

No. 14253

**UNITED STATES OF AMERICA
and
BANGLADESH**

**Loan Agreement for agricultural inputs (with annex).
Signed at Dacca on 15 January 1975**

Authentic text: English.

Registered by the United States of America on 27 August 1975.

**ÉTATS-UNIS D'AMÉRIQUE
et
BANGLADESH**

**Accord de prêt en vue de l'acquisition de facteurs de la
production agricole (avec annexe). Signé à Dacca le
15 janvier 1975**

Texte authentique: anglais.

Enregistré par les États-Unis d'Amérique le 27 août 1975.

LOAN AGREEMENT¹ BETWEEN THE PEOPLE'S REPUBLIC OF BANGLADESH AND THE UNITED STATES OF AMERICA FOR AGRICULTURAL INPUTS

LOAN AGREEMENT dated January 15, 1975, between the GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH ("Government") and the UNITED STATES OF AMERICA acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

Article I. THE LOAN

Section 1.01. THE LOAN. Subject to the terms and conditions of this Agreement, A.I.D. hereby agrees to lend to the Government pursuant to the Foreign Assistance Act of 1961, as amended, an amount not to exceed Thirty Million United States Dollars (\$30,000,000) ("the Loan") to assist the Government in carrying out the program referred to in section 1.02 ("Program"). The Loan shall be used exclusively to finance the foreign exchange costs of acquiring and importing agricultural inputs and related services required for the Program. The aggregate amount of disbursements under the Loan is hereinafter referred to as "Principal". The commodities and services authorized to be financed hereunder (see annex I attached hereto) are hereinafter referred to as "Eligible Items". A.I.D. may decline to finance any Eligible Items when, in its judgement, said financing would be inconsistent with the purposes of the Loan or in violation of the legislation or regulations governing A.I.D.

Section 1.02. THE PROGRAM. The Program to be carried out jointly with Government resources and A.I.D. financing shall be the manufacture of fertilizer in Bangladesh and the acquisition and importation into Bangladesh of 1975-1976 planting season requirements of the Government for agricultural inputs including fertilizer (primarily urea and TSP), wheat seed, and such other inputs as A.I.D. may agree to in writing and the distribution thereof. The Program is described in more detail in the "Program Description" contained in annex I attached hereto and made a part hereof, which annex may, within the terms of this Agreement, be modified in writing by the Parties hereto. The goods and services to be financed under the Loan shall be listed in the implementation letters referred to in section 9.04 ("Implementation Letters").

Article II. LOAN TERMS

Section 2.01. INTEREST. The Government shall pay interest to A.I.D. which shall accrue at the rate of two percent (2%) per annum for ten years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest thereon. Interest on the outstanding balance shall accrue from the date of each respective disbursement (as such date is defined in section 7.04) and shall be computed on the basis of a 365-day year. Interest shall be payable semiannually. The first payment of interest shall be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

¹ Came into force on 15 January 1975 by signature.

Section 2.02. REPAYMENT. The Government shall repay the Principal to A.I.D. within forty (40) years from the date of the first disbursement hereunder in sixty-one (61) approximately equal semiannual installments of Principal and interest. The first installment of Principal shall be payable nine-and-one-half (9 1/2) years after the date on which the first interest payment is due in accordance with section 2.01. A.I.D. shall provide the Government with an amortization schedule in accordance with this section after the final disbursement under the Loan.

Section 2.03. APPLICATION, CURRENCY, AND PLACE OF PAYMENT. All payments of interest and Principal hereunder shall be made in United States dollars and shall be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, all such payments shall be made to the Controller, Agency for International Development, Washington, D.C., U.S.A., and shall be deemed made when received by the Office of the Controller.

Section 2.04. PREPAYMENT. Upon payment of all interest and refunds then due, the Government may prepay, without penalty, all or any part of the Principal. Any such prepayment shall be applied to the installments of Principal in the inverse order of their maturity.

