

No. 18388

**FEDERAL REPUBLIC OF GERMANY
and
NEPAL**

**Agreement concerning financial assistance (with annex).
Signed at Kathmandu on 18 October 1977**

Authentic texts: German, Nepalese and English.

Registered by the Federal Republic of Germany on 28 March 1980.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
NÉPAL**

**Accord d'aide financière (avec annexe). Signé à Katmandou
le 18 octobre 1977**

Textes authentiques : allemand, népalais et anglais.

Enregistré par la République fédérale d'Allemagne le 28 mars 1980.

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 Nepal,

Have agreed as follows:

Article 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 loan up to DM 10,000,000 (ten million German Marks) to meet foreign exchange costs resulting from the purchase of goods and services to cover current civilian requirements. These supplies and services must be such as are covered by the list annexed to the present Agreement and for which import licences have been issued after 30 September 1977.

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 land, 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 equal terms of transport enterprises having their place of business in the German area of application of the present Agreement, and grant the relevant permits as required for the participation of such enterprises.

¹ Came into force on 18 October 1977 by signature, in accordance with article 7.

Article 5. 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 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 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 7. The present Agreement shall enter into force on the date of signature thereof.

DONE at Kathmandu on 18th October 1977 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

For His Majesty's Government
of Nepal:

[Signed — Signé]²

ANNEX TO THE AGREEMENT OF 18TH OCTOBER 1977 BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND HIS MAJESTY'S GOVERNMENT OF NEPAL CONCERNING FINANCIAL ASSISTANCE

List of goods and services eligible for financing from the loan up to a total value of DM 10,000,000 (ten million German Marks) under article 1 of the Agreement referred to above.

1. Industrial raw and auxiliary materials as well as semi-manufactures;
2. Industrial equipment as well as agricultural machinery and implements, including equipment for erosion control measures;
3. Spare parts and accessories of all kinds;
4. Chemical products;
5. Other industrial products of importance for the development of the Kingdom of Nepal;
6. The costs, also in local currency, of consulting services, patents, licences, transport, insurance and assembly arising in connection with the importation of goods financed under the present Agreement.

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

The importation of consumer goods for personal needs, especially luxury goods, as well as any goods and facilities serving military purposes may not be financed from the loan.

¹ Signed by Maes — Signé par Maes.

² Signed by Devendra R. Panday — Signé par Devendra R. Panday.