2.2. For the Australian Government: The Australian Divel Sment Assistance Bureau of the Department of Foreign Affairs. The Anguarian Development Assistance Bureau atnoga bodilau कानुन तथा न्याय मन्त्रालयको सूचना to undertake any part of its function on

-110पुरा सिन्धुपाल्चोक तथा काभ्रेपलान्चोक जिल्लाहरूमा संचालित नेपाल प्रब्ट्रेलिया वन परियोजनाका लागि ग्राथिक सहयोग जुटाउने सम्बन्धमा श्री ४ को सरकार, नेपाल र प्रब्देलियन सरकारबीच सम्पन्न भएको Memorandum of Understanding सर्वसाधारणको जानकारीको लागि प्रकाशित गरिएको छ ।

MEMORANDUM OF UNDERSTANDING RELATING TO THE NEPAL AUSTRALIA FORESTRY PROJECT PHASE 3

1. GENERAL THIS istry of Forest and Soil - Chairman vator, Départment of - Deputy Chairman linistry of Forests and - Member rvator, Planning and epartment of Forests - Member Planning Commission - Member Finance Ministry - Member Director, Central Deve-- Member

2. AUTHORITIES

Member

- Member

- Member

Controller - Kabhre

MEMORANDUM expresses the understanding (hereinafter referred to as "Memorandum") of His Majesty's Government of Nepal (hereinafter referred to as 'HMG/N') and the Government of Australia (hereinafter referred to as 'Australian Government') concerning the responsibilities and contributions respectively of the two Governments in regard to the Nepal-Australia Forestry Project Phase 3 Located in the Districts of Sindhu Palchok and Kabhre Palanchok (hereinafter referred to as 'Project') which is intended to develop systems of forest management in the different geographic, social and economic circumstances of the Districts as further described and detailed in Annex 1 to this Memoran-Palanchok mub

The Executing Authorities for this Project shall be: dollar

-00 milistruA odt2.10. For HMG/N the Department of Forests, Ministry of Forests and Soil Conservation.

अधिकारिकता मुद्रण विभागबाट प्रमाणित गरिएपछि मात्र लागु हुनेछ।

- 2.2. For the Australian Government: The Australian Development Assistance Bureau of the Department of Foreign Affairs. The Australian Development Assistance Bureau may nominate suitably qualified agents to undertake any part of its function on its behalf. However, the ultimate respon-मा संचालित नेपाल घण्डलिया sibility for the Australian contributions ग्रह्मारा की प्रकार to the project shall lie with the Australian Memorandum of Government.
- 3. RESPONSIBILITY 3.1. Responsibility for development and direc-THE OT DAILAND tion of the project shall be vested in a E BEAH TORING Project Co-ordinating Committee, (hereinafter referred to as the Committee). RANDUM expresses the

This Committee shall include: as of berreler reflemened Secretary, Ministry of Forest and Soil noits a diestr's Govern-- Chairman chief Conservator, Department HMW stealia Forests Australia - Deputy Chairman -od nailantauA' as of borney Chief Officer, Ministry of Forests and responsibilities the responsibilities. respectively of the two - Deputy Chief Conservator, Planning and ard to the Nepal-Australia Development, Department of Forests Phase 3 Located in the - Member endos de de Representative, Planning Commission

alanchok (hereinafter referred to as 'Pro-- Member intended to develop systems Representative, Ministry of Finance the different orest management - Member economic circum-

- Regional Forest Director, Central Deve-Districts as thriber described lopment Region - Member -naromeM int of A xenna District Forest Controller - Kabhre

Palanchok - Member

Project Project Sindhu - Sindhu - Sindhu Palchok - Member

nailarian and to separate of the Australian enterests, Minitnemntayorests and Soil Conservation. - Member

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moj a vd nedatrobnu ed Representative of the Australian Deveowi ent d beinioges alopment Assistance Bureau's nomianted grovernment spand independent of staff - Member Australian Team Leader - Member MOMH , topior9 sidt to Other officials of HMG/N related to the shall fac topiorque recruitment of, and em-To the Committee shall meet not less than ent not beniuper as feantwice per year and at other times as may being between the two

