

February 02, 1973

**AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND HIS MAJESTY'S GOVERNMENT OF NEPAL  
REGARDING THE SUPPLY OF IODISED SALT**

**Kathmandu**

The Government of INDIA, hereinafter called the 'G.O.I.' and His Majesty's Government of Nepal, hereinafter called 'H.M.G.',

BEING desirous of co-operating with each other in controlling the incidence of Goitre in Nepal,

HAVE agreed as follows :

**Article I**

The G.O.I. agrees to make available funds to the extent of Rs. 50.00 lakhs (Rupees fifty lakhs only) in Indian Currency for the implementation of the scheme for the supply of iodised salt in Nepal as mutually accepted, hereinafter called the "Programme" This amount shall be allocated out of the aid funds approved for the "Additional Assistance to Nepal" and should be utilised before the 31st March 1974.

**Article II**

The G.O.I. further agree to set apart funds upto the extent of Rs. 75.00 lakhs (Rs. Seventy five lakhs) in Indian currency for the continuation of the Programme during the period 1974-77. The precise quantum of Aid Funds to be provided by the Government of India from year to year during the period 1974-77 for the implementation of the Programme shall be decided after reviewing the needs and the operation of the Programme as stipulated under this Agreement.

### **Article III**

The funds provided by GOI under this Agreement will be utilised :

1. To meet the cost of the iodisation of salt, required for consumption in Nepal; and
2. to subsidise the difference between the cost (including transportation by rail, road and air; packing, stamping and labelling of bags and expenditure on salaries and allowances of liaison officer and staff employed specifically for distribution of iodised salt in inaccessible areas) and the retail price of iodised salt not exceeding 50 paise per Mana or as may be mutually agreed upon.

(List of inaccessible areas is given in the Annexure).

### **Article IV**

The Programme shall be implemented by the Ministry of Health, H.M.G./Salt Trading Corporation Limited, Nepal. However, if at any time during the continuance of this programme HMG wish to make alternative arrangements for the execution of the programme, they shall consult the Director, Indian Cooperation Mission, hereinafter called "Director ICM".

### **Article V**

Whereas, generally, the funds provided under this Agreement shall be utilised in conformity with the provisions stipulated in Article No. III above, these provisions could be substituted or altered by HMG in consultation with the Director ICM.

### **Article VI**

The Director ICM shall act as Adviser to the Ministry of Health HMG/Salt Trading Corporation Limited, Nepal, for the implementation of the Programme. The Director ICM in his capacity as Adviser shall be invited to attend all the meetings held by HMG in connection with the implementation of the Programme, and in his absence he may nominate any other Officer/Officers of ICM to attend the meetings on his behalf. The Director ICM shall be consulted on the annual budget relating to this Programme, and the monthly progress reports on the implementation of the Programme and expenditure statements shall be sent to HMG/Salt Trading Corporation Limited, Nepal to the Director, ICM regularly.

### **Article VII**

Foreign exchange, if any, involved in the process of the iodisation of the salt will be provided by HMG against the allotment made in terms of equivalent Indian currency.

### **Article VIII**

The Procurement of iodised salt from sources/agencies in India will be the responsibility of HMG/Salt Trading Corporation Limited, Nepal, but the Director ICM will, if necessary, render assistance in this respect.

### **Article IX**

In order to make the scheme a success, HMG will do their best to ensure that the entire quantity of salt to be supplied, traded or distributed for consumption within Nepal is of the iodised quality only.

### **Article X**

H.M.G. will fix or revise the market price of the iodised salt, procured under this Agreement, in

consultation with the Director ICM.

#### **Article XI**

H.M.G. will ensure that the iodised salt sold to the consumers within Nepal is packed in polythene bags of suitable sizes, and the retail price of the iodised salt as fixed under the terms of this Agreement is stamped or printed on bags in the Nepalese language.

#### **Article XII**

HMG shall ensure that the transportation of salt from the supply centres in Tarai, to the areas which are generally inaccessible by road transport, is done through suitable types of aircraft owned and operated by Nepalese agencies.

#### **Article XIII**

HMG will appoint a suitable Liaison Officer to supervise and inspect the distribution of salt particularly in the hilly areas of Nepal.

#### **Article XIV**

The Ministry of Finance HMG will make periodical requests to the ICM for advancing funds to meet the expenditure on items as provided in Article III of the Agreement. ICM will release funds against these requests in favour of the Ministry of Finance, HMG. These funds will be deposited in a separate account under the head "ICM-Iodised Salt Account" to be opened in Nepal Rastra Bank by HMG.

#### **Article XV**

The special account will be operated by HMG's Ministry of Finance under their budgetary rules and regulations and release of funds will be made by them to the Department of Health Services Salt Trading Corporation Limited, Nepal. A quarterly statement of such releases will be made available to the ICM.

#### **Article XVI**

ICM will release funds to HMG on a quarterly basis and accounts of the first quarter will be submitted before request for the third quarterly release is made. Likewise, accounts will continue to be submitted. The Member (Finance and Accounts) of the ICM would have access to all matters connected with Finance and Accounts of the Programme. He will also advise and assist HMG in the preparation of annual budgets, inspection of Local accounts and release of funds to the concerned bodies for the implementation of this Programme.

