

Agreement on Construction of East West Highway

December 19, 1966

AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND HIS MAJESTY'S GOVERNMENT OF NEPAL FOR CONSTRUCTION OF THE EASTERN PORTION OF THE EAST-WEST HIGHWAY OF NEPAL

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 cooperating with each other in promoting the development of communications in Nepal;

HAVE agreed as follows :

1. The G.O.I. agree to provide financial assistance to the extent of Rs. 22 crores (Rupees twenty two crores) only in Indian currency, to be utilised before the 31st March, 1971, for construction of the eastern sector of the East-West Highway of Nepal from Jhapa to Janakpur, hereinafter called "the Project".

The agency/agencies responsible for the construction of the Project will endeavour to complete the Project by 31st March, 1971.

2. The G.O.I. will assist H.M.G. in completing the construction of a bridge over the River Kosi near Chhatra within 12 years of the date of completion of the eastern sector of the East-West Highway.

3. The Project will be executed under the auspices of a Board to be set up by H.M.G. for the purpose. The Director and Member (Finance and Accounts) of the Indian Cooperation Mission and the Chief Construction Engineer of the Project will be Advisers to the Board and will be invited to attend all meetings of the Board.

4. The G.O.I. will place at the disposal of the Board a suitable organisation of the C.P.W.D. under a qualified Chief Construction Engineer for the execution of the Project.

5. The general alignment of the East-West Highway and general technical data (i.e. the frequency and magnitude of possible traffic, the design speed and the class of traffic for which the bridges have to be designed) will be as in the Annexure. The Board will approve the annual budget estimates for the Project and review the progress of work periodically. Budget estimates, as approved by the board, will be duly reflected in H.M.G.'s budgets.

6. The Chief Construction Engineer, as the executing agency of the Board, will execute the Project and will submit , expenditure statements monthly to the Board. He will also render accounts to the Accountant General in India for the money spent from Indian aid funds.

7. The requirements of funds for the Project will be worked out and intimated to the Board by the Chief Construction Engineer on an annual and/or quarterly basis and the same will be intimated by the Board to the Indian Cooperation Mission, who will arrange for the release of the necessary amounts to the Board out of the aid funds.

8. The arrangements dealt with in Articles 3 to 7 ante relate to the construction of the Project other than the barrage over the Kamla River which will be constructed by H.M.G. Separate arrangements for financial and technical assistance will be worked out between H.M.G. and the G.O.I. in respect of the barrage.

9. H.M.G. will provide the necessary land for the Project, free from all encumbrances. The payment of compensation, if any, and the settlement of claims or disputes arising therefrom will be the responsibility of H.M.G. H.M.G. shall also arrange the supply of timber, sand, stone, limestone and other raw materials required for the Project, free of royalty and other levies.
10. H.M.G. will ensure that the goods, materials, equipment, machinery and transport which are brought into Nepal or moved from one place to another within Nepal for the execution of the Project are afforded expeditious transit within the territory of Nepal and are exempt from licensing requirements and from payment of all customs duties, taxes, and levies of any kind. These exemptions shall also extend to the transport and goods for personal use of India-based personnel working for the Project. The principles and procedures regarding the facilities to be extended to the Indian contractors and exemption from import and export duties and other local levies, of all supplies, materials, equipment and vehicles etc. imported for contract work, as worked out between the Director, Indian Cooperation Mission, and H.M.G. for the Trisuli Hydel Project will apply mutatis mutandis to the Project. This will include exemption from contract and other taxes on all contracts entered into by the Project authorities.
11. H.M.G. and G.O.I. have noted that the United States Government has agreed to make available certain road building equipment for use on the construction of the East-West Highway.
12. The Project authorities, or their contractors, shall be allowed to import from India skilled and semi-skilled labour needed for the Project. H.M.G. will make arrangements to ensure that the requirements of unskilled labour for the Project are fully met.
13. Contractors of the Project from outside Nepal will be free to import any amount of currency that may be deemed necessary but will convert it into Nepalese currency at legally recognised exchange counters for transactions inside Nepal for the execution of their work. They will be allowed to repatriate their currency holdings which to the extent necessary will be converted into Indian currency by the Nepal Rastra Bank.
14. H.M.G. will ensure expeditious grant of licenses, permits and similar other authorisation necessary to enable the Project authorities and their contractors to execute the work relating to the Project.
15. H.M.G. will make necessary security arrangements for the protection of the personnel as well as the materials, equipment etc. at all the various sites of construction and operations, including in transit where necessary.
16. In the event of any legal action arising from activities undertaken in pursuance of this Project, H.M.G. will assume full responsibility for the defence of such action in Nepal and will take responsibility for the continued execution of the Project and will assure immunity from garnishment, or any other legal process of title to all contributions made for, or property and benefits derived, from the execution of the Project.
17. H.M.G. will take over the responsibility for maintenance of sections of the Project as and when they are certified as completed by the Engineer-in-charge.
18. Any expenditure incurred by the G.O.I. before the signing of this Agreement in pursuance of the implementation of the Project shall be debited to the overall aid under this Agreement.
19. The Government of India will endeavour to make a start on the work in the Butwal-Nepalganj sector of the East-West Highway by 31st March, 1971. If H.M.G. desire construction of the

East-West Highway westward of Nepalganj also, G.O.I. would be interested in the construction of this sector of the road after the road up to Nepalganj has been completed. These Projects will be governed by separate Agreements to be entered into between H.M.G. and G.O.I.

20. This Agreement shall come into force with effect from the date on which it is signed and will continue to remain in force until the 31st March, 1971, unless terminated earlier by either party by giving three months' notice in writing to the other party or extended by mutual agreement as necessary.

IN WITNESS THEREOF, the undersigned, being duly authorised by their respective Governments, have signed the Agreement.

DONE at Kathmandu in the English language in four copies on this Nineteenth day of December, One Thousand Nine Hundred and Sixty six.

For the Government of India.

Sd /-

SHRIMAN NARAYAN

Ambassador of India in Nepal

For His Majesty's Government of Nepal.

Sd /-Y.P. PANT

Secretary, Ministry of Economic
Planning and Finance.

SEAL

Embassy of India, Kathmandu.

SEAL

His Majesty's Government of Nepal,
Kathmandu.

ANNEXURE

SPECIFICATIONS FOR THE EASTERN PORTION OF THE EAST-WEST HIGHWAY IN NEPAL

Sl. No.	Item	Specifications
1	Design Speed	120 km/hr in flat topography suitably reduced upto 40 km/hr in mountainous topography.
2	Formation width	10.5 m (34.33 ft)
3	Pavement width	3.7 m (12'-1.1/2")

4	Pavement specifications	20 cm (7.78") stone base course on suitable sub-base. Stone blast 12 cm. consolidated to 8 c.m 2.5 cm (1") bituminous carpet
5	Right of way	45 metres (147.6 ft)
6	Minimum radius of horizontal curves	500 metres in flat topography suitably reduced to 30 meters in mountaineous topography.
7	Ruling gradient	5%
8	Minimum radius of vertical curves	convex 2500 m concave 1000m
9	(a) Width of bridges between the kerbs (b) Width of culverts outside the parapets	7 m (23 ft) 10.5 m (34'-4")
10	overhead clearance	5.1 m (16'-9")
11	Design loading for bridges and culverts	Single lane of I.R.C. Class 'A' or double lane of I.R.C. Class 'A' whichever gives worse effects.