

No. 20238

FEDERAL REPUBLIC OF GERMANY
and
SRI LANKA

Agreement concerning financial co-operation—*Foreign exchange costs of a fertilizer distribution project (with annex).* Signed at Colombo on 30 March 1979

Authentic texts: German, Sinhalese and English.

Registered by the Federal Republic of Germany on 31 July 1981.

RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
SRI LANKA

Accord de coopération financière — *Frais en devises d'un projet de distribution d'engrais (avec annexe).* Signé à Colombo le 30 mars 1979

Textes authentiques : allemand, cinghalais et anglais.

Enregistré par la République fédérale d'Allemagne le 31 juillet 1981.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA CONCERNING FINANCIAL CO-OPERATION

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

In the spirit of the friendly relations existing between the Federal Republic of Germany and the Democratic Socialist Republic of Sri Lanka,

Desiring to strengthen and intensify those friendly relations through financial co-operation in a spirit of partnership,

Aware that the maintenance of those relations constitutes the basis of this Agreement,

Intending to contribute to social and economic development in the Democratic Socialist 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 Democratic Socialist Republic of Sri Lanka or another borrower to be determined jointly by the two Governments to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main,

(a) A loan of up to DM 7 million (seven million deutsche mark). The loan shall be used to meet foreign exchange costs resulting from the purchase of goods and services intended for the distribution of fertilizers in the Democratic Socialist Republic of Sri Lanka, if, after examination, the project has been found eligible for promotion.

(b) A further loan of up to DM 5 million (five million deutsche mark). The loan shall be used to meet foreign exchange costs resulting from the purchase of goods and services to cover current civilian requirements. These supplies and services must be such as are covered by the list annexed to and forming an integral part of the present Agreement and for which supply or service contracts have been concluded after 31 December 1978.

(2) The loans referred to in paragraph 1 above may also be used to meet foreign exchange and local currency costs of transport, insurance and assembly arising in connection with the importation of goods financed under the present Agreement.

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

Article 2. (1) The utilization of the loans 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 borrower and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

¹ Came into force on 30 March 1979 by signature, in accordance with article 8.

(2) The Government of the Democratic Socialist Republic of Sri Lanka, to the extent that it is not itself the borrower, and the central bank of the Democratic Socialist Republic of Sri Lanka shall guarantee to the Kreditanstalt für Wiederaufbau all payments in deutsche mark 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 Democratic Socialist Republic of Sri Lanka shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Democratic Socialist Republic of Sri Lanka in connection with the conclusion and implementation of the agreements to be concluded pursuant to Article 2 of the present Agreement.

Article 4. The Government of the Democratic Socialist 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 participation on equal terms of transport enterprises having their place of business in the German area of application of this Agreement, and grant any necessary permits for the participation of such enterprises.

Article 5. Supplies and services for projects financed from the loan pursuant to Article 1 (1) (a) of this Agreement shall, unless otherwise provided for in individual cases, be subject to international public tender.

Article 6. With regard to supplies and services resulting from the granting of the loans, the Government of the Federal Republic of Germany attaches particular importance to preferential use being made of the economic potential 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 Democratic Socialist Republic of Sri Lanka within three months of the date of entry into force of this Agreement.

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

DONE at Colombo on 30 March 1979 in duplicate in the German, Sinhalese and English languages, all three texts being authentic. In case of divergent interpretations of the German and Sinhalese texts, the English text shall prevail.

For the Government
of the Federal Republic of Germany:

For the Government
of the Democratic Socialist Republic
of Sri Lanka:

[Signed — Signé]¹

[Signed — Signé]³

[Signed — Signé]²

¹ Signed by Wöckel — Signé par Wöckel.

² Signed by Franz Klamser — Signé par Franz Klamser.

³ Signed by W. M. Tilakaratna — Signé par W. M. Tilakaratna.

ANNEX TO THE AGREEMENT OF 30 MARCH 1979 BETWEEN THE GOVERNMENT
OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE
DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA CONCERNING FINAN-
CIAL CO-OPERATION

List of goods and services of a value of up to DM 5 million (five million deutsche mark) eligible for financing from the loan under Article 1 (1) (b) of the aforementioned Agreement:

- (a) Chemical products for industry and agriculture, including fertilizers and medicaments,
- (b) Industrial and agricultural equipment, accessories and spare parts,
- (c) Industrial raw and auxiliary materials for the industrial development in the Democratic Socialist Republic of Sri Lanka,
- (d) Spare parts for the Sri Lankan railways,
- (e) Lorries and other non-passenger-carrying vehicles as well as spare parts for vehicles,
- (f) Advisory services, patents and licence fees.

Imports not included in the above list may only be financed with the prior approval of the Government of the Federal Republic of Germany.

The importation of luxury and consumer goods for personal needs as well as any goods and facilities serving military purposes may not be financed from the loan.
