

"साँस्कृतिक शान, आठराईको पहिचान"



आठराई राजपत्र

आठराई गाउँपालिकाद्वारा प्रकाशित

खण्ड ६ संख्या: २३

सम्झौता मिति: २०८०/१०/१८

राजपत्रमा प्रकाशित मिति: २०८०/११/१५

भाग २

आठराई गाउँपालिका
गाउँ कार्यपालिकाको कार्यालय
संक्रान्तिबजार, तेह्रथुम
कोशी प्रदेश, नेपाल।



खाम्लालुङ स्वास्थ्य चौकी भवन निर्माण गर्न
नेपाल सरकार, सङ्घीय मामिला तथा सामान्य प्रसाशन
मन्त्रालय —
भारतीय राजदूतावास, काठमाडौं
र
आठराई गाउँपालिका, तेह्रथुम
बीच भएको
सम्झौतापत्र



Memorandum of Understanding

between

**the Ministry of Federal Affairs and General Administration
Government of Nepal**

and

the Embassy of India, Kathmandu

and

**the Aathrai Rural Municipality, Tehrathum
Relating to**

**Grant Assistance from Government of India
for**

**the Construction of Khamlalung Health Post Building, Aathrai Rural
Municipality, Tehrathum District, Koshi Province, Nepal.**

1. Whereas this Memorandum of Understanding (MoU) is to execute the project funded by Government of India under the agreement between Government of Nepal and Government of India regarding Indian grant assistance for implementation of Small Development Projects signed on August 6, 2008, amended and extended through the Letters of Exchange dated December 17, 2017, March 28, 2018, August 6, 2020, August 9, 2023 and January 4, 2024.

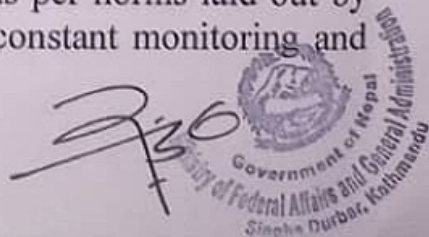
2. And whereas upon the approval of the project proposal of **Aathrai Rural Municipality, Tehrathum** (hereinafter referred to as the "**Implementing Agency**"), by Government of India (hereinafter referred to as "**GoI**") and concurred vide letter dated 20th September, 2022 by the Ministry of Finance, Government of Nepal (hereinafter referred to as "**MoFGoN**") for the Construction of Khamlalung Health Post Building, Aathrai Rural Municipality, Tehrathum, Nepal (hereinafter referred to as the "**Project**");

3. And whereas based on the Detailed Project Report (DPR), including civil engineering drawings/design and cost estimates provided by the Aathrai Rural Municipality, Tehrathum, the Implementing Agency (hereinafter referred to as IA). Aathrai Rural Municipality, Tehrathum in accordance with the norms laid out by Government of Nepal (GoN), GoI has approved cost estimates of NRs. 3,54,17,143/- (Nepalese Rupees Three Cores Fifty Four Lakhs Seventeen Thousands One Hundred and Forty Three Only) (including contingency & excluding VAT) as grant for the Project of the Construction of Khamlalung Health Post Building, Aathrai Rural Municipality, Tehrathum District, in Nepal. GoI commitment shall be 80% of the estimated cost or the tendered cost, whichever is lower.

4. The Ministry of Finance, GoN has conveyed that IA, i.e. Aathrai Rural Municipality, Tehrathum has agreed to co-finance twenty percent (20%) of the estimated cost of the Project as a conditional grant as per the Constitution of Nepal and norms laid out by GoN.

5. Now, therefore, the three Parties, namely the Embassy of India, Kathmandu, Nepal on behalf of GoI (hereinafter referred to as "EoI"), MoFGoN and the Ministry of Federal Affairs and General Administration (hereinafter referred to as MOFAGAGON) on behalf of Government of Nepal, and Aathrai Rural Municipality, Tehrathum which is the Implementing Agency, agree to the following:

- i. **Responsibility of Implementing Agency:** The IA, Aathrai Rural Municipality, Tehrathum shall be fully responsible for implementation of the project and shall provide necessary technical assistance in the design and supervision of the Project work to ensure successful, timely and quality implementation of the Project. It shall sign an Agreement (hereinafter called as 'Contract Agreement') with the contractor (hereinafter called as 'Project Contractor') identified as per the procedure prescribed by Government of Nepal (GoN) for tendering and awarding the contract for the Project.
- ii. **Procurement/Tendering Process:** The IA shall advertise tender notice within a week from the date of signing of the MoU as per the procedure prescribed by GoN for tendering and awarding the contract for the Project. A copy of the tender document, the tender notice published in local newspaper and the Contract Agreement thereof shall be furnished to EoI for information.
- iii. **Implementation Period:** The IA shall indicate in the tender documents, the period of completion of work by the prospective contractor. Project implementation period shall be 15 months from the date of signing of the Contract Agreement mentioned in para 5(i) above and as per norms laid out by GoN. It shall also ensure quality construction through constant monitoring and supervision of the Project implementation.



