

No. 18444

FEDERAL REPUBLIC OF GERMANY
and
BANGLADESH

Agreement concerning financial assistance—*Foreign exchange costs and various projects* (with annex). Signed at Dacca on 12 January 1978

Authentic texts: German, Bengali and English.

Registered by the Federal Republic of Germany on 28 March 1980.

RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
BANGLADESH

Accord d'aide financière — *Dépenses en devises étrangères et projets divers* (avec annexe). Signé à Dacca le 12 janvier 1978

Textes authentiques : allemand, bengali et anglais.

Enregistré par la République fédérale d'Allemagne le 28 mars 1980.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH CONCERNING FINAN- CIAL 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 a total amount of DM 115 million (one hundred and fifteen million German Marks).

(2) The loans shall be used as follows:

(a) Up to DM 50 million (fifty million German Marks) 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 enclosed as Annex to the present Agreement.

As regards the use of these funds, 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 DM 10 million (ten million German Marks) to meet the foreign exchange costs resulting from the purchase of goods and services in one or more sectors, if, after examination, the project has been found eligible for promotion;

(c) Up to DM 40 million (forty million German Marks) for projects to be selected jointly by both Governments (project aid), if, after examination, they have been found eligible for promotion;

(d) Up to DM 15 million (fifteen million German Marks) for the purchase of vessels for river transport, if, after examination, the project has been found eligible for promotion.

(3) The funds referred to in sub-paragraph 2 (a) and (b) above must be used to finance supplies and services for which supply or service contracts have been concluded after the entry into force of the loan agreements to be concluded pursuant to article 2 (2) of this Agreement.

¹ Came into force on 12 January 1978 by signature, in accordance with article 8.

Article 2. (1) The loans pursuant to article 1 (2) above shall bear interest at the rate of 0.75 per cent per annum. They shall have a term of 50 years, including ten years of grace.

(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 Kreditanstalt für Wiederaufbau and the Government of the People's Republic of Bangladesh, 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 the participation of such enterprises as required.

Article 5. (1) Supplies and services for projects financed from the loans pursuant to article 1 (2) (c) above shall, unless otherwise provided for in individual cases, be subject to international public tender.

(2) Supplies and services financed from the loan pursuant to article 1 (2) (d) above shall, unless otherwise provided for in individual cases, be subject to public tender restricted to the German area of application of the present Agreement.

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 12th January 1978, in duplicate in the German, Bengali and English languages, all three texts being equally 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]¹

[Signed — Signé]²

[Signed — Signé]³

ANNEX TO THE AGREEMENT OF 12-01-1978 BETWEEN THE GOVERNMENT OF
THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF BANGLADESH CONCERNING FINANCIAL ASSIST-
ANCE

1. List of goods and services eligible for financing from the loan up to a total value of DM 50 million (fifty million German Marks) under article 1 (2) (a) of the intergovernmental Agreement of 12th January 1978:

- (a) Industrial raw and auxiliary materials as well as semi-manufactures,
- (b) Industrial equipment and agricultural machinery and implements,
- (c) Spare parts and accessories of all kinds,
- (d) Chemical products, in particular fertilizers, plant protection agents, pesticides, medications and dyes,
- (e) Means of transport,
- (f) Other industrial products important for development in 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 pursuant to the above list should include as wide a range of goods as possible. 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.

¹ Signed by Marie Schlei — Signé par Marie Schlei.

² Signed by Schilling — Signé par Schilling.

³ Signed by M. N. Huda — Signé par M. N. Huda.