

No. 728

---

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
and  
BANGLADESH**

**Development Credit Agreement—*Foodgrain Storage Project* (with General Conditions Applicable to Development Credit Agreements). Signed at Washington on 18 May 1973**

*Authentic text: English.*

*Filed and recorded at the request of the International Development Association on 17 December 1974.*

---

**ASSOCIATION INTERNATIONALE  
DE DÉVELOPPEMENT  
et  
BANGLADESH**

**Contrat de crédit de développement — *Projet relatif au stockage des céréales* (avec Conditions générales applicables aux contrats de crédit de développement). Signé à Washington le 18 mai 1973**

*Texte authentique : anglais.*

*Classé et inscrit au répertoire à la demande de l'Association internationale de développement le 17 décembre 1974.*

DEVELOPMENT CREDIT AGREEMENT<sup>1</sup>

AGREEMENT, dated May 18, 1973, between PEOPLE'S REPUBLIC OF BANGLADESH (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS (A) on February 10, 1966<sup>2</sup> the Association agreed to make available a development credit (hereinafter called Credit No. 83) in an amount equivalent to nineteen million two hundred thousand dollars (\$19,200,000) to assist in the financing of a project for the establishment of modern grain storage and handling facilities (hereinafter called Foodgrain Storage Project);

(B) on February 10, 1966 the Kingdom of Sweden (hereinafter called Sweden) agreed to make available a development credit in an amount of twenty-five million Swedish Kronor (SKr25,000,000) to assist in the financing of Foodgrain Storage Project;

(C) withdrawals from the credit account opened by the Association and from the special account opened by the Sveriges Riksbank, Stockholm, acting as agent for Sweden, under the aforementioned development credits were suspended on December 29, 1971 and February 1, 1972, respectively;

(D) the Borrower has requested Sweden and the Association, jointly, to extend financial assistance to the Borrower for the continuation and completion of Foodgrain Storage Project, as modified as hereinafter set forth, and to include in such joint financial assistance provision for repayment to Sweden of the financial assistance extended by Sweden for Foodgrain Storage Project under the development credit referred to in paragraph (B) above and for repayment to the Association of the principal amount of Credit No. 83 withdrawn from the credit account opened by the Association thereunder;

(E) Sweden has agreed to extend a development credit to the Borrower in a principal amount of twenty-five million Swedish Kronor (SKr25,000,000) upon the terms and conditions set forth in an Agreement of even date herewith<sup>3</sup> (hereinafter called the Swedish Credit Agreement);

(F) the Association has agreed, on the basis *inter alia* of the foregoing, to extend a development credit to the Borrower upon the terms and conditions hereinafter set forth;

(G) by an Agreement of even date herewith<sup>4</sup> (hereinafter called the Joint Financing Agreement) the Borrower, Sweden and the Association deem it to be in their mutual interest that the allocation, withdrawal and use of the proceeds of said credits and the execution of the project, as well as other matters relating thereto, be regulated therein;

NOW THEREFORE the Parties hereto hereby agree as follows:

<sup>1</sup> Came into force on 17 July 1973, upon notification by the Association to the Government of Bangladesh.

<sup>2</sup> United Nations, *Treaty Series*, vol. 575, p. 89.

<sup>3</sup> See p. 163 of this volume.

<sup>4</sup> See p. 177 of this volume.

## Article I. GENERAL CONDITIONS; DEFINITIONS

*Section 1.01.* The Parties to this Development Credit Agreement accept all the provisions of the General Conditions Applicable to Development Credit Agreements of the Association, dated January 31, 1969,<sup>1</sup> with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof (said General Conditions Applicable to Development Credit Agreements of the Association, as so modified, being hereinafter called the General Conditions):

(a) The second sentence of section 3.02 is amended to read as follows:

“A service charge at the rate of one-half of one per cent ( $\frac{1}{2}$  of 1%) per annum shall be payable on the portion to be paid out of the Credit Account of the principal amount of any special commitment entered into by the Association pursuant to section 2.07 of the Joint Financing Agreement and outstanding from time to time if, under such special commitment, the Association shall have agreed to pay such principal amount notwithstanding any subsequent suspension or cancellation of the Credit.”

(b) Article V is deleted.

(c) Section 6.01 is amended to read as follows:

“SECTION 6.01. *Cancellations by the Borrower.* The Borrower may by notice to the Association cancel any amount of the Credit which the Borrower shall not have withdrawn prior to the giving of such notice, except that the Borrower may not so cancel any amount of the Credit in respect of which the Association shall have entered into a special commitment pursuant to section 2.07 of the Joint Financing Agreement.”

(d) Section 6.02(h) is deleted and section 6.02(i) is renumbered into section 6.02(h).

(e) Section 6.02 is amended by inserting the words “or the Swedish Credit Agreement or the Joint Financing Agreement” after the words “the Development Credit Agreement” wherever the latter words appear in section 6.02.

(f) Section 6.04 is amended to read as follows:

“SECTION 6.04. *Amounts Subject to Special Commitment Not Affected by Cancellation or Suspension by the Association.* No cancellation or suspension by the Association shall apply to amounts subject to any special commitment entered into by the Association pursuant to section 2.07 of the Joint Financing Agreement.”

(g) Section 6.06 is amended by inserting the words “, the Joint Financing Agreement” after the words “the Development Credit Agreement”.

(h) Section 8.01 is amended by inserting the words “and the Joint Financing Agreement” after the words “the Development Credit Agreement” in the first sentence of section 8.01 and by inserting the words “or the Joint Financing Agreement” after the words “the Development Credit Agreement” in the second sentence of section 8.01.

(i) Section 8.02 is amended by inserting the words “or under the Joint Financing Agreement” after the words “the Development Credit Agreement”.

<sup>1</sup> See p. 397 of this volume.