

No. 16537

**FEDERAL REPUBLIC OF GERMANY
and
TURKEY**

**Agreement concerning financial assistance. Signed at Bonn
on 29 November 1973**

Authentic texts: German, Turkish and English.

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

**REPUBLIQUE FEDÉRALE D'ALLEMAGNE
et
TURQUIE**

**Accord relatif à une aide financière. Signé à Bonn le
29 novembre 1973**

Textes authentiques : allemand, turc et anglais.

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

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

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

In the spirit of the friendly relations existing between the Republic of Turkey 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 promote the development of the Turkish economy, have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany, for the purpose of attaining the objectives of the Development Plan of the Government of the Republic of Turkey, shall, within the framework of the Consortium for Turkey of the Organization for Economic Co-operation and Development (O.E.C.D.), extend to the Government of the Republic of Turkey bilateral financial assistance for the year 1973.

(2) The assistance shall be composed of:

- (a) Payment relief totalling DM 10,000,000.00 (ten million Deutsche Mark) under the rollover operation according to paragraph 1 of Article 3 of the Agreement concerning financial assistance concluded between the Government of the Republic of Turkey and the Government of the Federal Republic of Germany on 22 April 1968;
- (b) Payment relief totalling DM 3,898,125.00 (three million eight hundred and ninety-eight thousand one hundred and twenty-five Deutsche Mark) 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 110,000,000.00 (one hundred and ten million Deutsche Mark) 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 speeding up the 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 21 August 1974, 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 29 November 1973, 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 110 million (one hundred ten million Deutsche Mark).

(2) The loans shall be utilized as follows:

- (a) An amount of DM 20 million (twenty million Deutsche Mark) to finance the purchase of goods, including related services, intended to cover the necessary current civilian import requirements of the Republic of Turkey within the framework of the 1973 import programme. This will not preclude the use of this amount for the financing of projects as referred to in Article 2 (2) (b) 1 of the present Agreement.
- (b) An amount of DM 90 million (ninety million Deutsche Mark) 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 60 million (sixty million Deutsche Mark) for the financing of projects which will be selected in agreement between the Contracting Parties on the proposal of the Government of the Republic of Turkey;
- 2. An amount of DM 30 million (thirty million Deutsche Mark) for the Turkish Industrial Development Bank (*Türkiye Sinai Kalkınma Bankası A.S.*) for the financing of investment projects of private industrial enterprises.

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 2 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 *Kreditanstalt für Wiederaufbau* shall be exempt 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 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 seat in the German area of application of the present Agreement, and grant the relevant permits as required.

Article 6. Unless otherwise provided in individual cases, supplies and services for projects financed from the loans under Article 2 (2) (b) (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 Bonn on this twenty-ninth of November One Thousand Nine Hundred and Seventy-three, in duplicate in the German, Turkish and English languages. The Turkish and German texts shall be equally authentic; in case of divergent interpretations, the English text shall prevail.

For the Government
of the Republic of Turkey:

[Signed]

VAHİT HALEFOĞLU

For the Government
of the Federal Republic of Germany:

[Signed]

Dr. HANS GEORG SACHS