#### **Article XVII**

Any expenditure incurred by GOI for the implementation of the Programme, before the signing of this Agreement, shall be debited to the Aid made available under this Agreement.

#### **Article XVIII**

Arrangements will be made to reflect the Indian assistance in the annual budgets of HMG.

#### **Article XIX**

All unspent balances and cash advanced by the GOI, after meeting the liabilities, shall be refunded to the GOI on completion or termination of this Agreement or otherwise utilised in accordance with a separate agreement to be entered into for this purpose.

## Article XX

This Agreement shall come into force with effect from the date of signature and shall remain in force upto 31st March 1977 unless terminated earlier by either party by giving three months notice in writing to the other party.

IN WITNESS WHEREOF, we, the undersigned, being duly authorised by our respective Governments, have signed the Agreement.

DONE at Kathmandu this 2nd day of February, one thousand nine hundred and seventy three in the English language in four original copies, all of which are equally authentic,.

For the Government of India  
Sd/-  
RAJESHWAR PRASAD  
Director  
Indian Cooperation Mission

For His Majesty's Government of Nepal  
Sd/-  
B B PRADHAN  
Finance Secretary

## ANNEXURE

### *LIST OF INACCESSIBLE AREAS (VIDE ARTICLE III-2)*

Darchula	Rasuwa
Bajhang	North Sindh Palchowk
Bajura	Dolkha
Jumla	Solu Khumbu
Tibrikot	Sankhuvasabha
Humla	Taplejung
Migu	
Dolpa	
Mustang	
Manang	
North Gorkha	

## EXCHANGE OF LETTERS

His Majesty's Government  
Ministry of Finance  
Kathmandu, Nepal  
27th December 1977

Dear Shri VARMA,

The Agreement between His Majesty's Government of Nepal and the Government of India signed on the 2nd February 1973 on supply of iodised salt to Nepal for Goitre Control Programme expired on

31st March 1977. Whereas the Government of India had agreed to make available an amount of Rs. 125 lakhs I.C. as per Article I and II of the said agreement for utilisation by 31.3.1977, it is expected that by the end of March 1977, only an amount of Rs.64.60 lakhs I.C. will have been utilised. In order to maintain the supply of iodised salt from India unbroken, His Majesty's Government of Nepal is desirous of extending the validity of the aforesaid agreement for a further period of 2 years with effect from 1st April, 1977. His Majesty's Government of Nepal, would, therefore, be grateful, if the Government of India agree to the extension of the Programme upto 31.3.1979 and to the utilisation of the balance funds available under the said agreement for the said programme till the 31st March 1979.

Yours sincerely,

Sd/-

N.K. ADHIKARY

Secretary

Shri S S VARMA

Director

Indian Co-operation Mission

Kathmandu (Nepal)

S S VARMA

Director

INDIAN CO-OPERATION MISSION

NEPAL

Kathmandu

27 December 1977

Dear Shri ADHIKARY,

I have the honour to acknowledge receipt of your letter of even date which reads as follows :

( Not Reproduced )

I have the honour to confirm that the Government of India agree to the extension of the Programme for supply of iodised salt from India for Goitre Control in Nepal and also to the utilisation of the unutilised amount till the 31st March 1979.

Your letter and my reply thereto shall constitute an understanding between the Government of India and His Majesty's Government of Nepal which shall come into force with effect from the 1st April 1977.

Please accept the assurances of my highest consideration.

Yours sincerely,

Sd/-

S.S. VERMA

Shri N K ADHIKARY  
Secretary  
Ministry of Finance  
His Majesty's Government of Nepal  
Kathmandu  
Nepal

S S VARMA  
Director

INDIAN CO-OPERATION MISSION  
Kathmandu, Nepal  
April 19, 1979

Dear Shri PANDEY,

I have the honour to acknowledge receipt of your letter of even date which reads as follows :

"The Agreement between His Majesty's Government of Nepal and the Government of India signed on the 2nd February 1973 on supply of iodised salt to Nepal for Goitre Control Programme expired on the 31st March 1977. It was extended for a period of two years upto the 31st March, 1979. Whereas the Government of India had agreed to make available an amount of Rs. 125 lakhs I.C. as per Article I and II of the said agreement, it is expected that by the end of March 1979, only an amount of Rs. 99.10 lakhs I.C. will have been utilised. In order to maintain the supply of iodised salt from Indian unbroken, His Majesty's Government of Nepal is desirous of extending the validity of the aforesaid agreement for a further period of one year with effect from 1st April 1979. His Majesty's Government of Nepal would, therefore, be grateful if the Government of India agree to the extension of the Programme upto 31.3.1980, and to the utilization of the balance funds available under the said agreement for the said programme till the 31st March 1980."

I have the honour to confirm that the Government of India agree to the extension of the Programme for supply of iodised salt from India for Goitre Control in Nepal and also to the utilisation of the unutilised amount till the 31st March 1980.

Your letter and my reply thereto shall constitute an understanding between the Government of India and His Majesty's Government of Nepal which shall come into force with effect from the 1st April 1979.

Please accept the assurances of my highest consideration.

Yours sincerely,

Sd/-  
S.S. VERMA

Dr DEVENDRA RAJ PANDEY  
Acting Secretary  
Ministry of Finance

His Majesty's Government of Nepal  
Kathmandu