

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF INDIA (GoI)

AND

**THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
(GoB)**

FOR

**EXTENDING A NEW LINE OF CREDIT (LoC) OF US\$ 2 Billion
BY GOI TO GOB.**

The Government of the Republic of India (hereinafter referred to as 'GoI') and the Government of the People's Republic of Bangladesh (hereinafter referred to as 'GoB'), hereinafter jointly referred to as the 'Parties'.

BEARING in mind the friendly relations between the two countries;

RECALLING the Economic Cooperation between GoI and GoB in the past for the social and economic development of Bangladesh;

RECOGNIZING the contribution of the past Indian State Credit/LOC towards promoting development of infrastructure in Bangladesh;

RESPONDING to the request of GoB to GoI for extending a New Line of Credit (LoC);

HAVING considered the necessity of enhanced investment in socio-economic sectors of Bangladesh;

NOTING the established institutional framework in Bangladesh for utilizing the Line of Credits extended by GoI to GoB;

HAVE reached the following understanding:

The GoI agrees to extend a New Line of Credit (LoC) of US\$ 2 (Two) Billion to GoB with the same rate of interest per annum and same tenor/moratorium as agreed in the existing Line of Credit extended to Bangladesh by India.

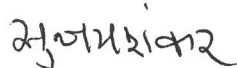
Economic Relations Division, MoF, GoB and the Development Partnership Administration (DPA), Ministry of External Affairs, GoI, through the EXIM Bank of India, will jointly be responsible for formulating and signing of the Loan Agreement for the New LoC. Projects which are critical for social and infrastructure development in Bangladesh, such as, in Power, Railways, Road Transportation, Information & Communication Technology, Shipping, Health, Technical Education sectors will in principle be considered for financing under the New Line of Credit of US\$ 2 Billion. An indicative list of projects is appended to the MoU.

This Memorandum shall come into force from the date of its signing and shall remain valid till signing of the Loan Agreement for the New LoC.

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

Signed on this 6th day of June, 2015 at Dhaka in two originals in English Language.

For the Government of the Republic of India



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For the Government of the People's
Republic of Bangladesh


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



Annexure

Indicative list of Projects for New Indian Credit Line (LoC)

Sl. No	Name of the Project	Sector
1.	Procurement of 500 Tracks for BRTC	Road Transport
2.	Procurement of Double Decker and Articulated Buses for BRTC	Road Transport
3.	Procurement of Equipments and Machineries for Roads and Highway	Road Transport
4.	Higher Education and Skill Development in ICT	Information Technology
5.	Establishment of IT/Hi-Tech Park at District Level (Twelve Districts)	Information Technology
6.	Barapukuria-Bogra-Kaliakoir 400 KV Line Project	Power
7.	Construction of Double Line Including Signaling in Khulna-Darshana Section of Bangladesh Railway	Railway
8.	Construction of New Carriage Workshop in Syedpur Railway Workshop including Feasibility Study	Railway
9.	Conversion of Meter Gauge Line to Dual Gauge Line in Parbatipur-Kawnia Section of Bangladesh Railway	Railway
10	Development of Ashuganj River Port-Dharkhar-Akhaura Land Port Road Length: 50.87 Km	Road Transport
11	Establishment of Inland Container River Port at Ashuganj	Shipping
12	Development and modernization of existing 49 Polytechnic Institutes and two Teachers Training Institutes (TTTC and VTTI) for creation opportunity of One Lakh additional enrollment	Technical Education
13	Establishment of four Medical College and Hospitals and one National Institute of Burn and Plastic Surgery.	Health

2/5/14

