

**No. 13573**

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**FEDERAL REPUBLIC OF GERMANY  
and  
BANGLADESH**

**Agreement concerning financial assistance (with annex).  
Signed at Bonn on 17 December 1973**

*Authentic texts: German and English.*

*Registered by the Federal Republic of Germany on 8 October 1974.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
BANGLADESH**

**Accord d'aide financière (avec annexe). Signé à Bonn le  
17 décembre 1973**

*Textes authentiques : allemand et anglais.*

*Enregistré par la République fédérale d'Allemagne le 8 octobre 1974.*

## AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING FI- NANCIAL ASSISTANCE

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

in the spirit of the friendly relations existing between the People's Republic of Bangladesh 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 those relations constitutes the basis of the present Agreement,

intending to promote the development of the economy of the People's Republic of Bangladesh,

have agreed as follows:

*Article 1.* The Government of the Federal Republic of Germany shall grant the Government of the People's Republic of Bangladesh financial assistance up to a total of DM 80,000,000 (eighty million Deutsche Mark).

This assistance shall comprise

- (a) commodity assistance in the amount of up to DM 50,000,000 (fifty million Deutsche Mark),
- (b) project assistance in the amount of up to DM 30,000,000 (thirty million Deutsche Mark).

*Article 2.* (1) The Government of the Federal Republic of Germany shall enable the Government of the People's Republic of Bangladesh or other borrowers to be jointly selected by both Governments to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, loans up to a total of DM 80,000,000 (eighty million Deutsche Mark).

(2) The loans shall be utilized as follows:

- (a) An amount of up to DM 50,000,000 (fifty million Deutsche Mark) shall be used to pay the foreign exchange costs of procuring goods, as listed in the annex to the present Agreement, to cover the current necessary civilian import requirements of the People's Republic of Bangladesh and of services connected therewith (commodity assistance). With regard to the utilization of this sum the requirements of enterprises established in the People's Republic of Bangladesh with German capital participation shall be given favourable consideration.
- (b) An amount of up to DM 30,000,000 (thirty million Deutsche Mark) shall be used for projects to be jointly selected by the Contracting Parties (project assistance), which, after appraisal, are found eligible for promotion. It is the understanding of the Federal Government that these funds will, if necessary, be used to complete projects in the People's Republic of Bangladesh financed with German funds which have not been completed or are not yet ready for operation.

<sup>1</sup> Came into force on 17 December 1973 by signature, in accordance with article 10.

*Article 3.* (1) The loans shall carry interest at 0.75 per cent per annum. They shall have a maturity period of fifty years, including ten years of grace.

(2) The other terms and conditions on which the respective loans are granted shall be governed by the provisions of the agreements to be concluded between the Government of the People's Republic of Bangladesh for the other borrowers to be jointly selected by the Contracting Parties and the Kreditanstalt für Wiederaufbau which shall be subject to the legal provisions applicable in the Federal Republic of Germany.

*Article 4.* (1) The Government of the People's Republic of Bangladesh to the extent that it is not itself the borrower, and the Bangladesh bank shall guarantee to the Kreditanstalt für Wiederaufbau all payments and the resultant transfer to be made in fulfilment of the borrowers' liabilities under the loan agreements concluded.

(2) If authority with regard to the transfer of payments is given to another agency, that agency, too, shall guarantee, independently of the Government of the People's Republic of Bangladesh, to the Kreditanstalt für Wiederaufbau the transfer of payments resulting from the loan agreements.

*Article 5.* The Government of the People's Republic of Bangladesh shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the People's Republic of Bangladesh at the time of the conclusion, or during the execution, of the loan agreements referred to in article 3 of the present Agreement.

*Article 6.* The Government of the People's Republic of Bangladesh shall allow passengers and suppliers free choice of means of transport for such transportation by sea or air of persons and goods as results from the granting of the loan, abstain from taking any measures that might exclude or impair the fair and equal participation of transport enterprises from the Federal Republic of Germany or *Land Berlin*, and grant the relevant permits as required.

*Article 7.* Unless otherwise provided in individual cases, supplies or services for projects financed from the loans under article 2 (2) (b) shall be put up for international public tender.

*Article 8.* With regard to the supplies resulting from the granting of the loans, the Government of the Federal Republic of Germany attaches particular importance to preference being given to products of industries of *Land Berlin*.

*Article 9.* 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 People's Republic of Bangladesh within three months of the entry into force of the present Agreement.

*Article 10.* The present Agreement shall enter into force on the date of signature thereof.

DONE at Bonn on 17 December 1973 in duplicate in the English and German languages, both texts being equally authentic.

For the Government  
of the People's Republic  
of Bangladesh:

[Signed — Signé]<sup>1</sup>

For the Government  
of the Federal Republic  
of Germany:

[Signed — Signé]<sup>2</sup>

[Signed — Signé]<sup>3</sup>

#### ANNEX

PURSUANT TO ARTICLE 2 (2) (a) OF THE AGREEMENT BETWEEN THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING FINANCIAL ASSISTANCE

1. List of goods that may be procured by Bangladesh pursuant to Article 2 (2) (a) of the Agreement of 17 December 1973 as commodity assistance in the amount of up to a total of DM 50,000,000 (fifty million Deutsche Mark):

- (a) Industrial raw and auxiliary materials and semi-manufactures;
- (b) Industrial equipment and agricultural machinery and implements;
- (c) Spare parts and accessories of all kinds;
- (d) Chemical products, in particular,
  - (i) fertilizers,
  - (ii) plant protection agents and pesticides,
  - (iii) pharmaceutical products;
- (e) Means of transportation;
- (f) Ship salvage equipment;
- (g) Other industrial products important for the economic development of the People's Republic of Bangladesh.

2. Imports according to the above list should include as great a variety of goods as possible. Imports not covered by the above list may only be financed after the approval of the Government of the Federal Republic of Germany has been obtained.

The importation of luxury or consumer goods and all goods for purposes of military equipment may not be financed from the commodity assistance.

3. Import licences issued by the authorities of the People's Republic of Bangladesh since 1 July 1973 may be counted as part of the commodity assistance, subject to the subsequent conclusion of a loan agreement.

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<sup>1</sup> Signed by Choudhury — Signé par Choudhury.

<sup>2</sup> Signed by Lahn — Signé par Lahn.

<sup>3</sup> Signed by Klamser — Signé par Klamser.