

AGREEMENT ON TECHNICAL COOPERATION BETWEEN THE GOVERNMENT OF JAPAN AND HIS MAJESTY'S GOVERNMENT OF NEPAL

The Government of Japan and His Majesty's Government of Nepal,
Desiring to strengthen further the friendly relations existing between
the two countries by the promotion of technical cooperation, and
Considering mutual benefits derived from promoting the economic and
social development of their respective countries,
Have agreed as follows:

ARTICLE I

The two Governments will endeavor to promote technical cooperation
between the two countries.

ARTICLE II

On the basis of this Agreement, the two Governments will enter into
separate arrangements in written form to carry out specific technical
cooperation programs to be agreed upon between the two Governments.

ARTICLE III

The Government of Japan will, in accordance with the laws and regulations
in force in Japan, and under the arrangements referred to in Article II
of this Agreement, carry out at its own expense the following forms of
technical cooperation:

- (a) receiving Nepalese nationals for technical training in Japan;

- (b) dispatching Japanese experts (hereinafter referred to as "the Experts") to the Kingdom of Nepal;
- (c) dispatching Japanese volunteers with a wide range of technical skills and abundance of experience (hereinafter referred to as "the Senior Volunteers") to the Kingdom of Nepal;
- (d) dispatching Japanese missions (hereinafter referred to as "the Missions") to the Kingdom of Nepal to conduct surveys of economic and social development projects of His Majesty's Government of Nepal;
- (e) providing His Majesty's Government of Nepal with equipment, machinery and materials; and
- (f) providing His Majesty's Government of Nepal with other forms of technical cooperation as may be mutually agreed upon between the two Governments.

ARTICLE IV

His Majesty's Government of Nepal will ensure that the techniques and knowledge acquired by Nepalese nationals as well as provided equipment, machinery and materials as a result of the Japanese technical cooperation as provided for in Article III of this Agreement will contribute to the economic and social development of the Kingdom of Nepal, and not be used for military purposes.

ARTICLE V

In case the Government of Japan dispatches the Experts and the Missions, His Majesty's Government of Nepal will take at its own expense the following measures:

- (a) to provide suitable office and other facilities including telephone and facsimile services wherever available required for the performance of the duties of the Experts and the Missions as well as to bear expenses for their operation and maintenance;
- (b) to provide the local staff (including Nepalese counterparts to the Experts and the Missions, and if necessary, adequate interpreters) necessary for the performance of the duties of the Experts and the Missions;
- (c) to bear expenses of the Experts for:
 - (i) daily transportation to and from their place of work;
 - (ii) their official travels in the Kingdom of Nepal; and
 - (iii) their official correspondence;
- (d) to provide rent—free housing accommodation for the Experts and their families whenever local conditions and financial possibilities of authorities concerned of His Majesty's Government of Nepal permit; and
- (e) to provide free medical care and facilities for the Experts and their families as well as members of the Missions whenever local conditions and financial possibilities of authorities concerned of His Majesty's Government of Nepal permit.

ARTICLE VI

1. (1) His Majesty's Government of Nepal will:
 - (a) exempt the Experts and members of the Missions from income tax and other fiscal charges imposed on or in connection with any emoluments or allowances remitted to them from overseas;
 - (b) exempt the Experts and their families as well as members of the Missions from consular fees, customs duties, taxes and other fiscal charges of a similar nature, in respect of the importation of:
 - (i) personal and household effects; and
 - (ii) one motor vehicle per Expert assigned to stay in the Kingdom of Nepal;
 - (c) refund value added tax to the Experts who do not import any motor vehicle into the Kingdom of Nepal in respect of one motor vehicle per Expert in case of local purchase; and
 - (d) exempt the registration fee of the motor vehicle mentioned in (b) (ii) and (c) above.
- (2) The motor vehicle mentioned above will be subject to payment of customs duties and taxes if they are subsequently sold or transferred within the Kingdom of Nepal to individuals or organizations not entitled to exemption from such duties and taxes or similar privileges.
2. His Majesty's Government of Nepal will take the following measures:
 - (a) to permit the Experts and their families as well as members of the Missions to enter, leave and sojourn in the Kingdom of Nepal for the duration of their assignment therein, offer them the convenience for

procedures of alien registration requirements, and exempt them from consular fees;

(b) to issue to the Experts and their spouses as well as members of the Missions identification cards to secure the cooperation of all governmental organizations necessary for the performance of the duties of the Experts and the Missions;

(c) to offer the Experts, holding car driving licenses, the convenience for acquisition of car driving license as per the prevailing rules in Nepal; and

(d) other measures necessary for the performance of the duties of the Experts and the Missions.

3. His Majesty's Government of Nepal will accord the Experts and their families as well as members of the Missions such privileges, exemptions and benefits as are no less favorable than those accorded to experts and their families as well as members of missions of any third country or of any international organization performing a similar mission in the Kingdom of Nepal.

ARTICLE VII

His Majesty's Government of Nepal bear claims, if any arises, against the Experts and members of the Missions resulting from, occurring in the course of, or otherwise connected with, the discharge of their duties, except when the two Governments agree that such claims arise from gross negligence or willful misconduct on the part of the Experts or members of the Missions.

