REVISED AGREEMENT[1] BETWEEN THE GOVERNMENT OF INDIA AND HIS MAJESTY'S GOVERNMENT OF NEPAL CONCERNING THE KOSI PROJECT
Kathmandu, 19 December 1966

WHEREAS the Union was desirous of constructing a barrage, headworks and other appurtenant works about three miles upstream of Hanuman Nagar town on the Kosi River with afflux and flood banks, and canals and protective works on land lying within the territories of Nepal for the purpose of the flood control irrigation, generation of hydro-electric power and prevention of erosion of Nepal areas on the right side of the river, upstream of the barrage (hereinafter referred to as the project);

And whereas HMG agreed to the construction of the said barrage, headworks and other connected works by and at the cost of the Union, in consideration of the benefits arising therefrom and a formal document incorporating the terms of the Agreement[2] was brought into existence on the 25th April, 1954 and was given effect to;

AND WHEREAS in pursuance of the said Agreement various works in respect of the project have been completed by the Union while others are in various stages of completion for which HMG has agreed to afford necessary facilities;

AND WHEREAS HMG has suggested revision of the said Agreement in order to meet the requirements of the changed circumstances, and union, with a view of maintaining friendship and good relation subsisting between Nepal and India, has agreed to the revision of Agreement;

NOW, THEREFORE, the parties agree as follows :

1. *Details of the Project :*

   (i) The barrage is located about 3 miles upstream of Hanuman Nagar town.

1. Came into force on 19 December 1966.

2. See Annexure.

(ii) The general layout of the barrage, the areas within afflux banks, flood embankments, and other protective works, canals, power house and the lines of communication are shown in the amended plan annexed to this Agreement as Amended Annexure-A[1].

(iii) Any construction and other undertaking by the Union in connection with this project shall be planned and carried out in consultation with HMG.

Provided that such works and undertakings which, pursuant to any provision of this Agreement require the prior approval of HMG shall not be started without such prior approval;

And further provided that in situation described in Clause 3(iii) and Clause 3(iv) intimation to HMG shall be sufficient.

(iv) For the purpose of Clauses 3 and 8 of this Agreement the land under the ponded areas and boundaries as indicated by the plan specified in sub-clause (ii) above, shall be deemed to be submerged.

2. *Investigations and Surveys :*

(i) Whenever the Chief Engineer of Kosi Project, Government of Bihar may consider any survey or investigation to be required in connection with the said project, HMG shall, if and insofar as HMG has approved such survey or investigation, authorise and give necessary facilities to the concerned officers of the Union or other persons acting under the general or special orders of such officers to enter upon such land as necessary with such men, animals, vehicles, equipment, plant, machinery and instruments as necessary to undertake such surveys and investigations. Such surveys and investigations may comprise aerial and ground surveys, hydraulic, hydrometric, hydrological and geological surveys including construction of drill holes for surface and sub-surface exploration, investigations for communications and for materials of construction; and all other surveys and investigations necessary for the proper design, construction and maintenance of the barrage and all its connected works mentioned under the Project.

1. Not reproduced here.

However, investigations and surveys necessary for the general maintenance and operation of the project, inside the project area, may be done by the Union after due intimation to HMG.

In this Agreement, the "Project Area" shall mean the area acquired for the Project.

(ii) The provision of sub-clause (i) of this clause shall also apply to surveys and investigations of storage dams or detention dams on the Kosi, soil conservation measures, such as check dams, afforestation etc., required for a complete solution of the Kosi problems in the future.

(iii) The surveys and investigations referred to in sub-clause (i) and (ii) shall be carried out in cooperation with HMG.

(iv) All data, maps, specimens, reports and other results of surveys and investigations carried out by or on behalf of the Union in Nepal pursuant to the provisions of this clause, shall be made available to HMG freely and without delay. In turn, HMG shall, upon request by the Union, make available to the Union all data, maps, specimens, reports and other results of surveys and investigations carried out by or on behalf of HMG in Nepal in respect of the Kosi river.

