

**No. 18464**

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**FEDERAL REPUBLIC OF GERMANY  
and  
TURKEY**

**Agreement concerning financial assistance. Signed at Bonn  
on 9 May 1978**

*Authentic texts: German, Turkish and English.*

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

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
TURQUIE**

**Accord d'aide financière. Signé à Bonn le 9 mai 1978**

*Textes authentiques : allemand, turc et anglais.*

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

## AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE REPUBLIC 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 cooperation 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 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 additional to the financial assistance amounting to DM 50,000,000. — arranged for in the Agreement of 7 April 1978,<sup>2</sup> further bilateral financial assistance for the year 1978 to enable it to realize the objectives of its Development Plan within the framework of the Consortium for Turkey of the Organization for Economic Cooperation and Development (OECD).

(2) The assistance shall be composed of

- (a) Payment relief totalling DM 1,010,625. — (one million ten 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 pursuant 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;
- (b) Loans totalling DM 130,000,000. — (one hundred and thirty million German Marks) in accordance with articles 2 to 8 of the present Agreement.

*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 up to DM 130,000,000. — (one hundred and thirty million German Marks).

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

The sum referred to above shall be broken down and utilized as follows:

- (a) DM 30,000,000. — (thirty million German Marks) for Divriği Iron Ore Concentration and Pelletizing project;

<sup>1</sup> Came into force on 2 October 1978, after both Parties informed each other (on 13 September and 2 October 1978) that their legislative requirements had been fulfilled, with retroactive effect from 9 May 1978, the date of signature, in accordance with article 9.

<sup>2</sup> See p. 295 of this volume.

- (b) DM 63,000,000. — (sixty-three million German Marks) for seven cement plants in Diyarbakir, Kahramanmaras, Adiyaman, Samsun, Bingöl, Siirt and Denizli;
- (c) DM 22,000,000. — (twenty-two million German Marks) for 380 kv Bursa-Izmir transmission line of Turkish Electricity Authority (TEK);
- (d) DM 15,000,000. — (fifteen million German Marks) for the Turkish Industrial Development Bank (Türkiye Sinai Kalkınma Bankası A.S.) to finance investment projects of small and medium-sized private manufacturing enterprises producing for civilian requirements.

(3) The projects referred to in paragraph (2) above may be replaced by other projects if the Government of the Federal Republic of Germany and the Government of the Republic of Turkey so agree.

*Article 3.* (1) The loans referred to in 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 Bankasi and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany. The Merkez Bankasi 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 implementation, of the 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 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 participation on equal terms 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 enterprises.

*Article 6.* Unless otherwise provided for in individual cases, supplies and services to be financed from loans pursuant to paragraph (2) of article 2 of the present Agreement shall, for the projects named in letters (a) and (b), be subject to international public tender, those for the project named in letter (c) to public tender restricted to the German area of application of the present Agreement.

*Article 7.* With regard to supplies and services resulting from the granting of the loans, the Government of the Federal Republic of Germany attaches particular importance to preferential use being made of the economic potential 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 of the date of entry into force of this 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 and the Government of the Federal Republic of Germany have informed each other that the national requirements for the entry into force of the Agreement have been fulfilled.

DONE at Bonn on 9 May 1978, in duplicate in the German, Turkish and English languages, all three texts being 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 — Signé]<sup>1</sup>

For the Government  
of the Republic of Turkey:

[Signed — Signé]<sup>2</sup>

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<sup>1</sup> Signed by G. v. Well — Signé par G. v. Well.

<sup>2</sup> Signed by V. Halefoglu — Signé par V. Halefoglu.