

**FRAMEWORK ARRANGEMENT BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF KOREA**

AND

**THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
CONCERNING LOANS FROM
THE ECONOMIC DEVELOPMENT COOPERATION FUND
FOR THE YEARS 2015 THROUGH 2017**

The Government of the Republic of Korea (hereinafter referred to as the "Korean Government") and the Government of the People's Republic of Bangladesh (hereinafter referred to as the "Government of Bangladesh") (hereinafter referred to as the "Parties"),

In accordance with the Agreement between the Government of the Republic of Korea and the Government of the People's Republic of Bangladesh on the Extension of Loans from the Economic Development Cooperation Fund signed on June 2, 1997 (hereinafter referred to as the "Agreement"),

Have agreed as follows:

Article 1

The Korean Government shall enable the Government of Bangladesh to obtain loans from the Economic Development Cooperation Fund (hereinafter referred to as the "EDCF") up to a maximum commitment amount in Korean won not exceeding the equivalent of three hundred fifty million US dollars (US\$ 350,000,000) for the years 2015 through 2017 to finance EDCF loan projects in the People's Republic of Bangladesh, unless otherwise agreed by the Parties.

Article 2

An EDCF loan for each individual project (hereinafter referred to as the "Loan") shall be extended to the Government of Bangladesh in accordance with the following procedures:

- (a) the Parties shall identify potential projects in close collaboration with each other, and the Government of Bangladesh shall submit a list of prospective projects to be financed under this Arrangement to the Korean Government;
- (b) the Government of Bangladesh shall request the Korean Government, through diplomatic channels, to extend a Loan for each individual project;
- (c) in case the Korean Government decides to extend a Loan for the requested project after appraisal of the project, it shall inform the Government of Bangladesh of its decision through diplomatic channels; and



(d) details of each individual project and the Loan amount for the project shall be set out in and made available through a loan agreement (hereinafter referred to as the "Loan Agreement") to be concluded between the Export-Import Bank of Korea (hereinafter referred to as the "Bank") and the Government of Bangladesh.

Article 3

1. The terms and conditions for each individual project shall be specified in each Loan Agreement to the extent consistent with the Agreement and the provisions of this Arrangement. Each Loan Agreement shall contain, inter alia, the following principles, unless otherwise agreed by the Parties:

- (a) the borrower or guarantor of the Loan shall be the Government of Bangladesh;
- (b) the repayment period shall be forty (40) years, including a fifteen (15) year grace period, and interest rate shall be one-hundredth of one percent (0.01%) per annum. Such terms and conditions may be changed in due consideration of the characteristics of individual projects and in accordance with the regulations and guidelines of the Republic of Korea;
- (c) no interest shall accrue for the Loan covering the consulting services costs, in case the consultant is selected from among Korean firms;
- (d) in the event that the Government of Bangladesh fails to make payment of all or any portion of the principal of the Loan or any other amount due under the Loan Agreements, the unpaid amount shall bear an overdue charge at the rate of two percent (2%) per annum in addition to the interest rate specified in the Loan Agreements;
- (e) the eligible source countries for the procurement of goods and services, including consulting services, to be financed out of the Loan shall be the Republic of Korea for the foreign currency portion and the People's Republic of Bangladesh for the local currency portion. The procurement from countries other than the eligible source countries, if any, shall be set out in the Loan Agreements;
- (f) the suppliers of the goods and services necessary for the implementation of the project shall be selected through competitive bidding among Korean firms;
- (g) the consultants shall be employed through limited competitive bidding among Korean consulting firms;
- (h) the procurement or consulting contracts shall be concluded within eighteen (18) months from the effective date of each Loan Agreement;

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(i) details of the methods and procedures for the procurement shall be governed by the Loan Agreements; and

(j) all taxes, customs duties and other fiscal charges imposed in the People's Republic of Bangladesh on goods and services provided by the suppliers for the implementation of the projects under the Loan Agreements shall either be exempted or borne by the Government of Bangladesh.

2. The revision of any principle stated in paragraph 1 above may be made with the mutual consent of the Parties, and shall be set out in the Loan Agreements.

Article 4

Should the Loan allocated to a project be insufficient for the implementation of the project, the Government of Bangladesh shall take responsibility to provide such funds as shall be needed.

Article 5

The Loans shall be disbursed by the Bank to the Government of Bangladesh, or to the suppliers and/or consultants on behalf of the Government of Bangladesh, in accordance with the disbursement procedures under the Loan Agreements.

Article 6

The Government of Bangladesh shall allow the EDCF office and the EDCF staff to be dispatched from the Republic of Korea and their families with the privileges and immunities that are required for the performance of the duties under this Arrangement. Further details concerning the contents of such privileges and immunities shall be stipulated in a separate arrangement through consultations between the Parties.

Article 7

The Parties mutually agree to further negotiate the specific terms and conditions of the Loan Agreements in line with this Arrangement.

Article 8

This Arrangement may be amended by the mutual written consent of the Parties. The amendment of this Arrangement shall become effective on the date agreed upon by the Parties and shall not affect the validity of any Loan advance prior to such amendment.

Article 9

Any dispute arising out of the interpretation or implementation of this Arrangement shall be settled amicably through negotiations between the Parties.

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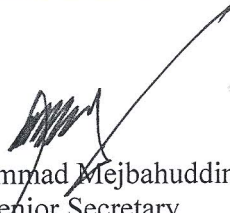
Article 10

1. This Arrangement shall enter into force on the date of signature and shall remain in force, unless otherwise agreed by the Parties, until the Government of Bangladesh performs all the obligations under each of the Loan Agreements.
2. Either Party may terminate this Arrangement at any time by notification to the other Government through diplomatic channels. The termination shall take effect six (6) months from the date of the notification of termination to the other Party. Obligations outstanding at the time of such termination shall nonetheless be completed in accordance with the provisions of this Arrangement, unless otherwise agreed by the Korean Government.
3. The Framework Arrangement between the Government of the Republic of Korea and the Government of the People's Republic of Bangladesh concerning Loans from the Economic Development Cooperation Fund for the years 2012 through 2014 signed on June 6, 2013 shall be terminated on the date when this Arrangement enters into force and be replaced by this Arrangement.


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

Done in duplicate at *Dhaka* on the day of *19th* November, 2015, in the English language.

**FOR THE GOVERNMENT OF
THE PEOPLE'S REPUBLIC OF
BANGLADESH**


Mohammad Mejbahuddin
Senior Secretary
Economic Relations Division
Ministry of Finance
Government of the People's Republic
of Bangladesh

**FOR THE GOVERNMENT OF
THE REPUBLIC OF KOREA**


Ahn Seong-doo
Ambassador Extraordinary and
Plenipotentiary of the Republic of
Korea to the people's Republic of
Bangladesh