

**No. 26688**

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**FEDERAL REPUBLIC OF GERMANY  
and  
NEPAL**

**Agreement concerning financial cooperation. Signed at  
Kathmandu on 20 July 1987**

*Authentic texts: German, Nepali and English.*

*Registered by the Federal Republic of Germany on 16 June 1989.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
NÉPAL**

**Accord de coopération financière. Signé à Katmandou le  
20 juillet 1987**

*Textes authentiques : allemand, népalais et anglais.*

*Enregistré par la République fédérale d'Allemagne le 16 juin 1989.*

## AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND HIS MAJESTY'S GOVERN- MENT 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 up to a  
total of DM 25,000,000 (twenty-five million Deutsche Mark).

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

- (a) Up to DM 700,000 (seven hundred thousand Deutsche Mark) for the project  
Rehabilitation of the Chobar Cement Plant,
- (b) Up to DM 5,000,000 (five million Deutsche Mark) for the project Nepal Indus-  
trial Development Corporation (NIDC),
- (c) Up to DM 19,300,000 (nineteen million three hundred thousand Deutsche Mark)  
for the project New Hydroelectric Power Plant,

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

(3) This Agreement shall also apply if, at a later date, the Government of the  
Federal Republic of Germany enables his Majesty's Government of Nepal to obtain  
from the Kreditanstalt für Wiederaufbau, Frankfurt/Main, further financial contri-  
butions for the preparation of the project New Hydroelectric Power Plant or for  
attendant measures required for its implementation and support.

(4) The projects referred to in paragraph 2 (a) to (c) 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 amounts referred to in Article 1 of this Agreement and the  
terms and conditions on which they are made available, as well as the procedure for  
awarding contracts, shall be governed by the provisions of the agreements to be  
concluded between the recipient of the financial contributions and the Kreditanstalt  
für Wiederaufbau, which shall be subject to the laws and regulations applicable in  
the Federal Republic of Germany.

<sup>1</sup> Came into force on 20 July 1987 by signature, in accordance with article 7.

*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 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 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*

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 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*

This Agreement shall enter into force on the date of signature thereof.

DONE at Kathmandu on 20 July, 1987 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.

For the Government  
of the Federal Republic of Germany:

[Signed]

KARL KEMPF  
Ambassador  
of the Federal Republic  
of Germany in Kathmandu

[Signed]

HANS KLEIN  
Federal Minister  
for Economic Co-operation

For His Majesty's Government  
of Nepal:

[Signed]

BHARAT B. PRADHAN  
Minister of State  
for Finance and Industry