

No. 17849

**DENMARK
and
BANGLADESH**

Agreement regarding an integrated rural development project in three thanas of the Noakhali district. Signed at Dacca on 3 May 1978

Authentic text: English.

Registered by Denmark on 8 June 1979.

**DANEMARK
et
BANGLADESH**

Accord relatif à un projet de développement rural intégré dans trois circonscriptions du district de Noakhali. Signé à Dacca le 3 mai 1978

Texte authentique : anglais.

Enregistré par le Danemark le 8 juin 1979.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF DENMARK AND
THE GOVERNMENT OF BANGLADESH REGARDING AN INTE-
GRATED RURAL DEVELOPMENT PROJECT IN THREE
THANAS OF THE NOAKHALI DISTRICT

The Government of Denmark and the Government of the People's Republic of Bangladesh, desiring to strengthen the friendly relations between the two countries and their peoples, recognizing their mutual interest in promoting their economic, technical, and social development, particularly by providing facilities for improving the conditions of life among the rural population of Bangladesh, and in implementation of the Agreement of August 26, 1972, between the Government of Denmark and the Government of Bangladesh concerning technical cooperation², have agreed as follows:

Article I. The two Governments will cooperate in the implementation of an Integrated Rural Development Project in the Raipur, Lakshmipur and Chhagalnaiya thanas of the Noakhali district (hereinafter called "the Project").

Article II. The objectives of the Project shall be to promote economic growth and social progress in particular aiming at the poorer sections of the population by initiating activities regarding infrastructure developments, agricultural production, other productive activities and social services as outlined in article IV.

Article III. In implementing the Project, the Government of Bangladesh and the Government of Denmark shall cooperate as follows:

(a) The Government of Bangladesh shall be responsible for the implementation and the operation of the various activities of the Project and the maintenance of the equipment supplied by the Government of Denmark under this Agreement.

(b) The Project will be implemented through the existing administrative structure of Bangladesh. To ensure the integration of the various activities into one development effort, the following committees will be set up to coordinate the responsibilities and functions of the appropriate agencies, institutions, and Government ministries:

- (I) Central Project Coordination Committee, Dacca;
- (II) Central Project Executive Committee, Dacca;
- (III) District Project Executive Committee, Maijdi;
- (IV) Thana Project Executive Committees, Raipur, Lakshmipur and Chhagalnaiya.

(c) Advisers will be stationed in the Project area in order to expedite, coordinate and facilitate Project implementation by providing technical advice and guidance.

(d) The Head of the DANIDA Mission, Dacca, will be a member of the Central Project Executive Committee and he, or his representative, will attend the meetings of the Committee. The Head of the team of advisers will be a member of the

¹ Came into force on 3 May 1978 by signature, in accordance with article XI.

² United Nations, *Treaty Series*, vol. 863, p. 139.

District Project Executive Committee and the Thana Project Executive Committees and he, or his representative, will attend the meetings of these committees.

Article IV. The commitments of the Government of Denmark up to a maximum of 87.1 million Danish kroner under this Agreement will be to finance the following activities in accordance with the budget in the "Appraisal Report on an Integrated Rural Development Project in Noakhali, Bangladesh", volumes I and II, dated November 1977 (hereinafter called "the Appraisal Report"):

- (a) Infrastructure development:
 - (I) Improvement of drainage channels;
 - (II) Improvement of rural roads;
 - (III) Improvement of rural markets, and
 - (IV) Construction of offices and living quarters at thana level and meeting-cum-rest rooms at sub-centre level;
- (b) Agricultural production:
 - (I) Increasing agricultural credit;
 - (II) Strengthening the IRDP/TCCA/KSS system;
 - (III) Improving irrigation and its support facilities;
 - (IV) Strengthening of the agricultural extension service; and
 - (V) Establishing agricultural marketing services;
- (c) Other productive activities:
 - (I) Strengthening of livestock services;
 - (II) Reactivation of fish ponds; and
 - (III) Promotion of cottage industries;
- (d) Social services:
 - (I) Strengthening of the health care and family planning delivery system; and
 - (II) Promotion of educational activities and training of women;
- (e) Monitoring and evaluation of the Project activities.
The Government of Denmark will also make available:
- (f) A number of advisers in Bangladesh connected with the Project.

Article V. The commitments of the Government of Bangladesh under this Agreement will, in accordance with the Appraisal Report, be as follows:

- (a) Ensure that Janata Bank contributes an amount of 19.3 million taka to revolving funds for agricultural credit, marketing, and cottage industries;
- (b) Meet the expenses in connection with providing land, upkeep of buildings to be constructed under the Project, and to some extent operational costs;
- (c) Select and post at an early date the additional local staff necessary for implementing and operating the Project; and
- (d) Take the steps otherwise necessary for implementing the Project.
Further, the Government of Bangladesh will:
- (e) Extend to the expatriate advisers all the privileges mentioned in the General Agreement on technical cooperation of August 26, 1972.

Article VI. The following provisions shall govern the purchase and import of equipment for the Project:

(a) Procurement of all equipment to be imported will be made by the Danish International Development Agency (DANIDA) in accordance with the specifications agreed upon between DANIDA and the agency concerned. Procurement of common items locally manufactured such as bicycles and office equipment will also be made by DANIDA in accordance with the specifications decided upon by the Central Project Executive Committee.