ARTICLE VIII

1. In case the Government of Japan provides His Majesty's Government of Nepal with equipment, machinery and materials, they will become the property of His Majesty's Government of Nepal upon being delivered c. i. f. at the port of the disembarkation to authorities concerned of His Majesty's Government of Nepal. The equipment, machinery and materials mentioned above will be utilized for the purpose for which they will be provided unless otherwise agreed upon.
2. His Majesty's Government of Nepal will exempt the equipment, machinery and materials referred to in paragraph 1 above from consular fees, customs duties, taxes and other fiscal charges of a similar nature.
3. The expenses for the transportation within the Kingdom of Nepal of the equipment, machinery and materials referred to in paragraph 1 above and the expenses for their replacement, maintenance and repair will be borne by His Majesty's Government of Nepal.
4. The equipment, machinery and materials which the Experts, members of the Missions and the Senior Volunteers carry with them for the performance of their duties will remain the property of the Government of Japan unless otherwise agreed upon.

The Experts, members of the Missions and the Senior Volunteers will be exempted from consular fees, customs duties, taxes and other fiscal charges of a similar nature, in respect of the importation of such equipment, machinery and materials.

5. The Experts, members of the Missions and the Senior Volunteers will be refunded value added tax and will also be exempted from other fiscal charges of any kind in respect of such equipment, machinery and materials in case of local purchase.

ARTICLE IX

In case the Government of Japan dispatches the Senior Volunteers, His Majesty's Government of Nepal will accord the Senior Volunteers and their families the same privileges, exemptions, and benefits as accorded the Experts and their families under Article V, VI, and VII.

ARTICLE X

The Experts, members of the Missions and the Senior Volunteers will maintain close contact with His Majesty's Government of Nepal through organizations designated by it.

ARTICLE XI

1. His Majesty's Government of Nepal will admit the Japan International Cooperation Agency (hereinafter referred to as "JICA"), the executing agency for technical cooperation by the Government of Japan, to maintain an overseas office of JICA in the Kingdom of Nepal (hereinafter referred to as "the Office") and will accept a resident representative and his/her staff to be dispatched from Japan (hereinafter referred to as "the Representative and Staff") who discharge the duties to be assigned to them by JICA related to the activities of the technical cooperation programs under this Agreement.

2. His Majesty's Government of Nepal will accord the Representative and Staff and their families as well as the Office the following privileges, exemptions and benefits:

(1) With regard to the Representative and Staff and their families:

(a) exemption from payment of consular fees, customs duties, internal taxes and other fiscal charges of any kind imposed on or in connection with the importation of personal and household effects, and motor vehicles and other items necessary for daily life;

(b) exemption from payment of income tax and other fiscal charges of any kind imposed on or in connection with any emoluments or allowances remitted from overseas;

(c) refund of value added tax on motor vehicles in case of local purchase;

(d) exemption from payment of any fees in connection with entering, leaving and sojourning in the Kingdom of Nepal; and

(e) issuance of identification cards to the Representative and Staff and their spouses.

(2) With regard to the Office:

(a) exemption from consular fees, customs duties, taxes and other fiscal charges of a similar nature, in respect of the importation of the equipment, machinery, motor vehicles and materials necessary for office activities;

(b) refund of value added tax and exemption from other fiscal charges of any kind on the equipment, machinery, motor vehicles and other

materials necessary for the functions of the Office purchased locally in the Kingdom of Nepal; and

(c) exemption from payment of income tax and other fiscal charges of any kind imposed on or in connection with office expenses to be remitted from overseas.

3. His Majesty's Government of Nepal will accord the Representative and Staff and their families as well as the Office such privileges, exemptions and benefits as are no less favorable than those accorded to the representative and staff and their families as well as office of executing agencies of any third country or of any international organization performing a similar mission in the Kingdom of Nepal.

4. The motor vehicles, equipment, machinery and other materials imported under this Article will be subject to the payment of customs duties and taxes, according to the laws and regulations in force in Nepal, if they are sold or transferred within the Kingdom of Nepal to individuals or organizations not entitled to exemption from such duties and taxes or similar privileges.

ARTICLE XII

The Government of Japan and His Majesty's Government of Nepal will consult with each other in respect of any matter that may arise from or in connection with this Agreement.

ARTICLE XIII

1. The provision of this Agreement will also apply to the specific technical cooperation programs being carried out between the two Governments prior to the entering into force of this Agreement, and to the Experts and their families, members of the Missions, the Senior Volunteers and their families, the Representative and Staff and their families staying in the Kingdom of Nepal as well as to the equipment, machinery and materials brought into the Kingdom of Nepal to carry out the said programs.
2. The termination of this Agreement will neither affect the specific technical cooperation programs being carried out until the date of the completion of the said programs, unless otherwise the two Governments expressly agree, nor affect the privileges, exemptions and benefits accorded to the Experts and their families, members of the Missions, the Senior Volunteers and their families, the Representative and Staff and their families staying in the Kingdom of Nepal for the performance of their duties in connection with the said programs.

ARTICLE XIV

1. This Agreement will enter into force on the date of the signature thereof.
2. This Agreement will remain in force for a period of five years, and will be automatically renewed for further periods of five years, unless either Government has given to the other Government at least six months' written advance notice of its intention to terminate the Agreement.

IN WITNESS WHEREOF the undersigned, duly authorized thereto, have signed this Agreement.

DONE in duplicate in English at Kathmandu on September 3, 2003.

For the Government of Japan:

For His Majesty's Government of
Nepal: