Agreement

between

the Government of the Kingdom of Cambodia

and

the Government of the Federal Republic of Germany

concerning Financial Cooperation

in 2003

The Government of the Kingdom of Cambodia

and

the Government of the Federal Republic of Germany,

in the spirit of the friendly relations existing between the Federal Republic of Germany and the Kingdom of Cambodia,

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 Kingdom of Cambodia,

referring to the Summary Record of the intergovernmental negotiations of 15 October 2003,

have agreed as follows:

Article 1

(1) The Government of the Federal Republic of Germany shall enable the Government of the Kingdom of Cambodia and/or other recipients to be jointly determined by the two Governments to obtain from the Kreditanstalt für Wiederaufbau (Reconstruction Loan Corporation), Frankfurt/Main, financial contributions totalling EUR 15,000,000 (fifteen million euro) for the projects

1. Rural Infrastructure, up to EUR 7,000,000 (seven million euro),

2. Development of the Transmission Link between Takeo and Kampot, up to EUR 4,500,000 (four million five hundred thousand euro),

3. Promotion of Small and Medium Enterprises, up to EUR 3,500,000 (three million five hundred thousand euro),

   if on examination they have been found eligible for promotion.

(2) The projects specified in paragraph (1) above may be replaced by other projects provided the Government of the Federal Republic of Germany and the Government of the Kingdom of Cambodia so agree.

(3) This Agreement shall also apply if, at a later date, the Government of the Federal Republic of Germany enables the Government of the Kingdom of Cambodia to obtain from the Kreditanstalt für Wiederaufbau (KfW) financial contributions for the preparation of the projects specified in paragraph (1) above or for attendant measures necessary to implement and support the projects referred to in paragraph (1) above.

Article 2

(1) The utilization of the amounts specified 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 agreements to be concluded between the Kreditanstalt für Wieder-aufbau and the recipients of the financial contributions, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

(2) The commitment to grant the amounts specified in Article 1 (1) 1 to 3 shall lapse if the relevant financing agreements are not concluded within a period of eight years after the year in which the commitment was made. For the specified amounts the deadline shall be 31 December 2011.

(3) The Government of the Kingdom of Cambodia, where it is not itself the recipient of the financial contributions, shall guarantee any repayment due to the Kreditanstalt für Wiederaufbau under the financing agreements to be concluded pursuant to paragraph (1) above.

Article 3

The Government of the Kingdom of Cambodia shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Kingdom of Cambodia in connection with the conclusion and implementation of the agreements referred to in Article 2 of this Agreement.

Article 4

The Government of the Kingdom of Cambodia 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 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 Federal Republic of Germany and grant any necessary permits for the participation of such enterprises.

Article 5

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

DONE at Phnom Penh on 26 April 2004 in duplicate in the Cambodian, German and English languages, all three texts being authentic. In case of divergent interpretations of the German and Cambodian texts, the English text shall prevail.

For the Government of the Kingdom of Cambodia	For the Government of the Federal Republic of Germany