Section 2.05. RENEGOTIATION OF THE TERMS OF THE LOAN. The Government agrees to negotiate with A.I.D., at such time or times as A.I.D. may request, an acceleration of the repayment of the Loan in the event that there is any significant improvement in the internal and external economic and financial position and prospects of the country of the Government (taking into consideration the relative capital requirements of Bangladesh).

Article III. CONDITIONS PRECEDENT TO DISBURSEMENT

Section 3.01. CONDITIONS PRECEDENT TO INITIAL DISBURSEMENT. Prior to the first disbursement or to the issuance of the first Letter of Commitment under the Loan, the Government shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) An opinion of the Ministry of Law of Bangladesh or other counsel acceptable to A.I.D. that this Agreement has been duly authorized or ratified by and executed on behalf of the Government, and that it constitutes a valid and legally binding obligation of the Government;
- (b) Evidence of the authority of the person or persons who will act as the representative or representatives of the Government as specified in section 9.03 and a specimen signature of each such person certified as to its authenticity by either the person rendering the legal opinion required by sub-section (a) above or the person who has executed this Agreement for the Government;
- (c) Such other documents regarding the program as A.I.D. may reasonably request.

Section 3.02. CONDITIONS PRECEDENT TO DISBURSEMENT FOR EACH ELIGIBLE TRANSACTION. Prior to the first disbursement or to the issuance of the first Letter of Commitment for each eligible item import transaction, the Government shall, except as A.I.D. may otherwise agree in writing:

- (a) Furnish to A.I.D. in form and substance satisfactory to A.I.D. a written proposal for that particular procurement setting forth the specifications of the

commodity, the proposed consignee or consignees, the proposed delivery dates, the estimated cost, and whether the intended source is the United States, countries included in Code 941 of the *A.I.D. Geographic Code Book*, or from some source other than the United States or Code 941 (in which case prior source origin approval would be required by A.I.D.);

- (b) Receive A.I.D. approval of the proposed transaction in writing which shall include guidance regarding procurement and financing procedures applicable to the approved transaction.

Section 3.03. TERMINAL DATES FOR MEETING CONDITIONS PRECEDENT TO DISBURSEMENT. (a) If all of the conditions specified in section 3.01 shall not have been met within forty-five (45) days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by giving written notice to the Government. Upon giving of such notice, this Agreement and all obligations of the Parties thereunder shall terminate.

(b) Except as A.I.D. may otherwise agree in writing, transactions for which the conditions specified in section 3.02 have not been satisfied on or before July 31, 1975, shall be ineligible for financing under this Loan.

Section 3.04. NOTIFICATION OF MEETING CONDITIONS PRECEDENT TO INITIAL DISBURSEMENT. A.I.D. shall notify the Government upon determination by A.I.D. that the conditions precedent to disbursement specified in section 3.01 have been met.

Article IV. COVENANTS

Section 4.01. COVENANTS. The Government, in consideration of this Loan, hereby covenants and warrants that:

(a) The Government shall carry out the Program with due diligence and efficiency and in conformity with sound financial and administrative practices.

(b) The Government shall cause the transactions financed hereunder to be carried out only in conformity with contracts, schedules and other arrangements, and all modifications thereto, as approved by A.I.D. pursuant to this Agreement.

(c) The Government and A.I.D. shall cooperate fully to assure that the Program will be accomplished. To this end, the Government and A.I.D. shall, from time to time, at the request of either Party exchange views through their representatives with regard to the progress of the Program, the performance of the Government of its obligations under this Agreement, the performance of contractors and suppliers engaged in the Program, and other matters relating to the Program.

(d) (i) The Government in connection with obtaining the Loan, or taking any action under or with respect to this Agreement, has not paid, and will not pay or agree to pay, nor to the best of its knowledge has there been paid nor will there be paid or agreed to be paid by any person or entity, commissions, fees or other payments of any kind, except as regular compensation for *bona fide* professional, technical, or comparable services. The Government shall promptly report to A.I.D. any payment or Agreement to pay for such *bona fide* professional, technical, or comparable services to which it is a party, or of which it has knowledge (indicating whether such payment has been made or is to be made on a

contingent basis), and if the amount of any such payment is deemed unreasonable by A.I.D., the same shall be adjusted in a manner satisfactory to A.I.D.

