

**No. 14355**

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**FEDERAL REPUBLIC OF GERMANY  
and  
NEPAL**

**Agreement concerning financial assistance (with annex).  
Signed at Kathmandu on 17 May 1974**

*Authentic texts: German, Nepalese and English.*

*Registered by the Federal Republic of Germany on 7 October 1975.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
NÉPAL**

**Accord d'aide financière (avec annexe). Signé à Katmandou  
le 17 mai 1974**

*Textes authentiques : allemand, népalais et anglais.*

*Enregistré par la République fédérale d'Allemagne le 7 octobre 1975.*

AGREEMENT<sup>1</sup> BETWEEN HIS MAJESTY'S GOVERNMENT OF NEPAL  
AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GER-  
MANY CONCERNING FINANCIAL ASSISTANCE

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His Majesty's Government of Nepal and the Government of the Federal Republic of Germany,

in the spirit of the friendly relations existing between the Kingdom of Nepal and the Federal Republic of Germany,

desiring to strengthen and intensify those friendly relations by fruitful co-operation in the field of development assistance,

being aware that the maintenance of those relations constitutes the basis of the present Agreement,

intending to further assist in the development of the economy of the Kingdom of Nepal,

have agreed as follows:

*Article 1.* (1) His Majesty's Government of Nepal (hereinafter referred to as HMG/N) shall be enabled by the Government of the Federal Republic of Germany (hereinafter referred to as FRG) to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, a loan up to a total of DM 5 million (five million German Marks).

(2) The loan shall be used to finance current necessary civilian import requirements in accordance with the list of commodities attached to the present Agreement and the services connected therewith.

*Article 2.* 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 agreement to be concluded between HMG/N and the Kreditanstalt für Wiederaufbau which shall be subject to the legal provisions applicable in the FRG.

*Article 3.* HMG/N shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Kingdom of Nepal at the time of the conclusion, or during the execution, of the loan agreement referred to in Article 2 of the present Agreement.

*Article 4.* HMG/N shall allow passengers and suppliers free choice of means of transport for such transportation by 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 an equal basis of transport enterprises of the FRG of *Land Berlin*, and grant the relevant permits as required.

*Article 5.* With regard to the supplies resulting from the granting of the loan, the Government of the FRG attaches particular importance to preference being given to products of industries of *Land Berlin*.

*Article 6.* 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 FRG does not make a contrary declaration to HMG/N within three months of the entry into force of the present Agreement.

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<sup>1</sup> Came into force on 17 May 1974 by signature, in accordance with article 7.

*Article 7.* The present Agreement shall enter into force on the date of signature thereof.

DONE at Kathmandu on May 17, 1974, in six originals, two each in the German, English and Nepalese languages.

All texts shall be equally authentic; in case of divergent interpretations the English text shall prevail.

[Signed — Signé]<sup>1</sup>  
For His Majesty's  
Government of Nepal

[Signed — Signé]<sup>2</sup>  
For the Government  
of the Federal Republic  
of Germany

## ANNEX

### PURSUANT TO ARTICLE 1 OF THIS AGREEMENT

I. List of commodities which may be purchased as commodity aid by the Kingdom of Nepal up to a total of five million German Marks in accordance with the Agreement signed between HMG/N and the Government of the FRG on May 17, 1974.

1. Suspension bridges
2. Road construction material
3. Telecommunication equipment
4. Material for the construction of warehouses
5. Agricultural machinery and implements
6. Industrial raw and auxiliary materials and semi-manufactures
7. Industrial equipment
8. Products of the chemical industry
9. Spare parts and accessories of all kinds
10. Commercial or agricultural vehicles of all kinds
11. Other industrial products important for economic development in the Kingdom of Nepal.

II. (1) Commodities not specified in the above list may only be financed with the prior approval of the Government of the FRG.

(2) The importation of luxury and consumer goods and all goods for the purposes of military equipment may not be financed under this Agreement.

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<sup>1</sup> Signed by Pradhan — Signé par Pradhan.

<sup>2</sup> Signed by Mirow — Signé par Mirow.