiederaufbau which shall be subject to the legal provisions applicable in the Federal Republic of Germany.

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 Philippines at the time of the conclusion, or during the execution, of the loan agreement referred to in