(ii) No payments have been or will be received by the Government, or any official of the Government, in connection with the procurement of goods and services financed hereunder, except fees, taxes or similar payments legally established in Bangladesh.

(e) The Government has disclosed to A.I.D. all circumstances which may materially affect the Program or the discharge of Government's obligations under this Agreement and will inform A.I.D. of any conditions which interfere, or which it is reasonable to believe will interfere, with the Program or the discharge of the Government's obligations under this Agreement.

Section 4.02. FUNDS AND OTHER RESOURCES TO BE PROVIDED BY THE GOVERNMENT. The Government herein agrees to provide promptly, as needed, all funds, in addition to the Loan, and all other resources required for the timely and effective execution and operation of the Program, on the further condition that these contributions by the Government shall constitute at least 25 percent of the costs of the entire Program.

Article V. RECORDS, REPORTS AND INSPECTION

Section 5.01. MAINTENANCE AND AUDIT OF RECORDS. The Government shall maintain, or cause to be maintained, in accordance with sound accounting principles and practices consistently applied, books and records relating both to the Program and to the Loan. Such books and records shall, without limitation, be adequate to show:

- (a) The receipt and use made of goods and services acquired for the Program with funds disbursed pursuant to this Agreement;
- (b) The nature and extent of solicitations of prospective suppliers of goods and services acquired;
- (c) The basis of the award of contracts and orders to successful bidders;
- (d) The progress of the Program.

Such books and records shall be regularly audited, in accordance with standard Government auditing procedures, for such periods and at such intervals as A.I.D. may request, and shall be maintained for three (3) years after the date of the final disbursement hereunder.

Section 5.02. REPORTS. (a) The Government shall furnish to A.I.D. such information and reports relating to the Loan and to the Program as A.I.D. may reasonably request.

(b) The Government shall promptly notify A.I.D. of any conditions which may interfere with carrying out the Program.

Section 5.03. INSPECTIONS. The authorized representatives of A.I.D. shall have the right at all reasonable times to observe the operation of the Program and inspect the utilization of all goods and services financed hereunder and the Government's books, records, and other documents relating to the Program and the Loan. The Government shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any part of the country of the Government for any purpose related to the Loan.

Article VI. PROCUREMENT

Section 6.01. PROCUREMENT FROM THE UNITED STATES AND CODE 941 COUNTRIES. Except as A.I.D. may otherwise agree in writing, disbursements made pursuant to section 7.01 and 7.02 shall be used exclusively to finance the procurement for the Program of goods and services and marine insurance having both their source and origin in the United States of America or countries included in Code 941 of the *A.I.D. Geographic Code Book* as in effect at the time of such procurement.

Section 6.02. ELIGIBILITY DATES. Except as A.I.D. may otherwise agree in writing, no goods and services may be financed under the Loan which are procured pursuant to orders or contracts firmly placed or entered into prior to November 15, 1974, or after October 31, 1975.

Section 6.03. APPROVAL OF CONTRACTS AND OTHER DOCUMENTS. Except as A.I.D. may otherwise agree, in writing, all bid documents and documents related to the solicitation of proposals related to Eligible Items shall be approved by A.I.D. in writing prior to their issuance. Submission of such documentation may be made either at the time of the submission of documentation pursuant to section 3.02 (a) or at any time thereafter. All plans, specifications, and other documents relating to Eligible Items shall be in terms of U.S. standards and measurements, except as A.I.D. may otherwise agree. Except as A.I.D. may otherwise specify in Implementation Letters, all contracts or amendments thereto shall be approved by A.I.D. in writing prior to their execution.

