

No. 16358

**FEDERAL REPUBLIC OF GERMANY
and
SRI LANKA**

Agreement concerning financial assistance. Signed at Colombo on 27 February 1976

Authentic texts: German, Sinhalese and English.

Registered by the Federal Republic of Germany on 1 February 1978.

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

Accord d'aide financière. Signé à Colombo le 27 février 1976

Textes authentiques : allemand, cinghalais et anglais.

Enregistré par la République fédérale d'Allemagne le 1^{er} février 1978.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL
REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE
REPUBLIC OF SRI LANKA CONCERNING FINANCIAL ASSIST-
ANCE

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 contribute to economic and social development in 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 another borrower to be jointly selected by the two Governments to raise with the *Kreditanstalt für Wiederaufbau* (Development Loan Corporation), Frankfurt/Main, a loan up to 7.5 million DM (seven million, five hundred thousand German Marks) to cover the foreign exchange cost of additional investment relating to the extension of the Valaichchenai paper-board mill if, after examination, it has been found eligible for promotion.

(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 utilization of the loan as well as the terms and conditions on which it is granted shall be governed by the provisions of the agreements to be concluded between the borrower and the *Kreditanstalt für Wiederaufbau*, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

(2) The Government of the Republic of Sri Lanka and the Central Bank of the Republic of Sri Lanka shall guarantee to the *Kreditanstalt für Wiederaufbau* all payments in German Marks to be made in fulfilment of the borrower's liabilities under the agreements to be concluded pursuant to paragraph 1 above.

Article 3. 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 2 of the present Agreement.

Article 4. The Government of the Republic of Sri Lanka 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 loan, abstain from taking any measures that might exclude or impair the fair and equal participa-

¹ Came into force on 27 February 1976 by signature, in accordance with article 8.

tion of transport enterprises having their place of business in the German area of application of the present Agreement, and grant permits for such participation as required.

Article 5. Supplies and services for projects financed from the loan shall, unless otherwise provided for in individual cases, be subject to international public tender.

Article 6. With regard to supplies resulting from the granting of the loan, the Government of the Federal Republic of Germany attaches particular importance to preference being given to products of industries of Land Berlin.

Article 7. With the exception of those provisions of article 4 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 of the date of entry into force of this Agreement.

Article 8. The present Agreement shall enter into force on the date of signature thereof.

DONE at Colombo on 27th February, 1976, in duplicate in the German, Sinhala and English languages, all three texts being equally authentic.

For the Government
of the Federal Republic
of Germany:

[Signed — Signé]¹

[Signed — Signé]²

For the Government
of the Republic of Sri Lanka:

[Signed — Signé]³

¹ Signed by Dr. G. Feilner — Signé par G. Feilner.

² Signed by Udo Kollatz — Signé par Udo Kollatz.

³ Signed by H. de S. Gunasekera — Signé par H. de S. Gunasekera.