

**No. 18502**

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**FEDERAL REPUBLIC OF GERMANY  
and  
NEPAL**

**Agreement concerning financial co-operation (with annex).  
Signed at Kathmandu on 30 October 1978**

*Authentic texts: German, Nepalese and English.*

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

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
NÉPAL**

**Accord de coopération financière (avec annexe). Signé à  
Katmandou le 30 octobre 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,

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

Desiring to further 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 further contribute to economic and social development in the Kingdom of Nepal,

Have agreed as follows:

*Article 1.* The Government of the Federal Republic of Germany shall enable His Majesty's Government of Nepal to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, a financing contribution (grant) of up to DM 10,000,000 (ten million Deutsche Mark) to meet foreign exchange costs resulting from the purchase of goods and services to cover current civilian requirements as well as foreign exchange and local currency costs for transport, insurance and assembly arising in connection with the importation of goods financed from the assistance. These supplies and services must be such as are covered by the list annexed to the present Agreement and for which supply or service contracts have been concluded after 31 December 1977.

*Article 2.* The utilization of the financing contribution (grant) as well as the terms and conditions on which it is granted shall be governed by the provisions of the financing (grant) agreement to be concluded between His Majesty's Government of Nepal and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

*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 agreement 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 contribution, 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 permits for the participation of such enterprises as required.

*Article 5.* With regard to supplies and services resulting from the granting of the contribution, the Government of the Federal Republic of Germany attaches

<sup>1</sup> Came into force on 30 October 1978 by signature, in accordance with article 7.

particular importance to preferential use being made of the economic potential 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 October 30, 1978, in duplicate in the German, Nepali and English languages, all three texts being authentic. In case of divergent interpretations of the German and Nepali texts, the English text shall prevail.

[Signed — Signé]<sup>1</sup>

For the Government  
of the Federal Republic of Germany

[Signed — Signé]<sup>2</sup>

For His Majesty's Government  
of Nepal

ANNEX PURSUANT TO ARTICLE 1 [OF] THE AGREEMENT OF OCTOBER 30, 1978, BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND HIS MAJESTY'S GOVERNMENT OF NEPAL CONCERNING FINANCIAL CO-OPERATION

List of goods and services eligible for financing from the financing contribution (grant) up to a total value of DM 10,000,000 (ten million Deutsche Mark) under article 1 of the aforementioned Agreement:

1. Industrial raw and auxiliary materials as well as semi-manufactures,
2. Industrial equipment as well as agricultural machinery and implements and 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. Advisory services, patents and licences.

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 contribution (grant).

<sup>1</sup> Signed by K. Maes — Signé par K. Maes.

<sup>2</sup> Signed by Devendra R. Panday — Signé par Devendra R. Panday.