Section 6.04. SHIPPING AND INSURANCE. (a) Goods financed under the Loan shall be transported to Bangladesh on flag carriers of any country included in Code 935 of the *A.I.D. Geographic Code Book* as in effect at the time of shipment, provided:

- (i) At least fifty percent (50%) of the gross tonnage of all commodities (computed separately for dry bulk carriers, dry cargo liners and tankers) financed hereunder which may be transported on ocean vessels shall be transported on privately-owned United States-flag commercial vessels.
- (ii) Additionally, at least fifty percent (50%) of the gross freight revenue generated by all shipments financed hereunder and transported to Bangladesh on dry cargo liners shall be paid to or for the benefit of privately-owned United States-flag commercial vessels.
- (iii) Compliance with the requirements of (i) and (ii) above must be achieved with respect to cargo transported from U.S. ports and also to cargo transported from non-U.S. ports, computed separately.
- (iv) Within ninety (90) days following the end of each calendar quarter, or such other period as A.I.D. may specify in writing, the Government shall furnish A.I.D. with a statement, in form and substance satisfactory to A.I.D., reporting on compliance with the requirements of this Section.
- (v) No such goods may be transported on any ocean vessel (or aircraft) which A.I.D., in a notice to the Government, has designated as ineligible to carry A.I.D.-financed goods or which has been chartered for the carriage of A.I.D.-financed goods unless such charter has been approved by A.I.D.

(b) If, in connection with the placement of marine insurance on shipments to be financed hereunder, the Government, by statute, decree, rule, or regulation,

favors any marine insurance company of any country over any marine insurance company authorized to do business in any state of the United States of America, goods procured from the United States and financed under the Loan shall, during the continuance of such discrimination, be insured against marine risk in the United States of America with a company or companies authorized to do a marine insurance business in any state of the United States of America.

(c) The Government shall insure, or cause to be insured, all goods financed under the Loan against risks incident to their transit to the point of their use. Such insurance shall be issued upon terms and conditions consistent with sound commercial practice, shall insure the full value of the goods, and shall be payable in the currency in which such goods were financed. Any indemnification received by the Government under such insurance shall be used to replace or repair any material damage or any loss of the goods insured or shall be used to reimburse the Government for the replacement or repair of such goods. Any such replacements shall have both their source and origin in countries included in Code 941 of the *A.I.D. Geographic Code Book*, unless A.I.D. shall otherwise agree in writing, and shall be otherwise subject to the provisions of this Agreement.

Section 6.05. UTILIZATION OF GOODS AND SERVICES. (a) Eligible Items shall be used exclusively for the Program, except as A.I.D. may otherwise agree in writing.

(b) Except as A.I.D. may otherwise agree in writing, no Eligible Items shall be used to promote or assist any foreign aid project or activity associated with or financed by any country not included in Code 935 of the *A.I.D. Geographic Code Book* as in effect at the time of such use.

Section 6.06. REASONABLE PRICE. No more than reasonable prices shall be paid for any Eligible Items. Such items shall be procured on a fair and on a competitive basis in accordance with procedures therefor prescribed in Implementation Letters.

Section 6.07. NOTIFICATION TO POTENTIAL SUPPLIERS. In order that all United States firms shall have the opportunity to participate in furnishing Eligible Items, the Government shall furnish to A.I.D. appropriate information with regard thereto and at such times, as A.I.D. may request, in Implementation Letters.

Section 6.08. INFORMATION AND MARKING. The Government shall cooperate with A.I.D. in its efforts to disseminate information concerning the Program and shall comply with such reasonable instructions with respect to the marking of Eligible Items as A.I.D. may issue from time to time.

