

No. 16538

**FEDERAL REPUBLIC OF GERMANY
and
TURKEY**

**Agreement concerning financial assistance. Signed at
Ankara on 4 October 1974**

Authentic texts: German, Turkish and English.

Registered by the Federal Republic of Germany on 17 April 1978.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
TURQUIE**

**Accord relatif à une aide financière. Signé à Ankara le
4 octobre 1974**

Textes authentiques : allemand, turc et anglais.

Enregistré par la République fédérale d'Allemagne le 17 avril 1978.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE RE- PUBLIC OF TURKEY CONCERNING FINANCIAL ASSISTANCE

The Government of the Federal Republic of Germany and the Government of the Republic of Turkey,

In the spirit of the friendly relations existing between the Federal Republic of Germany and the Republic of Turkey,

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 the economic and social development in the Republic of Turkey,

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall extend to the Government of the Republic of Turkey bilateral financial assistance for the year 1974 for the realization of the objectives of its Development Plan within the framework of the Consortium for Turkey of the Organization for Economic Co-operation and Development (O.E.C.D.).

(2) The assistance shall be composed of:

- (a) Payment relief totalling DM 10,000,000 (ten million German Marks) under the rollover operation according to Article 3 (1) of the Agreement of 22 April 1968 between the Government of the Federal Republic of Germany and the Government of the Republic of Turkey concerning Financial Assistance;
- (b) Payment relief totalling DM 3,320,625 (three million three hundred and twenty thousand six hundred and twenty-five German Marks) as a result of the interest rate reduction from five and three quarters per cent to three per cent per annum according to Article 2 of the Agreement of 3 June 1969 between the Government of the Federal Republic of Germany and the Government of the Republic of Turkey concerning Financial Assistance;
- (c) Loans totalling DM 120,000,000 (hundred and twenty million German Marks) in accordance with Articles 2 to 8 of the present Agreement.

(3) In addition, the Government of the Federal Republic of Germany shall assist in the speedy development of the Turkish economy by rendering extensive technical assistance and making financial contributions under the Finance Protocol to the Association Agreement of 12 September 1963 between the European Economic Community and the Republic of Turkey and under the Finance Protocol of 23 November 1970.

¹ Came into force on 23 January 1975, upon notification by the Government of Turkey to the Government of the Federal Republic of Germany that its constitutional requirements had been fulfilled, with retroactive effect from 4 October 1974, in accordance with article 9.

Article 2. (1) The Government of the Federal Republic of Germany shall enable the Government of the Republic of Turkey to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt (Main), loans totalling DM 120,000,000 (hundred and twenty million German Marks).

(2) The loans are intended for the financing of projects (project loans) which, after appraisal, have been found eligible for promotion.

The sum referred to above shall be used as follows:

- (1) An amount of DM 90,000,000 (ninety million German Marks) for the financing of Afşin-Elbistan Lignite Mine and Thermal Power Station Project;
- (2) An amount of DM 30,000,000 (thirty million German Marks) for the Turkish Industrial Development Bank (Türkiye Sınai Kalkınma Bankası A.Ş.) for the financing of investment projects of small and medium-sized private enterprises of the manufacturing industry for civilian requirements.

Article 3. (1) The loans granted in accordance with Article 2 of the present Agreement shall have a maturity of 30 years including a grace period of 10 years. The rate of interest shall be two per cent per annum.

(2) The utilization of the loans as well as the terms and conditions on which they are granted shall be governed by the provisions of the agreements to be concluded between the Türkiye Cumhuriyet Merkez Bankası (hereinafter referred to as “the Merkez Bankası”) and the Kreditanstalt für Wiederaufbau, which shall be subject to the legal provisions applicable in the Federal Republic of Germany. The Merkez Bankası shall in this connection act on behalf of the Government of the Republic of Turkey.

Article 4. The Government of the Republic of Turkey shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Republic of Turkey at the time of the conclusion, or during the execution, of the loan agreements referred to in Article 3 (2) of the present Agreement.

Article 5. The Government of the Republic of Turkey shall allow passengers and suppliers free choice of means 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 the relevant permits as required for the participation of such transport enterprises.

Article 6. Unless otherwise provided in individual cases, supplies and services for projects financed from the loans under Article 2 (2) (1) above shall 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 Republic of Turkey within three months after the entry into force of the present Agreement.

Article 9. The present Agreement shall enter into force retroactively on the date of signature thereof as soon as the Government of the Republic of Turkey has informed the Government of the Federal Republic of Germany that the constitutional requirements of the Republic of Turkey for the entry into force of the Agreement are fulfilled.

DONE at Ankara on this fourth of October One Thousand Nine Hundred and Seventy-four, in duplicate in the German, Turkish and English languages, all three texts being equally authentic. In case of divergent interpretations of the German and Turkish texts the English text shall prevail.

For the Government
of the Federal Republic of Germany:

[Signed]

Dr. SIGRIST

For the Government
of the Republic of Turkey:

[Signed]

ASAF GÜVEN
