# भाग ४

### श्री ४ को सरकार

# कानून तथा न्याय मन्त्रालयको सूचना

श्री ५ को सरकार, नेपाल र जापान सरकारबीच नेपाल ग्रिधराज्यमा खाद्य उत्पादन वृद्धि गर्नका लागि ग्राधिक सहयोग उपलब्ध गराउने सम्बन्धमा सम्पन्न भएका ग्रादान-प्रदान प्रतहरू (Exchange of letters) सर्वसाधारणको जानकारीको लागि प्रकाशित गरिएको छ।

Embassy of Japan Kathmandu February 23, 1987

Dear Mr. Shrestha.

I have the honour to refer to the recent discussions held between the representatives of the Government of Japan and of His Majesty's Government of Nepal concerning Japanese economic cooperation to be extended with a view to strengthening friendly and cooperative relations between the two countries, and to propose on behalf of the Government of Japan the following arrangements:

- 1. For the purpose of contributing to the increase of food production in the Kingdom of Nepal, the Government of Japan will extend to His Majesty's Government of Nepal, in accordance with the relevant laws and regulations of Japan, a grant up to two billion one hundred million yen (2,100,000,000) (hereinafter referred to as "the Grant").
- 2. The Grant will be made available during the period between the date of coming into force of the present arrangements and February 22, 1988, unless the period is extended by mutual agreement between the authorities concerned of the two Governments.

Mr. Lok Bahadur Shrestha Secretary, Ministry of Finance, His Majesty's Government of Nepal, Kathmandu.

- 3. (1) The Grant will be used by His Majesty's Government of Nepal properly and exclusively for the purchase of the products of Japan and the services listed below:
  - (a) fertilizer, agricultural machinery and equipment and services necessary for the transportation thereof to the Kingdom of Nepal and those for internal transportation therein up to one billion nine hundred million yen (1,900,000,000) for the project for the increase of food production to be executed in the Kingdom of Nepal; and
  - (b) fertilizer and services necessary for the transportation thereof to the Kingdom of Nepal and those for internal transportation therein up to two hundred million yen (200,000,000) for the Hill Irrigation (Western Region) Project for which the Asian Development Bank extends financial assistance.
- (2) Notwithstanding the provisions of sub-paragraph (1) above, when the two Governments deem it necessary, the Grant may be used for the purchase of the agricultural machinery and equipment of the kind mentioned in (a) of sub-paragraph (1) above, which are products of countries other than Japan.
- 4. His Majesty's Government of Nepal or its designated authority will enter into contracts in Japanese yen with Japanese nationals for the purchase of the products and services referred to in paragraph 3. Such contracts shall be verified by the Government of Japan to be eligible for the Grant. (The term Japanese nationals whenever used in the present arrangements means Japanese physical persons or Japanese juridical persons controlled by Japanese physical persons).
- 5. (1) The Government of Japan will execute the Grant by making payments in Japanese yen to cover the obligations incurred by His Majesty's Government of Nepal or its designated authority under the contracts verified in accordance with the provisions of paragraph 4 (hereinafter referred to as "the Verified Contracts") to an account to be opened in the name of His Majesty's Government of Nepal in an authorized foreign exchange bank of Japan designated by His Majesty's Government of Nepal or its designated authority (hereinafter referred to as "the Bank").

- (2) The payments referred to in sub-paragraph (1) above will be made when payment requests are presented by the Bank to the Government of Japan under an authorization to pay issued by His Majesty's Government of Nepal or its designated authority.
- (3) The sole purpose of the account referred to in sub-paragraph (1) above is to receive the payments in Japanese yen by the Government of Japan and to pay to the Japanese nationals who are parties to the Varified Contracts. The procedural details concerning the credit to and debit from the account will be agreed upon through consultation between the Bank and His Majesty's Government of Nepal or its designated authority.
- 6. (1) His Majesty's Government of Nepal will take necessary measures:
  - (a) to ensure prompt customs clearance in the Kingdom of Nepal and internal transportation therein of the products purchased under the Grant;
  - (b) to exempt Japanese nationals from customs duties, internal taxes and other fiscal levies which may be imposed in the Kingdom of Nepal with respect to the supply of the products and services under the Verified Contracts;
  - (c) to ensure that the products purchased under the Grant will make effective contribution to the increase of food production and eventually to the stabilization and development of the Nepalese economy; and
  - (d) to bear all the expenses, other than those covered by the Grant, necessary for the execution of the Grant.
- (2) The products purchased under the Grant shall not be reexported from the Kingdom of Nepal.
- 7. (1) His Majesty's Government of Nepal will deposit in Nepalese currency at least an amount equivalent to two-thirds of the yen disbursement paid with respect to the purchase of the products referred to in (a) and (b) of sub-paragraph (1) of paragraph 3 in an account to be opened in its name in Nepal Rastra Bank. The deposit shall be made within the period of three years from the date of coming into force of the present arrangements, unless otherwise agreed between the authorities concerned of the two Governments.