Article VII. DISBURSEMENTS

Section 7.01. DISBURSEMENT FOR FOREIGN EXCHANGE COSTS—LETTERS OF COMMITMENT TO UNITED STATES BANKS. Upon satisfaction of conditions precedent, the Government may, from time to time, request A.I.D. to issue Letters of Commitment for specified amounts to one or more United States banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, through the use of Letters of Credit or otherwise, for the foreign exchange costs of Eligible Items procured for the Program in accordance with the terms and conditions of this Agreement. Payment by a bank to a contractor or supplier will be made by the bank upon presentation of such supporting documentation as A.I.D. may prescribe in

Implementation Letters. Banking charges incurred in connection with Letters of Commitment and Letters of Credit shall be for the account of the Government and may be financed under the Loan. In the case of payments due to United States suppliers of fertilizer and of services related thereto, and such other Eligible Items as A.I.D. may agree, A.I.D. may, at its option, issue Letters of Commitment directly to suppliers committing A.I.D. to make payments directly to them of amounts due under contracts between Government and such suppliers. Payments to such suppliers will be made upon presentation of such supporting documentation as A.I.D. may prescribe in Implementation Letters.

Section 7.02. REIMBURSEMENT FOR FOREIGN EXCHANGE COSTS. Upon satisfaction of conditions precedent, A.I.D. may promptly reimburse the Government for the foreign exchange costs of Eligible Items in accordance with the terms and conditions of this Agreement upon receipt of requests for reimbursement submitted from time to time by the Government accompanied by such supporting documentation as A.I.D. may prescribe in Implementation Letters. Banking charges incurred by the Government in connection with Letters of Credit and such other banking charges as A.I.D. and the Government may agree, may be financed under the Loan.

Section 7.03. OTHER FORMS OF DISBURSEMENT. Disbursements of the Loan may also be made through such other means as the Government and A.I.D. may agree in writing.

Section 7.04. DATE OF DISBURSEMENT. Disbursements by A.I.D. shall be deemed to occur in the case of disbursements pursuant to sections 7.01, 7.02 and 7.03 on the date on which A.I.D. makes a disbursement to the Government, to its designee, or to a banking institution pursuant to a Letter of Commitment.

Section 7.05. ISSUANCE OF LETTERS OF COMMITMENT AND TERMINAL SHIPPING DATE. Unless otherwise agreed in writing by A.I.D. the terminal date for issuance of Letters of Commitment is October 31, 1975, and no Letter of Credit may be established having a shipping date later than November 30, 1975, or an expiration date later than December 31, 1975.

Section 7.06. TERMINAL DATE FOR DISBURSEMENT. Except as A.I.D. may otherwise agree in writing, no disbursement shall be made under section 7.03 or against documentation received by A.I.D. described in sections 7.01 and 7.02 after December 31, 1975. A.I.D., at its option, may at any time or times after December 31, 1975, reduce the Loan by all or any part thereof for which Letters of Commitment have not been issued.

Article VIII. CANCELLATION AND SUSPENSION

Section 8.01. CANCELLATION BY THE GOVERNMENT. The Government may, upon mutual agreement between the Parties, by written notice to A.I.D., cancel any part of the Loan (i) which, prior to the giving of such notice, A.I.D. has not disbursed or committed itself to disburse or (ii) which has not been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit.

Section 8.02. EVENTS OF DEFAULT; ACCELERATION. If any one or more of the following events ("Events of Default") shall occur:

- (a) The Government shall have failed to pay when due any interest or installment of Principal required under this Agreement; or

- (b) The Government shall have failed to comply with any other provision of this Agreement; or
- (c) The Government shall have failed to pay when due any interest or any installment of Principal or any other payment required under any other loan agreement, any guaranty agreement, or any other agreement between the Government or any of its agencies and A.I.D. or any of its predecessor agencies;

then A.I.D., in addition to the remedies provided hereunder, may, at its option, give the Government notice that all or any part of the unrepaid Principal shall be due and payable sixty (60) days thereafter, and, unless the Event of Default is cured within such sixty (60) days:

- (i) Such unrepaid Principal and any accrued interest hereunder shall be due and payable immediately; and
- (ii) The amount of any further disbursements made under then outstanding irrevocable Letters of Credit or otherwise shall become due and payable as soon as made.