3.3. Functions of the Committee shall include:

o emooni mort rougn(a) reviewing the Project design and imas aconswolls bus sainsiss no a plementation,

(b) co-ordinating the disposition of the bas troqui mort noitament project personnel,

based based and (c) itco-ordinating operation of the project hol bobivorg as exteam, lod

(d) co-ordinating policy for the project,

estud hogair mon noting (e) reviewing and reporting on progress sovolame neg eleider to the two Governments,

to bellogyees ed it is (f) recommending to the two Governments changes in program, budget and future development.

3.4. Final responsibility for this project shall entitlements accorded lie with HMG/N.

The contributions of HMG/N and the Australian Government as detalied in Annex III and II are estimated to value NRs. 22,880,000 and \$A7,448,000 respectively. Disbursement of Australian Contributions shall be subject to the normal parliamentary approvel of appropriations in Austraila.

> An evaluation of progress of the Project may be made at times arranged between, and mutually convenient to, HMG/N and the Australian Government. Such

4. CONTRIBUTIONS

for the entry of and perork by, Project personnel. pay such duties thereon) by Australia for the es of the Project as sei out

5. EVALUATION

oviding appropriate cusxpeditious transport of evaluation would be undertaken by a joint investigation team appointed by the two governments and independent of involved in the Project.

6. PERSONNEL

For the purposes of this Project, HMG/N shall facilitate the recruitment of, and employment by, the Australian Government or its agent or personnel as required for the project and established between the two Governments by:

- (i) granting exemption from income or other taxes on salaries and allowances as provided to other Colombo Plan experts;
- (ii) granting exemption from import and other duties on personal and household effects as provided to Colombo Plan experts;
- (iii) granting exemption from import duties on one motor vehicle per employee on condition that it be re-exported or duty paid on its assessed value at time of sale within Nepal;
- (iv) granting to Australian project personnel all rights and entitlements accorded to other Colombo Plan experts, and
- xonnA mi bollow (v) expediting the issue of all documentation required for the entry of and performance of work by, Project personnel.

- 7. SUPPLIES 7.1. HMG/N shall exempt from import duties and other taxes (or pay such duties thereon) lovo all goods supplied by Australia for the established purposes of the Project as set out in Annex 1.
 - 7.2. HMG/N shall facilitate movement of Project supplies by providing appropriate customs facilities, expeditious transport of such supplies to site.

3 (१०) आधिकारिकता मुद्रण विभागबाट प्रमाणित गरिएपछि मात्र लागु हुनेछ।

9. SECURITY

10. AMENDMENTS

7.3. Project supplies provided by Australia shall be available for the unrestricted use of the Project and shall not be withdrawn from such use without the consent of the Australian Team Leader. The Australian Team Leader shall exercise administrative control over such supplies for the duration of the project or such other time as Australia agrees they may be released from the project. Since assistance under this Memorandum is provided for the benefit of HMG/N and people of Nepal, HMG/N shall bear all risks arising from operations under this Memorandum. HMG/N shall deal with any claims which may be brought by third parties against the Australian Government, its servants or Australian personnel and shall hold harmless the Australian Government and Australian personnel in case of any claims resulting from operations under this Memorandum except where such claims arise from gross negligence or wilful misconduct of agents of the Australian Government or of Australian personnel. The Australian personnel while in Nepal shall abide by the existing laws of Nepal. HMG/N shall arrange for any protective services deemed necessary to ensure the safety of the person and property of Australian personnel, and of their dependants and Australian Project supplies.

Amendments to this Memorandum may be made at any time by an exchange of Letters between the Parties.

