

No. 14901

**FEDERAL REPUBLIC OF GERMANY
and
NEPAL**

**Agreement concerning financial assistance. Signed at Kath-
mandu on 2 January 1976**

Authentic texts: German, Nepalese and English.

Registered by the Federal Republic of Germany on 21 July 1976.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
NÉPAL**

Accord d'aide financière. Signé à Katmandou le 2 janvier 1976

Textes authentiques : allemand, népalais et anglais.

Enregistré par la République fédérale d'Allemagne le 21 juillet 1976.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL
REPUBLIC OF GERMANY AND HIS MAJESTY'S GOVERNMENT OF
NEPAL CONCERNING FINANCIAL ASSISTANCE

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

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

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

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

Intending to promote economic and social development in the Kingdom of Nepal,

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable His Majesty's Government of Nepal or another borrower to be jointly selected by the Contracting Parties to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, a loan up to a total of DM 15,000,000 (fifteen million German Marks) for the Kankai Multi-Purpose Project if, on completion of the feasibility study now being prepared and after examination, the project is found eligible for promotion. This amount includes DM 5 million granted in 1973 and DM 10 million granted in 1975 for the financing of projects.

(2) The project referred to in paragraph 1 above may be replaced by other projects if the Contracting Parties 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 legal provisions applicable in the Federal Republic of Germany.

(2) His Majesty's Government of Nepal, to the extent that it is not itself the borrower, and the Nepal Rastra Bank shall guarantee to the Kreditanstalt für Wiederaufbau all payments in German Marks to be made in fulfilment of the borrower's liabilities under the agreements concluded pursuant to paragraph 1 above.

Article 3. His Majesty's Government of Nepal 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 agreements referred to in article 2 of the present Agreement.

Article 4. His Majesty's Government of Nepal 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 loan, abstain from taking any measures that might exclude or impair the participation of transport enterprises having their place of business in the German area of application of the present Agreement, and grant the relevant permits for the participation of such enterprises as required.

¹ Came into force on 2 January 1976 by signature, in accordance with article 8.

Article 5. Supplies and services for projects financed from the loan shall, unless otherwise provided in individual cases, be subject to international public tender.

Article 6. With regard to the supplies resulting from the granting of the loan, the Government of the Federal Republic of Germany attaches particular importance to preference being given to products of industries 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 His Majesty's Government of Nepal within three months after the entry into force of the present Agreement.

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

DONE at Kathmandu on January 2, 1976, in six originals in the German, Nepalese and English languages, all texts being authentic. In case of divergent interpretations of the German and Nepalese texts, the English text shall prevail.

[Signed — Signé]¹

For the Government
of the Federal Republic of Germany

[Signed — Signé]²

For His Majesty's Government
of Nepal

¹ Signed by Eduard Mirow — Signé par Eduard Mirow.

² Signed by B. B. Pradhan — Signé par B. B. Pradhan.