

No. 13955

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**UNITED STATES OF AMERICA  
(AGENCY FOR INTERNATIONAL DEVELOPMENT)  
and  
BANGLADESH**

**Trust Account Agreement (with related letter). Signed at  
Dacca on 1 July 1974**

*Authentic text: English.*

*Registered by the United States of America on 7 May 1975.*

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**ÉTATS-UNIS D'AMÉRIQUE  
(AGENCE POUR LE DÉVELOPPEMENT  
INTERNATIONAL)  
et  
BANGLADESH**

**Accord relatif à un compte d'affectation spéciale (avec lettre  
connexe). Signé à Dacca le 1<sup>er</sup> juillet 1974**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 7 mai 1975.*

## TRUST ACCOUNT AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH AND GOVERNMENT OF THE UNITED STATES OF AMERICA

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The Government of the People's Republic of Bangladesh (Government) has agreed to bear a portion of the costs of the assistance program to Bangladesh financed by the United States Government, acting through the Agency for International Development (AID). AID and the Government hereby agree to the following means for the Government to provide this support:

1. Upon the request of AID, and subject to approval by the Government, the Government will make advances of local currency to the Controller, USAID Mission to Bangladesh, American Embassy, Dacca, to be held in trust. Disbursements from the Trust Account may be made on behalf of the Government by AID to cover only the following expenses of the AID assistance program, including costs for the administration thereof, in Bangladesh:

- A. Expenditures, to the extent they are payable in local currency, for support of United States citizens employed by AID, including: (1) transportation of household goods and personal effects to, from and within Bangladesh; (2) travel within Bangladesh; (3) travel of such personnel and their families outside Bangladesh; (4) living allowances; and (5) housing costs.
- B. Expenditures, as described in paragraph A above, for individuals under contract with AID, or employees of organizations under contract with AID.
- C. Salaries and other local currency expenses incurred in relation to the AID assistance program of personnel who are not United States citizens but are employed by AID.
- D. Local currency operating costs of the AID Mission including purchase of supplies and equipment, costs of office and residential space, utilities, and miscellaneous services including payments to the U. S. Department of State for locally furnished administrative support.
- E. Local currency costs in connection with Bengalee participants.
- F. Such other types of local currency costs as may from time to time be agreed to by the authorized representative of the Government and AID.

It is understood that paragraph B(1) of the Standard Provisions Annex of any Project Agreement entered into between the Government and AID shall be construed to permit payment from the Trust Account of the above types of costs incurred pursuant to such Project Agreements.

2. Funds advanced under this Agreement shall be held in trust for the Government and all interest earnings on funds so held shall be added to the fund. An accounting shall be rendered annually to the Government of the uses made of all funds deposited under this Agreement. Records of expenditures made from this account will be made available once a year to authorized representatives of the Government. Any balance remaining in the Trust Account at the end of each fiscal year may either be returned to the Government or adjusted against the contribution of the following fiscal year. Any balance remaining in the Trust Account upon termination of this Agreement or of United States assistance programs in Bangladesh, whichever is earlier, shall be returned to the Government.

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<sup>1</sup> Came into force on 1 July 1974 by signature.

3. AID will maintain records of all property purchased from the funds supplied by the Government. These records may be inspected by authorized representatives of the Government. The ownership of all property so purchased shall belong to the Government. All property so purchased shall be identified as belonging to the Government for the use of the AID Assistance Programs and all non-expendable property shall be transferred to the Government when no longer required for the support of AID Programs in Bangladesh, or shall be disposed of by AID in such manner as may be agreed to at that time between the authorized representative of the Government and AID. Proceeds of sale of such property during the life of the Trust Agreement shall be deposited in the Trust Account.

4. A. This Agreement may be modified in writing as mutually agreed by parties hereto.

B. Either party may terminate this Agreement by giving the other party ninety (90) days written notice to terminate it.

Government  
of the People's Republic  
of Bangladesh:

ZAMAN  
July 1, 1974  
Joint Secretary  
Ministry of Planning  
Planning Commission

Government  
of the United States of America:

A. M. SCHWARZWALDER  
1 July '74  
Coordinator  
United States Agency  
for International Development  
Bangladesh Office

## RELATED LETTER

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

BANGLADESH OFFICE  
C/O AMERICAN EMBASSY  
ADAMJEE COURT, MOTIJHEEL  
DACCA, BANGLADESH

July 1, 1974

Dear Dr. Zaman:

1. We have received a communication from Washington agreeing to final changes in the Trust Account Agreement, but stipulating that certain procedures be established to assist in implementing provisions of the Agreement. Our proposal to meet this requirement is covered in the following paragraphs.

2. In order to effectively implement section 1F and section 3 of the Trust Account Agreement to be signed, the following procedures will be established:

(a) The Government of Bangladesh will designate an authorized representative to consider proposed costs and empower him to act in agreeing to inclusion of costs AID wishes to pay from Trust Account monies, but which are not specifically covered in sections 1A through 1E of the Agreement. This representative will be empowered to both interpret the cost in question and determine that it is allowable in sections 1A through 1F, and also empowered to authorize payment of costs which are not covered in sections 1A through 1F.

(b) The Government of Bangladesh will designate an authorized representative (which may be the same representative as in (a) above) to consider proposed disposals and empower him to determine the sale or other disposal of properties purchased from Trust Fund monies as stipulated in section 3 of the Agreement.

(c) The Management and Finance Office of USAID Dacca will forward a request in writing to the appropriate authorized representative designated above for either an interpretation that a cost is allowable under sections 1A through 1F or authority to expend funds for a cost not covered in sections 1A through 1F. If no reply is received within 10 work days of the delivery of the request, the request will be considered to have been approved by the Government of Bangladesh and will represent authority for USAID to proceed with the disbursement.

(d) The Management and Finance Office of USAID Dacca will forward a request in writing to the appropriate authorized representative designated above for authority to sell or dispose of property purchased using Trust Account monies. If no reply is received within 10 work days of the delivery of the request, the request will be considered to have been approved by the Government of Bangladesh and will represent authority for USAID to proceed with the sale or disposal.

3. Further, the Government of Bangladesh will agree that funds, allocated for use under this Agreement will be available, in full, for the use of USAID on or before a date three months after the beginning of each fiscal year.

4. If you agree with the above procedures please sign below and notify us in writing of the authorized representative.

Sincerely yours,

[Signed]

DAVID M. WILSON  
Deputy Coordinator

ZAMAN

Ashraf-uz-Zaman  
Joint Secretary

Dr. Ashraf-uz-Zaman  
Joint Secretary  
External Resources Division  
Planning Commission  
Bangladesh Secretariat  
Dacca