

No. 14356

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**FEDERAL REPUBLIC OF GERMANY  
and  
SRI LANKA**

**Agreement concerning financial assistance (with list of commodities). Signed at Bonn on 21 May 1974**

*Authentic texts: German, Sinhalese and English.*

*Registered by the Federal Republic of Germany on 7 October 1975.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
SRI LANKA**

**Accord d'aide financière (avec liste des articles). Signé à Bonn le 21 mai 1974**

*Textes authentiques : allemand, cinghalais et anglais.*

*Enregistré par la République fédérale d'Allemagne le 7 octobre 1975.*

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE REPUBLIC OF SRI LANKA CONCERNING FINANCIAL ASSISTANCE

The Government of the Federal Republic of Germany and the Government of the Republic of Sri Lanka,

in the spirit of the friendly relations existing between the Federal Republic of Germany and the Republic of Sri Lanka,

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 promote the economic and social development of the Republic of Sri Lanka,

have agreed as follows:

*Article 1.* (1) The Government of the Federal Republic of Germany shall enable the Government of the Republic of Sri Lanka or other Sri Lanka borrowers to be jointly selected by both Governments to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, a loan up to a total of DM 50 million (fifty million German Marks) for the project "Establishment of a Urea Fertilizer Factory near Colombo" if

- (a) after examination the project has been found to be eligible for promotion, and
- (b) binding agreement has been reached with other lenders on their necessary participation in the financing of the project.

(2) The project referred to in paragraph 1 above may be replaced by other projects if the Government of the Federal Republic of Germany and the Government of the Republic of Sri Lanka so agree.

*Article 2.* (1) The Government of the Federal Republic of Germany shall enable the Government of the Republic of Sri Lanka or other Sri Lanka borrowers to be jointly selected by both Governments to raise with the Kreditanstalt für Wiederaufbau, Frankfurt/Main, an additional loan up to a total of DM 10 million (ten million German Marks). The loan shall be used to finance the importation of goods and services connected therewith to meet current civilian requirements pursuant to the list of commodities annexed to the present Agreement, for the most part to maintain and make better use of existing industrial and agricultural production capacities in the Republic of Sri Lanka and to maintain and improve infrastructure.

(2) Payment liabilities for the imports referred to in paragraph 1 above must emanate from supply contracts concluded after 31 December 1973.

*Article 3.* (1) The utilization of the loans referred to in Articles 1 and 2 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 borrowers and the Kreditanstalt für Wiederaufbau which shall be subject to the legal provisions applicable in the Federal Republic of Germany.

<sup>1</sup> Came into force on 21 May 1974 by signature, in accordance with article 9.

(2) The Government of the Republic of Sri Lanka to the extent that it is not itself the borrower, and the Central Bank of the Republic of Sri Lanka shall guarantee to the Kreditanstalt für Wiederaufbau all payments in German Marks in fulfilment of the borrowers' liabilities under the agreements to be concluded under paragraph 1 above.

*Article 4.* The Government of the Republic of Sri Lanka shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Republic of Sri Lanka at the time of the conclusion, or during the implementation of the agreements referred to in Article 3.

*Article 5.* The Government of the Republic of Sri Lanka 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 fair and equal participation 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.

*Article 6.* Supplies and services for projects financed from the loan referred to in Article 1 shall, unless otherwise provided for in individual cases, be subject to international public tender.

*Article 7.* With regard to the 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 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 Sri Lanka within three months after the entry into force of the present Agreement.

*Article 9.* The present Agreement shall enter into force on the date of signature thereof.

DONE at Bonn on 21 May 1974 in duplicate in the German, Singhalese and English languages, all texts being equally authentic. In case of divergent interpretation of the German and the Singhalese text the English text shall prevail.

For the Government  
of the Federal Republic  
of Germany:

[Signed — Signé]<sup>1</sup>

[Signed — Signé]<sup>2</sup>

For the Government  
of the Republic of Sri Lanka:

[Signed — Signé]<sup>3</sup>

#### LIST OF COMMODITIES

PURSUANT TO ARTICLE 2, PARAGRAPH 1, OF THE AGREEMENT OF 21 MAY 1974 BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE REPUBLIC OF SRI LANKA CONCERNING FINANCIAL ASSISTANCE

I. List of commodities eligible for purchases by the Republic of Sri Lanka under Article 2, paragraph 1, of the aforementioned Agreement in the amount of DM 10 million (ten million German Marks):

<sup>1</sup> Signed by Jesser — Signé par Jesser.

<sup>2</sup> Signed by Klamser — Signé par Klamser.

<sup>3</sup> Signed by H. A. de S. Gunasekera — Signé par H. A. de S. Gunasekera.

- (1) agricultural machinery and implements;
- (2) industrial raw and auxiliary materials as well as semi-manufactures;
- (3) industrial equipment;
- (4) chemical products;
- (5) spare parts and accessories of all kinds;
- (6) commercial vehicles of all kinds;
- (7) other industrial products which are of importance for the economic development of the Republic of Sri Lanka.

II. (1) Commodities not contained in the list may be financed only upon prior approval by the Government of the Federal Republic of Germany.

(2) The importation of luxury and consumer goods and of any goods serving military equipment shall be excluded from financing.

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