iv. **Payment Schedule:**

- a. **Infrastructure projects:** Funds will be released as per the break up in the following table by EoI directly to the designated account of the IA, Aathrai Rural Municipality, Tehrathum in total six (06) installments. Of the total estimated cost approved by GoI or the tendered cost, whichever is lower, GoI's financial commitment shall be 80% of the same. There shall be no cost escalation admissible. Remaining 20% shall be the commitment of the IA, i.e. Aathrai Rural Municipality, Tehrathum as agreed vide letter at *Annexure-A*:

| Nature of Installment | % fund | To be released by | Physical progress | Financial progress | Remarks |
|---|--------|-------------------|-------------------|--------------------|--|
| 1 st : Initial/Mobilization amount | 20% | EoI | 00 % | 20 % | On receipt of a copy of the signed Contract Agreement from the Implementing Agency |
| 2 nd Installment | 20% | EoI | 15 % | 40 % | As per Article 5 (iv) (a) of this MoU |
| 3 rd Installment | 20% | IA | 35 % | 60 % | -do- |
| 4 th Installment | 20% | EoI | 70 % | 80 % | -do- |
| 5 th Installment | 15% | EoI | 90 % | 95 % | -do- |
| 6 th Installment | 05% | EoI | 100% | 100% | On formal inauguration |

- b. **Release of Installments:** EoI shall release the grant amount directly to the designated account of the IA, Aathrai Rural Municipality, Tehrathum on receipt of (1) the Contract Agreement, (2) Utilization Certificate and (3) Project Progress Reports, as mentioned in table above, from the IA and subject to physical inspection of the Project by the Project Monitoring Committee constituted vide para 5(ix) below of the MoU.

- v. **Exclusive use of GoI Grant:** The IA, Aathrai Rural Municipality, Tehrathum shall use GoI grant amount only and exclusively for the Project. The IA shall maintain separate books of accounts for the grant released by EoI as per GoN financial procedures and get these accounts audited as per the statutory rules and regulations of GoN and reported to EoI.
- vi. **Design Change:** No major change in design and escalation in costs shall be considered. The IA shall meet the cost of minor changes in design and price escalation, if any, from the provision for contingencies, subject to:

- a. maximum of (i.e. 3%,4% and 5% as admissible district-wise) of tendered cost; and
- b. total cost of project remaining within the cost estimates approved by GoI or tender cost, whichever is less.

The extra cost over and above the estimated cost or tender cost (whichever is less) shall be borne by the IA/User/Management committee as mutually decided.

vii. **Exemption from Tax/VAT/Levies/any other Duties:** GoN shall provide exemption or refund, as the case may be, from payment of all levies, duties, taxes, cess of any kind, including VAT, on any goods, materials, equipment and vehicles purchased locally or imported for the implementation of the project under this agreement. VAT on locally procured goods and services for the project shall be paid by the IA and shall be adjusted directly between the IA and GoN.

viii. **Long-term Maintenance Fund:** In order to ensure long-term maintenance of the physical asset/s created under the Project, the User/Management Committee of Khamlalung Health Post, Aathrai Rural Municipality, Tehrathum shall set aside sufficient funds. A certificate to this effect shall be provided to EoI indicating the amount, mode and manner of the maintenance of the Project.

ix. **Project Monitoring Committee (PMC):** The following PMC shall be responsible for monitoring the execution of the work as per GoN norms.

- a) Chairperson, the Management Committee, Khamlalung Health Post, Aathrai Rural Municipality, Tehrathum
- b) Chief Engineer, Aathrai Rural Municipality, Tehrathum
- c) District Officer of the respective Department
- d) Head of DP Wing or representative, EoI Kathmandu

x. **Payment to Contractor:** The IA shall release payments to the Project contractor as per the payment schedule agreed to in the Contract Agreement and shall furnish monthly returns to EoI. The IA shall also furnish the Utilization Certificate (UC) for the amount released along with the project progress report to EoI. The IA shall submit a statement showing details of expenditure incurred out of the provision for contingencies and shall refund the unspent amount, if any, to EoI.

xi. **Foundation Stone and Publicity of GoI Grant:**


a. **Infrastructure projects:** The IA in coordination with MoFAGAGON and Khamlalung Health Post, Aathrai Rural Municipality, Tehrathum shall



organize a suitable public function for laying the foundation stone of the Project. A board indicating that the Project work is being implemented under the 'Nepal-India Development Cooperation', displaying details of the Project, total cost, name of the contractor, contract period etc. shall be placed at the Project site as well as at a prominent place at the beginning of the road leading to the Project site immediately on the commencement of the work. On completion of the Project a permanent plaque, containing mutually agreed inscription, indicating the contribution made by people of India towards construction of the project shall be installed by the IA.


- xii. **Inauguration of the Project:** Upon completion of the Project, the IA shall furnish to EoI a copy of "Work Completion Certificate" and "Handing Over Certificate". The infrastructure created shall be handed over to the User/Management Committee of Khamlalung Health Post, Aathrai Rural Municipality, Tehrathum in a suitable public inauguration function to be organized by the Implementing Agency.
- xiii. The Embassy of India in Nepal, Ministry of Federal Affairs and General Administration of Government of Nepal, the Implementing Agency i.e. Aathrai Rural Municipality, Tehrathum have jointly agreed to abide by the above understanding on February 1st, 2024 at Kathmandu.

Embassy of India
Kathmandu


(Karun Bansal)
Counsellor

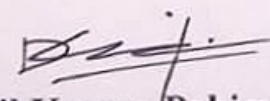
(Development Partnership)

Ministry of Federal Affairs and General
Administration
Government of Nepal


(Mahendra Kumar Sapkota)
Under Secretary



Aathrai Rural Municipality
Tehrathum


(Dil Kumar Pahim)
Chairperson



आज्ञाले,
श्री निराज शर्मा
प्रमुख प्रशासकीय अधिकृत
आठराई गाउँपालिका

आठराई राजपत्र