

Agreement on Sonauli Pokhara Road

August 25, 1964

AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND HIS MAJESTY'S GOVERNMENT OF NEPAL FOR THE CONSTRUCTION OF SONAULI-POKHARA ROAD

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 promoting the development of communications in Nepal;

HAVE agreed as follows:

1. The G.O.I. will construct a road from Sonauli to Pokhara in Nepal, hereinafter called "the Project", at an estimated cost of Rs. 9.11 crores I.C. as a part of the aid made available by India to Nepal. The agency of the Government of India responsible for the construction of the Project will endeavour to complete it by December 31, 1968. H.M.G., on their part, shall make available all necessary facilities and assistance to help achieve this target date.

2. The Project will be executed by an Engineering Organization of the Government of India. The G.O.I. will provide, at additional expense to themselves, training facilities at the Project for suitable engineering staff to be deputed for the purpose by His Majesty's Government. The G.O.I. will also employ suitable engineering personnel, on deputation from H.M.G., if such personnel is required for the execution of the Project. Such personnel will be appointed, on a temporary basis only, in posts for which their training and experience qualify them.

3. A Board to be known as the Sonauli-Pokhara Road Coordination Board will be set up to :

I. review the progress of the work periodically;

II. consider and help resolve any operational difficulties and bottlenecks that may be experienced in the execution of the Project; and

III. consider any other matters relevant to the effective and speedy fulfilment of the objectives of this Agreement.

The Board shall be presided over by the Minister for Communications of H.M.G. The membership shall comprise Secretary (Communications) and the Chief Engineer (Roads), H.M.G.; the Director, IAM, and the Chief Engineer of the Project. Other members may be coopted according to need. The Indian Chief Engineer of the Project shall be Member-Secretary of the said Board.

4. 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.

5. H.M.G. will arrange to make available from the residual assets of the Regional Transportation Organisation and for use on the Project equipment, tools and plant, machinery, vehicles, stores, etc., as per schedule annexed to this Agreement.

6. 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, are afforded expeditious

transit within the territory of Nepal and are exempt from licensing requirements and from payment of all customs duties, taxes, cesses and levies of any kind. These exemptions shall also extend to the transport and India-based personnel working for the Project.

7. The foreign exchange requirements to be provided by H.M.G. for the purchase of machinery, materials, stores, equipment and vehicles for the Project, against the allotments made in Indian Currency by the Government of India, will be determined by the two Governments by mutual consultation.

8. The Project authorities, or their contractors, shall be allowed to import from India skilled and semi-skilled labour needed for the Project. Unskilled labour will generally be recruited from within Nepal and H.M.G. will make arrangements to ensure that the requirements of the Project in this regard are fully met.

9. Contractors of the Project will be free to import any amount of currency that may be deemed necessary, for the execution of their work and will also be allowed to repatriate their currency holdings. To the extent necessary, these holdings will be converted into Indian Currency by the Nepal Rastra Bank.

10. H.M.G. will ensure expeditious grant of licences, permits, and similar other authorisations necessary to enable the Project authorities and their contractors to execute the work relating to the Project.

11. 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.

12. 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 execution of the Project and will assure immunity from garnishment, or any other legal process, of title to all contributions made for or property derived from the execution of the Project.

13. H.M.G. will take over the Project on completion as certified by the Engineer in charge and undertake to make provision to keep it in proper maintenance.

14. 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.

15. This Agreement shall come into force with effect from the date on which it is signed and will continue to remain in force until completion of the Project, unless terminated earlier by either party by giving three month's 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 in the English language in four copies on this twenty-fifth day of August, 1964.

For the Government of India,

Sd/-

SWARAN SINGH

Minister of External Affairs

For His Majesty's Government of Nepal

Sd /-

SURYA BAHADUR THAPA
Vice-Chairman of the Council of
Ministers and Minister for
Economic Planning.