(2) The currency thus deposited shall be utilized for agricultural development purposes, including the increase of food production, in the Kingdom of Nepal.

(3) The authorities concerned of the two Governments will consult with each other about the utilization of the currency deposited.

- 8. Further procedural details for the implementation of the present arrangements will be agreed upon through consultation between the authorities concerned of the two Governments.
- 9. The two Governments will consult with each other in respect of any matter that may arise from or in connection with the present arrangements.

I have further the honour to propose that this Note and Your Note in reply confirming on behalf of His Majesty's Government of of Nepal the foregoing arrangements shall be regarded as constituting an agreement between the two Governments, which will enter into force on the date of your reply.

I avail myself of this opportunity to renew to you the assurance of my high consideration.

Kazuo Kaneko Ambassador of Japan to Nepal

## Agreed Minutes on Procedural Details

With reference to paragraph 8 of the Exchange of Notes between the Government of Japan and His Majesty's Government of Nepal dated February 23, 1987, concerning the Japanese economic cooperation for the supply of fertilizer, agricultural machinery and equipment (hereinafter referred to as "the Exchange of Notes"), the representatives of the Government of Japan and of His Majesty's Government of Nepal wish to record the following procedural details which have been agreed upon between the authorities concerned of the two Governments:

1. (1) The authorization to pay referred to in sub-paragraph (2) of paragraph 5 of the Exchange of Notes shall be issued in Japanese yen for each contract.

- (2) The amount of the auth-orization to pay shall correspond to the amount of the contract.
- (3) The authorization to pay shall no longer be valid after the last day of the period during which the Grant is made available in accordance with the provisions of paragraph 2 of the Exchange of Notes (hereinafter referred to as "the Last Day"). However, the documents to be called for in the authorization to pay must presented to authorized foreign exchange bank of Japan referred to sub-paragraph (1) of paragraph 5 of the Exchange of Notes fifteen days before the Last Day at the latest.
- 2. (1) With respect to sub-paragraph (1) of paragraph 7 of the Exchange of Notes, the amount equivalent to two-thirds of the yen disbursement shall be computed by His Majesty's Government of Nepal at the average exchange rate of February 1987 of both countries which the I.M.F. is notified of. The amount thus computed shall be reported to the Government of Japan.
- (2) His Majesty's Government of Nepal will inform the Government of Japan of the selling price of fertilizer, agricultural machinery and equipment purchased in accordance with the Exchange of Notes and situation of the deposit.
- (3) With respect to sub-paragraph (3) of paragraph 7 of the Exchange of Notes, His Majesty's Government of Nepal will make "the Utilization Programme" of deposited fund which shall include the names of specific projects, their details and the amount of money to be allocated. "The Utilization Programme" shall be presented to the Government of Japan for consultation.

For the Government of Japan:

For His Majesty's Government of Nepal:

Kazuo Kaneko Ambassador of Japan to Nepal Lok Bahadur Shrestha Secretary Ministry of Finance His Majesty's Government of Nepal

#### His Majesty's Government

Ministry of Finance Bagh Durbar Kathmandu, Nepal February 23, 1987

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

### (See the above text)

I have further the honour to confirm on behalf of His Majesty's Government of Nepal the foregoing arrangements and to agree that Your Excellency's Note and this Note shall be regarded as constituting an agreement between the two Governments, which will enter into force on the date of this reply.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

Sd.
Lok Bahadur Shrestha
Secretary

His Excellency
Mr. Kazuo Kaneko
Ambassador Extraordinary and
Plenipotentiary to the Kingdom of Nepal
Embassy of Japan
Panipokhari, Kathmandu.

ग्राज्ञाले, उदय नेपाली श्रेष्ठ उपसचिव

श्री ५ को सरकारको छापाखाना, सिहदरबार, काठमाडौंमा मुद्रित।