

No. 14899

**FEDERAL REPUBLIC OF GERMANY
and
BANGLADESH**

**Agreement concerning financial assistance (with annexes).
Signed at Bonn on 12 December 1975**

Authentic texts: German and English.

Registered by the Federal Republic of Germany on 21 July 1976.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
BANGLADESH**

**Accord d'aide financière (avec annexes). Signé à Bonn le
12 décembre 1975**

Textes authentiques : allemand et anglais.

Enregistré par la République fédérale d'Allemagne le 21 juillet 1976.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH CONCERNING FINANCIAL ASSISTANCE

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

In the spirit of the friendly relations existing between the Federal Republic of Germany and the People's Republic of Bangladesh,

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 to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, loans up to 90 million DM (ninety million German Marks).

(2) The loans shall be used as follows:

(a) Up to 55 million DM (fifty-five million German Marks) shall be used to meet foreign exchange costs resulting from the purchase of goods and services to cover current civilian requirements of the People's Republic of Bangladesh in accordance with the list of goods attached as Annex 1 to the present Agreement.

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 15 million DM (fifteen million German Marks) shall be used to meet foreign exchange costs resulting from the purchase of goods and services in one or more sectors, if, on examination, the project is found eligible for promotion.

(c) Up to 3 million DM (three million German Marks) shall be used to finance measures in connection with the FAO/OSRO Integrated Food Security Programme in accordance with the list of requirements attached as Annex 2 to the present Agreement.

(d) Up to 17 million DM (seventeen million German Marks) shall be used for projects to be jointly selected by both Governments (project assistance) if, on examination, they are found eligible for promotion.

(3) The loans specified in paragraph 2 (a) to (c) shall be used to finance goods and services for which supply and service contracts are concluded after the entry into force of the loan agreements pursuant to the present Agreement.

Article 2. The Government of the Federal Republic of Germany shall in addition enable the Government of the People's Republic of Bangladesh to receive from the Kreditanstalt für Wiederaufbau, Frankfurt/Main, a non-repayable financing contribution

¹ Came into force on 12 December 1975 by signature, in accordance with article 10.

up to an amount of 15 million DM (fifteen million German Marks) to help in financing (parallel financing) the population programme of the Government of the People's Republic of Bangladesh to be implemented with the assistance of the International Development Agency and bilateral donors.

Article 3. (1) The loans pursuant to Article 1 (2) shall bear interest of 0.75% per annum. They shall have a maturity of fifty years, including ten years of grace.

(2) The utilization of the loans pursuant to Article 1 (2) and the financing contribution pursuant to Article 2 as well as the other terms and conditions on which they are granted shall be governed by the provisions of the agreements to be concluded between the Government of the People's Republic of Bangladesh and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

Article 4. The Bangladesh Bank shall guarantee to the Kreditanstalt für Wiederaufbau all payments in German Marks to be made in fulfilment of the borrower's liabilities under the agreements to be concluded pursuant to Article 3 (2).

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 implementation, of the agreements referred to in Article 3 (2) of the present Agreement.

Article 6. The Government of the People's Republic of Bangladesh shall allow passengers and suppliers free choice of transport enterprises for such transportation by land, 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 permits for such participation as required.

Article 7. Supplies and services for projects financed from the loans pursuant to Article 1 (2) (d) and the financing contribution pursuant to Article 2 shall, unless otherwise provided for in individual cases, be subject to international public tender.

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

Article 9. With the exception of those provisions of Article 6 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 of the date of entry into force of this Agreement.

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

DONE at Bonn on 12 December 1975 in duplicate in the German and English languages, both texts being equally authentic.

For the Government
of the Federal Republic
of Germany:

[Signed — Signé]¹

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

[Signed — Signé]²

¹ Signed by Lahn and Klamser — Signé par Lahn et Klamser.

² Signed by Choudhury — Signé par Choudhury.

ANNEX 1

TO THE AGREEMENT OF 12 DECEMBER 1975 BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH CONCERNING FINANCIAL ASSISTANCE.

1. List of goods and services eligible for financing from the loan up to a total value of 55 million DM (fifty-five million German Marks) under Article 1 (2) (a) of the Agreement of 12 December 1975:

- (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 fertilizers, plant protection agents, pesticides, medicaments;
- (e) means of transport;
- (f) other industrial products of importance for the development of the People's Republic of Bangladesh;
- (g) the costs of transport, insurance and assembly also in local currency, arising in connection with the importation of goods financed under the present Agreement.

2. Imports under the above list should cover the greatest possible range of goods. Imports not included in the above list may only be financed with the prior approval of the Government of the Federal Republic of Germany.

The importation of consumer goods for personal needs, especially luxury goods, as well as any goods and facilities serving military purposes, may not be financed from the loan.

ANNEX 2

LIST OF REQUIRED COMMODITIES FOR THE FOOD SECURITY ASSISTANCE PROGRAMME BMZ/FAO IN BANGLADESH

A. *Seed-processing project*

Equipment for driers (4 "Dry and storage plants")	83,200 DM
Equipment for one "Cool and dry storage plant"	74,100 DM
Equipment for electrification of driers and other seed-processing machinery	104,520 DM
Seeders	20,280 DM
Spare parts and equipment for tractors	87,972 DM
Threshers (½ ton Nr. cap. 5 HP)	36,504 DM
Cleaners (¼ ton Nr. cap. 1 HP)	35,724 DM
Driers (1½ ton cap. — 5 HP "Sack Driers")	169,000 DM
Moisture metres	22,100 DM
4 Tractors 45 HP "Ferguson"	52,000 DM
6 Tractors 65 HP "Ferguson"	93,600 DM
10 Trailers (4 tons)	39,000 DM
10 Rotovators (3 ft. "Howard")	39,000 DM
2 Project vehicles (Toyota/Landrover)	39,000 DM
Div. spare parts for above-mentioned equipment	104,000 DM
Total needs seed-processing project	1,000,000 DM

B. *Food Aid/Logistics Project*

Div. spare parts for 4 grain-silos located in

- Chittagong
- Marayanganj
- Ashuganj
- Santahar

according to calculation and detailed list of Fa. Bühler-Miag GmbH, Braunschweig, of 12 November 1975	2,000,000 DM
Total needs Food Aid/Logistics Project	2,000,000 DM
Total needs Seed-processing Project	1,000,000 DM
Total needs Food Aid/Logistics Project	2,000,000 DM
Total Commodities Food Security Assistance Programme	3,000,000 DM