3. *Authority for execution of works and use of land and other property :*

(i) Provided that any major construction work not envisaged in the amended plan (Amended Annexure-A) referred to in clause 1(ii) shall require the prior approval of HMG, HMG shall authorise the Union to proceed with the execution of the said project as and when the project or a part of the project receives sanction of the said Union and notice has been given by the Union to HMG of its intention to commence work on the respective constructions and shall permit access by the Engineer and all other officers, servants, and nominees of the Union, with such men, animals, vehicles, plant, machinery, equipment and instruments as may be necessary for the direction and execution of the respective constructions, to all such lands and places, and shall permit the occupation, for such period as may be necessary, of all such lands and places as may be required for the proper execution of the respective constructions.

(ii) The land required for the purposes mentioned in clause 3(i) above shall be acquired by HMG and compensation therefore shall be paid by the Union in accordance with the provisions of clause 8 hereof.

(iii) HMG shall, upon prior notification, authorise officers of the Union to enter on land outside the limits or boundaries of the barrage and its connected works in case of any accident happening or being apprehended to any of the said works and to execute all works which may be necessary for the purpose of repairing or preventing such damage. Compensation, in every case, shall be tendered by the Union through HMG to the owners of the said land for all accidents done to the same in order that compensation may be awarded in accordance with clause 8 hereof.

(iv) HMG will permit the Union to quarry the construction materials required for the project from the various deposits at Chatra, Dharan Bazar or other places in Nepal.

4. *Use of water and power :*

(i) HMG shall have every right to withdraw for irrigation and for any other purpose in Nepal water from the Kosi river and from the Sun-Kosi river or within the Kosi basin from any other tributaries of the Kosi river as may be required from time to time. The Union shall have the right to regulate all the balance of supplies in the Kosi river at the barrage site thus available from time to time and to generate power in the Eastern canal.

(ii) HMG shall be entitled to obtain for use in Nepal any portion upto 50% of the total hydro-electric power generated by any Power House situated within a 10-mile radius from the Barrage site and constructed by or on behalf of the Union, as HMG shall from time to time determine and communicate to the Union.

Provided that—

HMG shall communicate to the Union any increase or decrease in the required power supply exceeding 6,800 KW at least three months advance.

(iii) If any power to be supplied to Nepal pursuant to the provisions of this sub-clause is generated in a power house located in Indian territory, the Union shall construct the

necessary transmission line or lines to such points at the Nepal-Indian border as shall be mutually agreed upon.

(iv) The tariff rates for electricity to be supplied to Nepal pursuant to the provisions of this clause shall be fixed by mutual agreement.

5. *Lease of the Project areas :*

(i) All the lands acquired by HMG under the provisions of clause 3 hereof as of the date of signing of these amendments shall be leased by HMG to the Union for a period of 199 years from the date of the signing of these amendments at an annual Nominal Rate.

(ii) The rent and other terms and conditions on which lands for Western Kosi Canal shall be leased by HMG to the Union pursuant to this Agreement shall be similar to those as under sub-clause (i).

(iii) The rent and other terms and conditions of any other land to be leased by HMG to the Union pursuant to this Agreement shall be fixed by mutual agreement.

(iv) At the request of the Union, HMG may grant a renewal of the leases referred to in sub-clause (i), (ii) and (iii) on such terms and conditions as may be mutually agreed upon.

(v) The sovereignty rights and territorial jurisdiction of HMG, including the application and enforcement of the law of Nepal on and in respect of the leased land shall continue unimpaired by such lease.

6. *Royalties :*

(i) HMG will receive royalty in respect to power generated and utilised in the Indian Union at rates to be settled by agreement hereafter.

Provided that no royalty will be paid on the power sold to Nepal.

(ii) HMG shall be entitled to receive payment of royalties from the Union in respect of stone, gravel and ballast obtained from Nepal territory and used in the construction and future maintenance of barrage and other connected works at rates to be settled by agreement hereafter.

(iii) The Union shall be at liberty to use and remove clay, sand and soil without let or hindrance from lands leased by HMG to the Union.

(iv) Use of timber from Nepal forests, required for the construction, shall be permitted on payment of compensation. Provided that no compensation will be payable to HMG for such quantities of timber as may be agreed upon by HMG and the Union to be necessary for use on the spurs or other river training works required for the prevention of caving and erosion of the right bank in Nepal.

Provided likewise that no compensation will be payable by the Union for any timber obtained from the forest lands leased by HMG to the Union.

7. *Customs Duties :*

HMG shall charge no customs duty or duty of any kind, during construction and subsequent maintenance, on any articles and materials required for the purpose of the Project and the work connected therewith.

