

No. 29691

**FEDERAL REPUBLIC OF GERMANY
and
NEPAL**

**Agreement concerning financial cooperation (with annex).
Signed at Kathmandu on 28 August 1990**

Authentic texts: German, Nepalese and English.

Registered by Germany on 23 March 1993.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
NÉPAL**

**Accord de coopération financière (avec annexe). Signé à
Katmandou le 28 août 1990**

Textes authentiques : allemand, népalais et anglais.

Enregistré par l'Allemagne le 23 mars 1993.

AGREEMENT¹ 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,

Aware that the maintenance of those relations constitutes the
basis of this Agreement, and

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, a financial contribution of up to DM 10 000 000,—
(ten million Deutsche Mark).

(2) The financial contribution shall be used to meet foreign
exchange costs resulting from the purchase of fertilizers and other
goods and services to cover current civilian requirements 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.

(3) The imported goods and services must be such as are
covered by the list annexed to this Agreement. The financial
contribution shall be used exclusively for goods and services for

¹ Came into force on 28 August 1990 by signature, in accordance with article 8.

which supply contracts have been concluded after 31 Dezember 1989.

Article 2

The utilization of the amount referred to in Article 1 of this Agreement and the terms and conditions on which it is made available shall be governed by the provisions of the financing agreement to be concluded between the Kreditanstalt für Wiederaufbau and His Majesty's Government of Nepal, which agreement 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 on the conclusion or during the implementation of the financing 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 financial 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 this Agreement, and grant any necessary permits for the participation of such enterprises.

Article 5

(1) The fertilizers imported by means of the financial contribution shall be sold in Nepal by the Agricultural Inputs Corporation (hereinafter referred to as AIC).

(2) His Majesty's Government of Nepal shall pay 80 % (eighty per cent) of the proceeds from the sale into a non-interestbearing special account at the Nepal Rastra Bank, Kathmandu Banking Office, which the bank shall conduct under the title "Trust account for counterpart funds from German fertilizer aid". Payment shall take place six months after the sale of the fertilizers.

(3) The Ministry of Finance of His Majesty's Government of Nepal, together with the Embassy of the Federal Republic of Germany in Kathmandu, shall use the deposited funds by giving joint or identical instructions. Both shall receive current statements of account and be entitled to check that due payments are deposited in the account.

Article 6

With regard to supplies and services resulting from the granting of the financial contribution, the Government of the Federal Republic of Germany attaches particular importance to preferential use being made of the economic potential of Land Berlin.

Article 7

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 28 August 1990 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:

Dr. MARTIN SCHNELLER
Ambassador of the Federal Republic of Germany

For His Majesty's Government of Nepal:

Dr. SASHI N. SHAH
Acting Secretary Ministry of Finance

Annex
to the Agreement of 28 August 1990
between the Government of the Federal Republic of Germany
and His Majesty's Government of Nepal
concerning Financial Co-operation

1. List of goods and services eligible for financing from the financial contribution under Article 1 of the Agreement of
 - (a) Industrial raw and auxiliary materials as well as semi-manufactures,
 - (b) industrial equipment as well as agricultural machinery and implements, including equipment for anti-erosion measures,
 - (c) spare parts and accessories of all kinds,
 - (d) chemical products, in particular fertilizers, plant protection agents, pesticides and medicaments,
 - (e) other industrial products of importance to the development of the Kingdom of Nepal,
 - (f) special communal vehicles and equipment,
 - (g) advisory services, patents and licence fees.
 2. Imports not included in the above list may only be financed with the prior approval of the Government of the Federal Republic of Germany.
 3. The importation of luxury and consumer goods for personal needs, as well as of any goods and facilities serving military purposes, may not be financed from the financial contribution.
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