Section 8.03. SUSPENSION OF DISBURSEMENTS. In the event that at any time:

- (a) An Event of Default has occurred;
- (b) An event occurs that A.I.D. determines to be an extraordinary situation that makes it improbable either that the purpose of the Loan will be attained or that the Government will be able to perform its obligations under this Agreement;
- (c) Any disbursement would be in violation of the legislation governing A.I.D.; or
- (d) The Government shall have failed to pay when due any interest or any installment of Principal or any other payment required under any other loan agreement, any guaranty agreement or any other agreement between the Government or any of its agencies and the Government of the United States or any of its agencies,

then A.I.D. in addition to the remedies provided elsewhere herein may at its option:

- (i) Suspend or cancel outstanding commitment documents to the extent that they have not been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit; in which event A.I.D. shall give notice to the Government promptly thereafter;
- (ii) Decline to make disbursements other than under outstanding commitment documents;
- (iii) Decline to issue additional commitment documents; and
- (iv) At A.I.D.'s expense, direct that title to goods financed under the Loan shall be transferred to A.I.D. if the goods are from a source outside the country of the Government, are in a deliverable state and have not been offloaded in ports of entry of the country of the Government. Any disbursement made under the Loan with respect to such transferred goods shall be deducted from Principal.

Section 8.04. CANCELLATION BY A.I.D. Following any suspension of disbursements pursuant to section 8.03, if the cause or causes for such suspension of disbursements shall not have been eliminated or corrected within sixty (60) days from the date of such suspension, A.I.D. may, at its option, at any time or times thereafter, cancel all or any part of the Loan that is not then either disbursed or subject to irrevocable Letters of Credit.

Section 8.05. CONTINUED EFFECTIVENESS OF AGREEMENT. Notwithstanding any cancellation, suspension of disbursement or acceleration of repayment, the provisions of this Agreement shall continue in full force and effect until the payment in full of all Principal and any accrued interest hereunder.

Section 8.06. REFUNDS. (a) In the case of any disbursements not supported by valid documentation in accordance with the terms of this Agreement, or of any disbursement not made or used in accordance with the terms of this Agreement, A.I.D., notwithstanding the availability or exercise of any of the other remedies provided for under this Agreement, may require the Government to refund such amount in United States dollars to A.I.D. within ninety (90) days after receipt of a request therefor. Such amount shall be applied to the installments of Principal in the inverse order of their maturity. Notwithstanding any other provision in this Agreement, A.I.D.'s rights to require a refund with respect to any disbursement under the Loan shall continue for five (5) years following the date of such disbursement.

(b) In the event that A.I.D. receives a refund from any contractor, supplier, or banking institution, or from any other third party connected with the Loan, with respect to goods or services financed under the Loan, and such refund related to an unreasonable price for goods or services, or to goods that did not conform with specifications, or to services that were inadequate, A.I.D. shall permit Government to reuse such refunds if the terminal date for disbursements under section 7.06 has not passed and there is sufficient time for the Government to utilize the funds before such terminal date. In the event that the terminal date for disbursement has passed or there is not sufficient time to utilize the funds before the terminal date, the refund shall be applied to the installments of Principal in the inverse order of their maturity.

Section 8.07. EXPENSES OF COLLECTION. All reasonable costs incurred by A.I.D. other than salaries of its staff, in connection with the collection of any refund or in connection with amounts due A.I.D. by reason of the occurrence of any of the events specified in section 8.02, may be charged to the Government and reimbursed to A.I.D. in such manner as A.I.D. may specify.

Section 8.08. NON-WAIVER OF REMEDIES. No delay in exercising or omission to exercise any right, power, or remedy accruing to A.I.D. under this Agreement shall be construed as a waiver of any of such rights, powers or remedies.

Article IX. MISCELLANEOUS

Section 9.01. TAXATION. This Agreement, the Loan and any evidence of indebtedness issued in connection herewith shall be free from, and the Principal and interest shall be paid without deduction for and be free from, any taxation or fees imposed under the laws in effect within the country of the Government. To the extent that any commodity procurement transaction financed hereunder is not exempt from identifiable taxes, tariffs, duties and other levies imposed under

laws in effect within Bangladesh, the Government shall not be paid with funds provided under the Loan.

