

**No. 16388**

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**FEDERAL REPUBLIC OF GERMANY  
and  
BANGLADESH**

**Agreement concerning financial assistance (with annex).  
Signed at Dacca on 2 November 1976**

*Authentic texts: German, Bengali and English.*

*Registered by the Federal Republic of Germany on 1 February 1978.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
BANGLADESH**

**Accord d'aide financière (avec annexe). Signé à Dacca le  
2 novembre 1976**

*Textes authentiques : allemand, bengali et anglais.*

*Enregistré par la République fédérale d'Allemagne le 1<sup>er</sup> février 1978.*

## AGREEMENT<sup>1</sup> 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 100,000,000 DM (one hundred million German Marks).

(2) The loans shall be used as follows:

- a) Up to 50,000,000 DM (fifty million German Marks) shall be used to meet foreign exchange costs arising from the purchase of goods and services to cover necessary current civilian requirements of the People's Republic of Bangladesh in accordance with the list annexed to the present Agreement. In the utilization of the loans, sympathetic consideration shall be given to the requirements of enterprises established in the People's Republic of Bangladesh with German financial participation.
- b) Up to 15,000,000 DM (fifteen million German Marks) shall be used to meet foreign exchange costs arising from the purchase of goods and services in one or several sectors, if, on examination, they have been found eligible for promotion.
- c) Up to 35,000,000 DM (thirty-five million German Marks) shall be used for projects to be jointly selected by both Governments (project assistance), if, on examination, they have been found eligible for promotion.

(3) The loans referred to in paragraph 2 (a) and (b) must be used to finance goods and services for which supply and service contracts have been concluded after the entry into force of the loan agreements pursuant to the present Agreement.

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

(2) The utilization of the loans 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

<sup>1</sup> Came into force on 2 November 1976 by signature, in accordance with article 8.

Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

*Article 3.* 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 4.* 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 participation on equal terms 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 5.* Supplies and services for projects financed from the loans referred to in Article 1 (2) (c) shall, unless otherwise provided for in individual cases, be subject to international public tender.

*Article 6.* With regard to 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 7.* With the exception of those provisions of Article 4 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 8.* The present Agreement shall enter into force on the date of signature thereof.

DONE at Dacca on the 2nd of November 1976, in duplicate in the German, Bengali and English languages, all three texts being authentic. In case of divergent interpretations of the German and Bengali texts, the English text shall prevail.

For the Government of the Federal Republic of Germany:	For the Government of the People's Republic of Bangladesh:
[Signed — Signé] <sup>1</sup>	[Signed — Signé] <sup>3</sup>
[Signed — Signé] <sup>2</sup>	

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

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

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

ANNEX TO THE AGREEMENT OF 2nd NOVEMBER 1976 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 50,000,000 DM (fifty million German Marks) under Article 1 (2) (a) of the Agreement of 2nd November 1976:

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

2. Imports in accordance with 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.

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