

February 29, 1964

**AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND
THE FEDERAL REPUBLIC OF GERMANY FOR FINANCIAL
ASSISTANCE**

Note: The Agreement entered into force, February 24, 1964,

"The Government of the Republic of the Philippines
and
The Government of the Federal Republic of Germany

IN THE SPIRIT of the friendly relation existing between the Republic of the Philippines and the Federal Republic of Germany,

DESIRING to strengthen and intensify those friendly relations by fruitful co-operation in the field of development assistance,

AWARE that the maintenance of these relations is the basis for the provisions 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 or other borrowers who have been jointly selected by both Governments to take up loans up to a total of 40 (forty) million Deutschmarks with the Kreditanstalt für Wiederaufbau (Reconstruction Loan Corporation), Frankfurt/Main, for the purchase from the Federal Republic of Germany of vessels for interisular shipping, if, after examination, this project has been found to be eligible for promotion.

(2) The project referred to in paragraph 1 of this Article may be replaced by other projects if the Government of the Federal Republic of Germany and the Government of the Republic of the Philippines so agree.

ARTICLE 2

(1) The utilization of the loans and the terms and conditions on which they will be granted shall be governed by the provisions of the contracts 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.

(2) The Government of the Republic of the Philippines and the Central Bank of the Philippines shall guarantee to the Kreditanstalt für Wiederaufbau all payments and the resultant transfer to be made in fulfillment of the borrower's liabilities under the loan contracts concluded.

ARTICLE 3

Both Governments shall, subject to the provisions of Article 4 of the present Agreement, allow passengers and suppliers free choice of means of transport for