Section 9.02. COMMUNICATIONS. Any notice, request or communication given, made or sent by the Government or A.I.D. pursuant to the Agreement shall be in writing and shall be deemed to have been duly given, made or sent to the party to which it is addressed when it shall be delivered by hand or by mail, telegram, cable, or radiogram to such other party at the following address:

To the Government:

Mail Address:

Secretary
Ministry of Planning
Bangladesh Secretariat
Dacca, Bangladesh

Cable Address:

Plancom

To A.I.D.

Mail Address:

Usaid Bangladesh
American Embassy
Adamjee Court
P.O. Box 323, Ramna
Dacca-2, Bangladesh

Cable Address:

Usaid

Other addresses may be substituted for the above upon giving a notice as provided herein. All notices, requests, communications and documents submitted to A.I.D. hereunder shall be in English, except as A.I.D. may otherwise agree in writing.

Section 9.03. REPRESENTATIVES. For all purposes relative to this Agreement, the Government will be represented by the individual holding or acting in the office of Secretary, Ministry of Planning, and A.I.D. will be represented by the individual holding or acting in the Office of the Mission Director, USAID Bangladesh. Such individuals shall have the authority to designate by written notice additional representatives. In the event of any replacement or other designation of a representative hereunder, the Government shall submit a statement of the representative's name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice of revocation of the authority of any of the duly authorized representatives of the Government designated pursuant to this section, it may accept the signature of any such representative or representatives as conclusive evidence that any action effected by such instrument is duly authorized.

Section 9.04. IMPLEMENTATION LETTERS. A.I.D. may from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of the provisions of this Agreement.

Section 9.05. TERMINATION UPON FULL PAYMENT. Upon payment in full of the Principal and of any accrued interest, this Agreement and all obligations of the Government and A.I.D. under this Loan Agreement shall terminate.

Section 9.06. PROMISSORY NOTES. At such time or times as A.I.D. may request, the Government shall issue promissory notes or such other evidences of indebtedness with respect to the Loan, in such form, containing such terms and supported by such legal opinions as A.I.D. may reasonably require, provided the terms of such promissory notes or other evidences of indebtedness shall not vary from the terms and conditions contained in this Loan Agreement.

IN WITNESS WHEREOF, the GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH and the AGENCY FOR INTERNATIONAL DEVELOPMENT, each acting through its respective duly authorized representative, have caused this Agreement to be signed in their name and delivered as of the date and year first above written.

Government of the People's
Republic of Bangladesh:

By: [Signed]

Name: M. SYEDUZZAMAN

Title: Secretary
Ministry of Planning

Government of the United
States of America:

By: [Signed]

Name: DANIEL PARKER

Title: Administrator
United States Agency
for International Development

ANNEX I

THE PROGRAM

The Government of Bangladesh, under its First Five-Year Plan, has adopted a primary objective of self-sufficiency in the production of foodgrains. In order to meet its objective, foodgrain production must increase at an annual rate of 6.4 percent. The "Program" of which this Loan is a part, consists of the manufacture of fertilizer in Bangladesh and the acquisition and importation into Bangladesh of necessary agricultural inputs (principally urea, TSP and wheat seed) to increase foodgrain production resulting from a part of both the FY 1975 and FY 1976 planting seasons. The total cost of meeting FY 1975 and FY 1976 needs is estimated to be at least \$160 million for fertilizer.

The A.I.D. Loan for \$30 million will provide foreign exchange financing for a portion of the cost of the Program. Eligible Items for which such financing may be used are urea, TSP and wheat seed and such other inputs as A.I.D. may agree to in writing. Financing for such items shall extend to the foreign exchange costs incurred in their acquisition, transportation and insurance protection and inspection, all in accordance with the provisions of the Loan Agreement and Implementation Letters.
