

No. 18503

---

**FEDERAL REPUBLIC OF GERMANY  
and  
NEPAL**

**Agreement concerning financial co-operation—*Adjustment of past credits* (with annex). Signed at Kathmandu on 19 November 1978**

*Authentic texts: German, Nepalese and English.*

*Registered by the Federal Republic of Germany on 14 April 1980.*

---

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
NÉPAL**

**Accord de coopération financière — *Ajustements de crédits existants* (avec annexe). Signé à Katmandou le 19 novembre 1978**

*Textes authentiques : allemand, népalais et anglais.*

*Enregistré par la République fédérale d'Allemagne le 14 avril 1980.*

## AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND HIS MAJESTY'S GOVERNMENT OF NEPAL CONCERNING FINANCIAL CO-OPERATION

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

Having regard to Resolution 165 (S-IX) of 11 March 1978 of the Trade and Development Board in which the industrialized nations state their readiness to adjust the terms of past official development assistance credits to poorer developing countries, in particular the least developed countries, to the currently prevailing softer terms, or to adopt other equivalent measures,

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 financial co-operation 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 the Kingdom of Nepal,

Have agreed as follows:

*Article 1.* The Government of the Federal Republic of Germany shall provide for the loan and guarantee agreements, as listed in the Annex to this Agreement, amounting to DM 29,000,000 (twenty-nine million Deutsche Mark) concluded on the basis of the intergovernmental agreements, also listed in the Annex, by His Majesty's Government of Nepal or other borrowers jointly determined by the two Governments with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, to be amended to the effect that

- (a) The loans granted to His Majesty's Government of Nepal shall be turned into grants as from 31 December 1978 and hence interest and amortization payment obligations under the aforementioned loan and guarantee agreements falling due from that date onwards remitted,
- (b) Borrowers other than His Majesty's Government of Nepal shall make the payments referred to in sub-paragraph (a) above not to the Kreditanstalt für Wiederaufbau but in local currency to His Majesty's Government of Nepal with the effect that the debts are discharged, and
- (c) Commitment charges shall as from 1 July 1978 not be made on amounts not disbursed under the aforementioned loan agreements.

*Article 2.* (1) The Government of the Federal Republic of Germany shall enable His Majesty's Government of Nepal to obtain from the Kreditanstalt für Wiederaufbau, Frankfurt/Main, instead of the loans amounting to DM 60,000,000 (sixty million Deutsche Mark) committed under

<sup>1</sup> Came into force on 19 November 1978 by signature, in accordance with article 5.

(a) The intergovernmental agreements of 13 June 1975, 2 January 1976,<sup>1</sup> and 11 November 1976,<sup>2</sup> and

(b) The Note of 28 December 1977

financing contributions on a grant basis.

(2) In all other respects the provisions of the intergovernmental agreements referred to in paragraph (1) (a) above shall apply *mutatis mutandis*. A separate intergovernmental agreement shall be concluded on the financing contribution pursuant to paragraph (1) (b) above amounting to DM 10,000,000 (ten million Deutsche Mark).

*Article 3.* Further details shall be settled in separate agreements to be concluded between His Majesty's Government of Nepal, the previous borrower and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

*Article 4.* 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 5.* This Agreement shall enter into force on the date of signature thereof.

DONE at Kathmandu on 19 November 1978 in duplicate in the German, Nepali and English languages, all three texts being authentic. In case of divergent interpretations of the German and the Nepali texts, the English text shall prevail.

For the Government  
of the Federal Republic of Germany:

[Signed — Signé]<sup>3</sup>

[Signed — Signé]<sup>4</sup>

For His Majesty's Government  
of Nepal:

[Signed — Signé]<sup>5</sup>

ANNEX TO THE AGREEMENT OF 19 NOVEMBER 1978 BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND HIS MAJESTY'S GOVERNMENT OF NEPAL CONCERNING FINANCIAL CO-OPERATION

Article 1 shall apply to the following:

—The intergovernmental agreements of 29 November 1963, 25 April 1966, 23 December 1968, 31 January 1973, 17 May 1974<sup>6</sup> (two agreements), 18 October 1977,<sup>7</sup> and

—The loan and guarantee agreements of 10 April 1964, 20 June 1966, 9 August 1971, 12 September 1973, 15 August 1974 (two agreements) and 31 March 1978.

<sup>1</sup> United Nations, *Treaty Series*, vol. 1017, p. 35.

<sup>2</sup> *Ibid.*, vol. 1074, p. 139.

<sup>3</sup> Signed by K. Maes — Signé par K. Maes.

<sup>4</sup> Signed by C. W. Sanne — Signé par C. W. Sanne.

<sup>5</sup> Signed by Devendra R. Panday — Signé par Devendra R. Panday.

<sup>6</sup> United Nations, *Treaty Series*, vol. 983, p. 213.

<sup>7</sup> *Ibid.*, vol. 1163, No. I-18388.