(b) Other locally available and manufactured equipment will be purchased by the agency concerned, which will submit all documents to the Central Project Executive Committee.

(c) Procurement of materials, etc., for civil works such as improvement of roads and markets, construction of thana facilities, etc., will be done by the contractor concerned. Since the civil works financed by the Project are simple and small and, therefore, unsuitable for international bidding, they will be carried out on the basis of local competitive bidding under Government procedures satisfactory to DANIDA.

(d) The DANIDA Mission in Dacca will be strengthened with a procurement officer who will be responsible for the procurements to be made by DANIDA and who will be consulted in matters regarding procurements made by the agencies concerned.

(e) All imported equipment and supplies shall be delivered c.i.f. The expenses incident to distribution, transportation and insurance in Bangladesh of imported equipment shall be defrayed by the Government of Bangladesh.

(f) Taxes, fiscal charges, import duties, and demurrage charges, if any, levied on equipment and supplies imported for the Project by the Government of Denmark in pursuance of article IV of this Agreement shall not be payable by the Government of Denmark.

Article VII. Equipment provided by the Government of Denmark in pursuance of article IV of this Agreement and imported into Bangladesh shall become the property of the Government of Bangladesh upon its arrival in Bangladesh territory. Equipment purchased in Bangladesh out of the Danish grant shall become the property of the Government of Bangladesh at the time of purchase. However, transport equipment to be used by the expatriate advisers whether imported into or purchased in Bangladesh out of the Danish grant shall become the property of Bangladesh on completion of the Project.

The Government of Bangladesh shall ensure that the equipment donated by the Government of Denmark will be used for the intended purposes and continue to be used therefor after the expiry of this Agreement.

Article VIII. Accounting, documentation, auditing, reporting, etc., with respect to all Project expenditure financed by Denmark on grant basis shall be governed by the general guidelines.

In the light of these general guidelines the following accounting and auditing procedures shall be followed with respect to the Project:

(a) The Central Project Coordination Committee will once a year report on the overall progress of activities. The report shall include facts and figures on the results achieved.

(b) All participating agencies will maintain separate accounts for the Project expenditure defrayed at thana, district and central levels. Copies of the accounts will be sent to the respective Project Executive Committees. These will also maintain lists of major Project equipment, fixtures, etc., financed by Denmark. Accounts, inventory lists, etc., will be signed by responsible authorities.

(c) All expenditure related to the expatriate advisers will be defrayed and accounted for separately by DANIDA in Denmark, which will once a year send the accounts to the Central Project Executive Committee.

(d) Other project expenditure defrayed by DANIDA will be accounted for separately by DANIDA in Denmark which will send monthly statements and vouchers to the Central Project Executive Committee.

(e) For the purpose of financing project expenditure incumbent on Denmark, other than that referred to in sub-paragraphs (c) and (d) of this article, a Project Fund will be established. DANIDA will make an initial contribution to the Fund and replenish it at regular intervals, the principle being that the Fund shall have sufficient resources to cover the anticipated local expenditure defrayable by the Fund over a period of three months. The interest accumulated on the account will be part of the Danish grant.

(f) The Central Project Executive Committee will assume full responsibility for the operation and administration of the Project Fund and will—in consultation with DANIDA—establish financial regulations for the operation of the Project Fund, and for financial procedures to be followed throughout the Project administration, to the extent that the existing Bangladesh general financial regulations prove inadequate to meet Danish requirements in this respect.

(g) Once a year the Central Project Executive Committee will submit audited accounts to the Danish authorities within six months of the end of each year.

(h) All accounts rendered by the Project will be appropriately audited by auditors acceptable to DANIDA, and the auditors' comments will be sent together with the accounts referred to in sub-paragraph (g) above.

(i) The Danish Government auditors will at all times be allowed to inspect Project activities, and to study reports, accounts, inventory lists, etc., related to Danish-financed activities. The Central Project Executive Committee and the participating agencies will, if necessary, assist the Danish auditors in this respect.

Article IX. Monitoring and on-going evaluation will be an integrated part of the various Project activities. During the third year of the Project, a mid-term evaluation will be carried out, and by the end of the Project period there will be an *ex post* evaluation. Representatives of the Government of Denmark and the Government of Bangladesh will collaborate closely in these activities.

Article X. The Project shall be carried out in accordance with the general guidelines for its implementation as set out in this Agreement and the detailed plans described in the Appraisal Report with such amendments as may be agreed upon between the two Parties.

Article XI. This Agreement shall enter into force on the date of its signature and remain in force until June 30, 1983. It may be terminated at any time by either Party giving six months' notice in advance to the other Party.

The present Agreement may be amended by exchange of letters.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE in duplicate in the English language at Dacca this 3rd day of May, 1978.

On behalf of the Government
of Denmark:

SVEN B. BJERREGAARD
Chargé d'affaires a.i.
Royal Danish Embassy

On behalf of the Government
of the People's Republic of Bangladesh:

M. MUHIUDDIN
Section Chief
Ministry of Planning
