

No. 20239

FEDERAL REPUBLIC OF GERMANY
and
SRI LANKA

**Agreement concerning financial co-operation. Signed at
Colombo on 3 August 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. Signé à Colombo le
3 août 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 CON-
CERNING 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, an additional loan of up to DM 6,000,000 (six million deutsche mark) for the project "Establishment of a urea fertilizer factory near Colombo". The loan shall be disbursed subject to a binding agreement with other sponsors on the necessary co-financing of the project.

(2) The project referred to in paragraph 1 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 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 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.

¹ Came into force on 3 August 1979 by signature, in accordance with article 8.

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 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 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 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 loan, 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 3 August 1979 in duplicate in the German, Sinhala and English languages, all three texts being authentic. In case of divergent interpretations of the German and Sinhala texts, the English text shall prevail.

[Signed — Signé]¹

For the Government
of the Federal Republic of Germany

[Signed — Signé]²

For the Government
of the Democratic Socialist Republic
of Sri Lanka

¹ Signed by G. Heisch — Signé par G. Heisch.

² Signed by W. M. Tilakaratna — Signé par W. M. Tilakaratna.