

**No. 14798**

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**FEDERAL REPUBLIC OF GERMANY  
and  
BANGLADESH**

**Agreement concerning financial assistance (with annex).  
Signed at Dacca on 30 September 1974**

*Authentic texts: German and English.*

*Registered by the Federal Republic of Germany on 15 June 1976.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
BANGLADESH**

**Accord d'aide financière (avec annexe). Signé à Dacca le  
30 septembre 1974**

*Textes authentiques : allemand et anglais.*

*Enregistré par la République fédérale d'Allemagne le 15 juin 1976.*

## 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 contribute to economic and social development in the People's Republic of Bangladesh,

have agreed as follows:

*Article 1.* (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 the two Governments to raise with the Kreditanstalt für Wiederaufbau Frankfurt/Main, loans up to a total of DM 90 million (ninety million Deutsche Mark).

(2) The loans shall be used as follows:

- (a) Up to DM 65 million (sixty-five million Deutsche Mark) shall be used to pay foreign exchange costs in respect of imports of goods to meet current essential civilian requirements of the People's Republic of Bangladesh pursuant to the list of commodities annexed to the present Agreement, and to finance services connected therewith (commodity aid). When the said amount is used sympathetic consideration shall be given to the requirements of enterprises established in the People's Republic of Bangladesh with German capital participation.
- (b) Up to DM 25 million (twenty-five million Deutsche Mark) shall be used for projects to be jointly selected by the Contracting Parties (project aid) if, after examination, they have been found eligible for promotion.

*Article 2.* (1) The loans shall bear interest at the rate of 0.75 per cent per annum. They shall have a maturity of fifty years, including a grace period of ten years.

(2) The other terms and conditions on which the 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, or other borrowers to be jointly selected by the Contracting Parties, and the Kreditanstalt für Wiederaufbau, which agreements shall be subject to the legal provisions applicable in the Federal Republic of Germany.

*Article 3.* 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

<sup>1</sup> Came into force on 30 September 1974 by signature, in accordance with article 9.

Kreditanstalt für Wiederaufbau all payments in Deutsche Mark to be made in fulfilment of the borrowers' liabilities under the loan agreements to be concluded pursuant to Article 2 above.

*Article 4.* 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 implementation of the agreements referred to in Article 2 (2) of the present Agreement.

*Article 5.* The Government of the People's Republic of Bangladesh 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 loans, abstain from taking any measures that might exclude or impair the fair and equal participation of transport enterprises having their place of business in the German area of application of the present Agreement, and grant the relevant permits for such participation as required.

*Article 6.* Supplies and services for projects financed from the loans in accordance with Article 1 (2) (b) above shall, unless otherwise provided for in individual cases, be subject to international public tender.

*Article 7.* 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 8.* With the exception of those provisions of Article 5 which refer to air transport, 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 after the entry into force of the present Agreement.

*Article 9.* The present Agreement shall enter into force on the date of signature thereof.

DONE at Dacca on 30 September 1974 in duplicate in the English and German languages, the two 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>

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

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

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

## A N N E X

ACCORDING TO ARTICLE 1 (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 eligible for purchases by Bangladesh as commodity aid up to a total value of 65 million DM (sixty-five million Deutsche Mark):

- (a) industrial raw and auxiliary materials as well as semi-manufactures,
- (b) industrial equipment as well as 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) medicaments,
- (e) means of transportation,
- (f) ship-lifting facilities,
- (g) other industrial products of importance for the economic development of the People’s Republic of Bangladesh.

2. Imports pursuant to the above list should cover the widest range of goods possible. Commodities not included in this list may only be financed with the prior approval of the Government of the Federal Republic of Germany.

The importation of luxury and consumer goods and of any goods serving purposes of military equipment shall be excluded from commodity aid financing.

3. Import licenses issued by the authorities of the People’s Republic of Bangladesh as from 1 April 1974 may be set off against the commodity aid, subject to the subsequent conclusion of an appropriate loan agreement.

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