

No. 21731

**FEDERAL REPUBLIC OF GERMANY
and
NEPAL**

**Agreement concerning financial co-operation. Signed at
Katmandu on 30 December 1980**

Authentic texts: German, Nepalese and English.

Registered by the Federal Republic of Germany on 17 March 1983.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
NÉPAL**

**Accord de coopération financière. Signé à Katmandou le
30 décembre 1980**

Textes authentiques : allemand, népalais et anglais.

Enregistré par la République fédérale d'Allemagne le 17 mars 1983.

AGREEMENT¹ 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 strengthen and intensify those friendly relations through 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. (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, financial contributions of up to DM 15,000,000 (fifteen million Deutsche Mark).

(2) The financial contributions shall be used as follows:

- (a) up to DM 10,000,000 (ten million Deutsche Mark) for the projects
 - Agricultural Development Bank (ADB) DM 5,000,000
 - Nepal Industrial Development Corporation (NIDC) DM 5,000,000
- (b) up to DM 5,000,000 (five million Deutsche Mark) to meet foreign exchange costs resulting from the purchase of spare parts and connected services for the Himal Cement Factory, and to meet foreign exchange and local currency costs of transport, insurance and assembly arising in connection with the importation of goods financed under this Agreement,

if, after examination, the projects have been found eligible for promotion.

(3) The projects referred to in paragraph 2 above may be replaced by other projects if the Government of the Federal Republic of Germany and His Majesty's Government of Nepal so agree.

Article 2. The utilization of the financial contributions as well as the terms and conditions on which they are granted shall be governed by the provisions of the financing agreements to be concluded between the Kreditanstalt für Wiederaufbau and His Majesty's Government of Nepal, 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 in connection with the conclusion and implementation of the financing agreements to be concluded pursuant to Article 2 of the present Agreement.

¹ Came into force on 30 December 1980 by signature, in accordance with article 8.

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 financial contributions, 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 this Agreement, and grant any necessary permits for the participation of such enterprises.

Article 5. Supplies and services for projects financed from the financial contribution under Article 1 (2) (b) shall, unless otherwise provided for in individual cases, be subject to international public tender.

Article 6. With regard to supplies and services resulting from the granting of the financial contributions, the Government of the Federal Republic of Germany attaches particular importance to preferential use of being made of the economic potential 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. This Agreement shall enter into force on the date of signature thereof.

DONE at Kathmandu on December 30, 1980 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]

Dr. R.-R. ZIRPEL
Chargé d'Affaires a.i.

Embassy of the Federal Republic
of Germany
Kathmandu, Nepal

For His Majesty's Government
of Nepal:

[Signed]

G. B. N. PRADHAN
Secretary

Ministry of Finance
Kathmandu, Nepal