11. DURATION This Memorandum shall take effect from salbasized to much the date of its signature and the Project shall

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Hade silenten A vo behive be deemed to have commenced from 1 ods to see bestricted unrestricted use of the mort awarbdiw ad ton period of five years from the date of its -suA and to massoo ad commencement or to any other date as may subsequently be agreed by the two Lead.strammayoDisc administrative control

ANNEXURES to this Memorandum and the separate Project Document form integral part of it. 10 1001019

SIGNED AT KATHMANDU, in Duplicate, this twentieth day of FEBRUARY, Nineteen Hundred Eighty Six. is previded for the benefit of HMG/N and

FOR HIS MAJESTY'S GOVERNMENT FOR THE GOVERN-OF NEPAL MOISINGO MOIL SALES MENT OF AUSTRALIA Memoreridum HMG/N shall deal with

(LOK BAHADUR SHRESTHA) (G.B. FEAKES, A.O.) Secretary, O neilentau And tanings soi Australian Ambassador to the Ministry of Finance Street Kingdom of Nepal shaft hold harmless the Australian Govern-

ANNEX I

PROJECT DESCRIPTION

NEPAL AUSTRALIA FORESTRY PROJECT- PHASE 3

- 1. The Nepal Australia Forestry Project Phase 3 shall continue activities begun under Phase 2 including the development of systems of forest management involving community participation in the different geographic, social and economic circumstances the Districts of Sindhu Palchok and Kabhre Palanchok.
- 2. The Project shall have seven components:
- services deemed n, arutaurtarin the
- 2. Education and training,
- 2 Community Work and Extension,
 - 4. Reforestation, 19 mailstra bas
- 5. Silviculture and Management,
- to 6. Demonstration, van te abam ad
 - 7. Monitoring and Evaluation.
- 3. The Project is fully described in the separate Project Document which forms an integral part of this Memorandum of Understanding.

ANNEX III

ANNEX II

AUSTRALIAN Government Contribution

- The estimated cost of the Australian contribution is \$A7,448,000 over the period of the Project.
- The Australin Government shall provide : vo 000 088 55
 - (a) the Services of-1. To moment of the services and air
- (i) a suitably qualified agent to manage the Australian contribution and to work in consultation with HMG/N's Department of Forests in the implementation of the 21 1051019 5dy Project, spinster ov
- (ii) long term advisers as arranged between the two Governments, (b) all land rec
 - (iii) sort term specialist consultants as required for the Project and arranged between the two Governments,
- (b) vehicles, machinery and equipment considered necessary during the Project as requested by HMG/N's Department of Forest and recommended by Australian Team Leader;
 - assistance in the development of the infrastructure necessary to achieve the objectives of the Project;
 - assistance to upgrade and expand the range of skills available to the forestry sector through education and training activities:
 - assistance to increase the awareness and understanding of, and involvement in community forestry through an informal education and extension program;

(f) assistance with the continuation of the plantation establishment program;

- assistance with the production of realistic and workable management plans for the use of the forest and its products;
- (h) assistance to make the rationale, methodology, operations and achievements of the Project as widely available as possible;
- (i) assistance to develop a monitoring and evaluation methodology.
- The Australian contribution is detailed more fully in the separate 3. Project Document which forms and integral part of this Memorandum of Understanding.

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ANNEX III

HIS MAJESTY'S GOVERNMENT OF NEPAL CONTRIBUTION

The estimated cost of the Nepalese contribution is NRs. 22,880,000 over the period of the project.

His Majesty's Government of Nepal shall provide

- (a) the services of :
 - (i) suitable counterpart officers to the Australian Project personnel,
 - (ii) staff for the two Districts in which the Project is to operate,
 - (b) all land required for the implementation of the Project,
 - (c) continuation of a Development Works Budget at a level not less than that if the Project was not implemented,
 - (d) assistance to increase the awareness and understanding of, and involvement in, community forestry through informal education and extension program;
 - (e) assistance with the continuation of the plantation establishment program;
 - (f) assistance with the production of realistic and workable management plans for the use of the forest and its products;
- (g) funds for the payment of customs duties, internal taxes and other similar charges, if any, imposed in Nepal in respect of vehicles, machinery and equipment which may be imported by Australia under paragraph 2 (b) of Alnex II.

The contribution of His Majesty's Government is detailed more fully in the separate Project Document which forms an integral part of this Memorandum of Understanding.

> आजाले, अवस्था उदय नेपाली श्रेष्ठ

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