

NEPAL



Treaty Series No. 113 (1969)

Exchange of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of Nepal

concerning Financial Assistance
by the United Kingdom to Nepal
towards the Construction of a
Secondary School for Boys

(United Kingdom/Nepal 1969 (No. 2) Financial Agreement)

Kathmandu, 8 August 1969

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
November 1969*

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EXCHANGE OF NOTES
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM
OF GREAT BRITAIN AND NORTHERN IRELAND AND THE
GOVERNMENT OF NEPAL CONCERNING FINANCIAL
ASSISTANCE BY THE UNITED KINGDOM TO NEPAL
TOWARDS THE CONSTRUCTION OF A
SECONDARY SCHOOL FOR BOYS
(UNITED KINGDOM/NEPAL 1969 (No. 2) FINANCIAL AGREEMENT)

No. 1

*Her Majesty's Ambassador at Kathmandu to the Secretary,
Ministry of Finance of Nepal*

*British Embassy,
Kathmandu.*

Sir,

8 August, 1969.

I have the honour to refer to the discussions concerning assistance by the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the Government of the United Kingdom) to His Majesty's Government of Nepal (hereinafter referred to as the Government of Nepal) towards the construction in Nepal of a Secondary School for Boys, and to inform you that the Government of the United Kingdom are prepared to conclude an Agreement with the Government of Nepal on this question. The commitments of the Government of the United Kingdom and of the Government of Nepal shall be as respectively set out in Part A and Part B below:

- A (1) The Government of the United Kingdom declare that it is their intention, acting by the Ministry of Overseas Development (hereinafter referred to as the "Ministry"), to provide assistance to the Government of Nepal towards the capital costs of the construction of a school for boys at Buranilkantha, near Kathmandu (hereinafter referred to as "the School"), by way of a sum not exceeding £200,000 (two hundred thousand pounds sterling). Of the sum to be made available half will be provided as a grant and half in the form of an interest-free loan.
- (2) The Government of Nepal declare that it is their intention to provide finance for all other parts of the capital costs of building and establishing the School as will not be met by the Ministry.
- B (1) The Government of the United Kingdom shall adopt the arrangements and procedures described in the following paragraphs of this Note in so far as they relate to things to be done by or on behalf of that Government. The Government of Nepal shall adopt the arrangements

and procedures so described in so far as they relate to things to be done by or on behalf of that Government.

- (2) The Government of the United Kingdom shall provide the services of a British architect whose duties will be
 - (a) to prepare designs for the lay-out and buildings of the School;
 - (b) to supervise the execution of the construction contract by the Contractor to be appointed in accordance with the provisions of paragraph (3) below;
 - (c) to authorise payment to the Contractor in respect of work satisfactorily carried out and/or materials supplied in good condition by means of certificates to be rendered monthly to the Government of the United Kingdom and the Government of Nepal in accordance with the provisions of paragraph (4) below.
- (3) The Government of Nepal shall
 - (a) draw up in agreement with the Ministry a form of contract regulating the duties and responsibilities of the Contractor to be appointed in accordance with the provisions of the following sub-paragraph;
 - (b) award a contract with the prior consent of the Ministry for the construction of the School buildings and consider for the award of the said contract only companies incorporated in the United Kingdom (which expression shall be deemed in this Note to include the Channel Islands and the Isle of Man) or in Nepal and approved by the Ministry;
 - (c) take a decision to terminate the said contract or to vary the conditions so that liability will be incurred to a greater or lesser extent only with the agreement of the Ministry;
 - (d) ensure that the funds provided by the Ministry are applied towards the construction of the School and are used for the purchase of goods wholly produced or manufactured in the United Kingdom or in Nepal or for work to be done or services to be rendered by citizens of the United Kingdom and Colonies or by citizens of Nepal, unless and to the extent only that the Ministry otherwise agree in writing.
- (4) It is the understanding of the two Governments that the architect referred to in paragraph (2) above will prepare monthly certificates in quadruplicate in accordance with the provisions of paragraph (2) above, two of which he will render to the Government of the United Kingdom and two to the Government of Nepal.
- (5) The Government of the United Kingdom shall pay direct to the Contractor through Her Britannic Majesty's Embassy in Kathmandu within forty-two days of the receipt of such a certificate one half of the sum shown on the certificate, deduction having been made of
 - (a) any proportion of this amount which under the terms of the contract may be retained for payment to the Contractor at a later date; and
 - (b) any amount which in the view of the Ministry is inadmissible under the provisions of paragraph (3) (d) above;

and shall advise the Government of Nepal without delay of each payment made in accordance with the provisions of this paragraph:

Provided that the cumulative total of the sums disbursed or committed by the Ministry in respect of the capital costs of the School shall not exceed the sum of £200,000 (two hundred thousand pounds sterling) specified in paragraph A (1) above.

- (6) The Government of Nepal shall pay direct to the Contractor within forty-two days of receipt of the certificate one half of the sum shown on the certificate, deduction having been made of any proportion of this amount which under the terms of the Contract may be retained for payment to the Contractor at a later date, and shall advise the Ministry without delay through Her Britannic Majesty's Embassy in Kathmandu of each payment made in accordance with the provisions of this paragraph.
- (7) The Government of Nepal shall repay to the Ministry in pounds sterling in London the sum borrowed as a loan under the arrangements set out in this Note, such repayment to be made by instalments paid on the dates and in the amounts specified below; except that if, on the date when any such instalment is due to be paid, there is then outstanding less than the amount specified for that instalment, only the amount then outstanding shall be paid:

INSTALMENTS

<i>Due</i>	<i>Amount</i>
	<i>£</i>
1st July 1971	400
1st January 1972	400
1st July 1972	800
1st January 1973	800
1st July 1973	1,200
1st January 1974	1,200
1st July 1974	1,600
1st January 1975	1,600
1st July 1975	2,000
1st January 1976	2,000
1st July 1976 and on the 1st July in each of the succeeding seventeen years	2,400
1st January 1977 and on the 1st January in each of the succeeding sixteen years	2,400
1st January 1994	4,000

2. If the foregoing proposals are acceptable to the Government of Nepal, I have the honour to suggest that the present Note together with your reply in that sense shall constitute an Agreement between the two Governments which shall enter into force on the date of your reply, and the Agreement shall be referred to as the United Kingdom/Nepal 1969 (Number 2) Financial Agreement.

I avail myself of this opportunity to renew to you the assurances of my highest consideration.

A. R. H. KELLAS

No. 2

*The Secretary, Ministry of Finance of Nepal, to Her Majesty's
Ambassador at Kathmandu*

*Ministry of Finance,
Kathmandu.*

8 August, 1969.

Your Excellency,

I acknowledge Your Excellency's Note dated 8th August 1969, which reads as follows:

[As in No. 1]

I have the honour to inform Your Excellency that the foregoing is acceptable to His Majesty's Government of Nepal.

Please accept, Your Excellency, the assurance of my highest consideration.

BHEKH B. THAPA

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