

No. 16390

**FEDERAL REPUBLIC OF GERMANY
and
NEPAL**

**Agreement concerning financial assistance. Signed at
Kathmandu on 11 November 1976**

Authentic texts: German, Nepalese and English.

Registered by the Federal Republic of Germany on 1 February 1978.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
NÉPAL**

**Accord d'aide financière. Signé à Katmandou le 11 no-
vembre 1976**

Textes authentiques : allemand, népalais et anglais.

Enregistré par la République fédérale d'Allemagne le 1^{er} février 1978.

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 contribute to 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 two Governments to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, a further loan up to 25,000,000 DM (twenty-five million German Marks) for the Kankai Multi-Purpose Project if, on completion of the feasibility study in progress and after due examination, the project has been found eligible for promotion.

(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 laws and regulations 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 to be 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 implementation, 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, 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 of transport enterprises having their place of business in the German area of application of the present Agreement, and grant permits for such participation as required.

¹ Came into force on 11 November 1976 by signature, in accordance with article 8.

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 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 of the date of entry into force of this Agreement.

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

DONE at Kathmandu on 11th November 1976, in duplicate in the German, Nepalese and English languages, all three texts being authentic. In case of divergent interpretations of the German and Nepalese texts, the English text shall prevail.

For the Government
of the Federal Republic of Germany:

[Signed — Signé]¹

[Signed — Signé]²

For His Majesty's Government
of Nepal:

[Signed — Signé]³

¹ Signed by Karl Maes — Signé par Karl Maes.

² Signed by Dr. Franz Klamser — Signé par Franz Klamser.

³ Signed by Devendra R. Pandey — Signé par Devendra R. Pandey.