

No. 22646

**FEDERAL REPUBLIC OF GERMANY
and
SRI LANKA**

**Agreement concerning financial co-operation (with annex).
Signed at Colombo on 22 November 1982**

Authentic texts: German, Sinhala and English.

Registered by the Federal Republic of Germany on 29 December 1983.

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

**Accord de coopération financière (avec annexe). Signé à
Colombo le 22 novembre 1982**

Textes authentiques : allemand, cinghalais et anglais.

Enregistré par la République fédérale d'Allemagne le 29 décembre 1983.

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 recipient to be determined jointly by the two Governments to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main,

(a) A loan of up to DM 6,000,000 (six million Deutsche Mark). The loan shall be used to help finance the project "Environmental protection measures for the Valaichchenai paperboard mill" if, after examination, the project has been found eligible for promotion;

(b) A further loan of up to DM 9,000,000 (nine 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, and to meet foreign exchange and local currency costs of transport, insurance and assembly arising in connection with the importation of goods financed under this Agreement. The supplies and services must be such as are covered by the list annexed to this Agreement and for which supply or service contracts have been concluded after the signing of the agreements to be concluded pursuant to article 2 of the present Agreement.

(2) This Agreement shall also apply if, at a later date, the Government of the Federal Republic of Germany enables the Government of the Democratic Socialist Republic of Sri Lanka to obtain from the Kreditanstalt für Wiederaufbau further loans or financial contributions for the preparation of the project "Environmental protection measures for the Valaichchenai paperboard mill" or financial contributions for attendant measures required for its implementation and support. Financial contributions for preparatory and attendant measures shall be converted into loans in the event that they are not used for such measures.

¹ Came into force on 22 November 1982 by signature, in accordance with article 8.

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

Article 2. (1) The utilization of the amounts referred to in article 1 of this Agreement as well as the terms and conditions on which they are made available shall be governed by the provisions of the agreements to be concluded between the recipient of the loan 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, insofar as it is not itself the borrower, 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 referred to in 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 fair and equal participation 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) above 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 22nd November 1982, in duplicate in the German, Singhalese and English languages, all three texts being authentic. In case of divergent interpretations of the German and Singhalese texts, the English text shall prevail.

For the Government
of the Federal Republic of Germany:

[Signed — Signé]¹

[Signed — Signé]²

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

[Signed — Signé]³

[Signed — Signé]⁴

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

1. List of goods and services eligible for financing from the loan under article 1 (1) (b) of the Agreement of [22 November 1982],

- (a) Industrial raw and auxiliary materials as well as semi-manufactures,
- (b) Industrial equipment,
- (c) Agricultural machinery and implements as well as seed,
- (d) Spare parts and accessories of all kinds,
- (e) Chemical products, in particular fertilizers, plant protection agents, pesticides, medicaments,
- (f) Other industrial products of importance for the development of the Democratic Socialist Republic of Sri Lanka,
- (g) Advisory services, patents and licence fees.

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

3. 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.

¹ Signed by Gerhart Pfeiffer — Signé par Gerhart Pfeiffer.

² Signed by Jürgen Warnke — Signé par Jürgen Warnke.

³ Signed by Ronnie de Mel — Signé par Ronnie de Mel.

⁴ Signed by Tilakaratna — Signé par Tilakaratna.