

No. 26077

**FEDERAL REPUBLIC OF GERMANY
and
SRI LANKA**

Agreement concerning financial cooperation. Signed at Colombo on 7 May 1986

Authentic texts: German, Sinhala and English.

Registered by the Federal Republic of Germany on 19 July 1988.

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

Accord de coopération financière. Signé à Colombo le 7 mai 1986

Textes authentiques : allemand, cinghalais et anglais.

Enregistré par la République fédérale d'Allemagne le 19 juillet 1988.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL
REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE
DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA CON-
CERNING FINANCIAL COOPERATION

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 cooperation 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 Sri Lanka,

Have agreed as follows:

Article 1

The Government of the Federal Republic of Germany shall enable the Government of the Democratic Socialist Republic of Sri Lanka to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, a loan of up to DM 120,000,000 (one hundred and twenty million deutsche mark) to co-finance the Mahaweli/Rantembe Dam Project, provided that the overall financing of the project is assured.

Article 2

The Government of the Federal Republic of Germany shall make available, on the basis of the existing national rules and provided the other conditions for cover are met, a guarantee up to a maximum amount of DM 110,000,000 (one hundred and ten million deutsche mark) in respect of that part of the value of an order not financed from loans granted under financial cooperation. The following Articles of this Agreement shall also apply to the loans to be granted outside the scope of financial cooperation, provided that the Kreditanstalt für Wiederaufbau is the lender.

Article 3

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

¹ Came into force on 7 May 1986 by signature, in accordance with article 9.

Article 4

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 3 of the present Agreement.

Article 5

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, land 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 6

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

Article 7

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 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 Democratic Socialist Republic of Sri Lanka within three months of the date of entry into force of this Agreement.

Article 9

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

DONE at Colombo on [7 May 1986] 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.

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

¹ Signed by D. Sasse — Signé par D. Sasse.

² Signed by Ehmann — Signé par Ehmann.

³ Signed by Tilakaratna — Signé par Tilakaratna.