8. *Compensation for land and property and for land Revenue :*

(i) For assessing the compensation to be awarded by the Union to HMG in cash :

(a) Lands required for the execution of various works as mentioned in clause 3(ii) and clause 9(i); and

(b) Submerged lands, will be divided into the following classes :

1. Cultivated lands.
2. Forest lands.
3. Village lands and houses and other immovable property standing on them.
4. Waste lands.

All lands recorded in the register of lands in the territory of Nepal as actually cultivated shall be deemed to be cultivated lands for the purpose of this clause.

(ii) The Union shall pay compensation :

(a) to HMG for the loss of land revenue as at the time of acquisition in respect of the area acquired, and

(b) to whomsoever it may be due for the lands, houses and other immovable property acquired for the Project and leased to the Union.

The assessment of such compensation and the manner of payment shall be determined hereafter by mutual agreement between HMG and the Union.

(iii) All lands required for the purposes of the Project shall be jointly measured by the duly authorised officers of HMG and the Union respectively.

9. *Communications :*

(i) HMG agrees that the Union may construct and maintain roads, tramways, railways, ropeways *etc.*, required for the project in Nepal and shall provide land for these purposes on payment of compensation as provided in Clause 8. Provided that the construction of any roads, tramways, railways, ropeways, etc. outside the Project area shall require the prior approval of HMG.

(ii) Any restrictions, required in the interest of construction, maintenance and proper operation of the Project, regarding the use of the roads, *etc.*, referred to in sub-clause (i) by commercial or private vehicles may be mutually agreed upon. In case of threatened breach or erosion of the structures on account of the river, the officers of the Project may restrict public traffic under intimation to HMG.

(iii) HMG agrees to permit, on the same terms as for other users, the use of all roads, waterways and other avenues of transport and communication in Nepal for bonafide purposes of the construction and maintenance of the barrage and other connected works.

(iv) The bridge over Hanuman Nagar barrage shall be open to public traffic. With prior approval of HMG, the Union shall have the right to close the traffic over the bridge temporarily if and in so far as required for technical or safety reasons. In such cases, the Union shall take all measures required for the most expeditious reopening of the bridge.

(v) HMG agrees to permit installation of telegraph, telephone and radio communications in Nepal for the bonafide purposes of the construction and maintenance of the Project.

Provided that the Union shall agree to the withdrawal of such facilities which HMG may in this respect provide in future.

Further provided that the Union agrees to permit the use of internal telephone and telegraph in the Project area to authorise servants of HMG for business in emergencies provided such use does not in any way interfere with the construction and operation of the Project.

10. *Navigation rights :*

All navigation rights in the Kosi River in Nepal shall rest with HMG. Provision shall be made for suitable arrangements at or around the site of the barrage for free and unrestricted navigation in the Kosi River, if technically feasible. However, the use of any water craft like boats, launches and timber rafts within two miles of the barrage and headworks shall not be allowed on grounds of safety, except by special permits to be issued by the competent authority of HMG in consultation with the Executive Engineer, Barrage. Any unauthorised water craft found within this limit shall be liable to prosecution.

11. *Fishing rights :*

All the fishing right in the Kosi River in Nepal shall continue to rest with HMG. However, no fishing shall be permitted within two miles of Barrage and headworks except under special permits to be issued by the competent authority of HMG in consultation with the Executive Engineer, Barrage. While issuing the special permits within two miles, HMG shall keep in view the safety of the headworks and the permit holders.

12. *Use of Nepali Labour :*

The Union shall give preference to Nepali labour, personnel and contractors to the extend available and in its opinion suitable for the construction of the Project but shall be at liberty to import labour of all classes to the extent necessary.

13. *Civic Amenities in the Project Area :*

Subject to the prior approval of HMG, the Union may, in the project area, establish schools, hospitals, water supply systems, electric supply systems, drainage and other civic amenities for the duration of the construction of the project. On completion of construction of the project, any such civic amenities shall, upon requests by HMG, be transferred to HMG, and that, in any case, all functions of public administration shall, pursuant to the provisions of clause 5(v) be exercised by HMG.

14. *Arbitration :*

(i) Any dispute or difference arising out of or in any way touching or concerning the construction, effect or meaning of this Agreement, or of any matter contained herein or the respective rights and liabilities of the parties hereunder, if not settled by discussion shall be determined in accordance with the provisions of this Clause.

(ii) Any of the parties may by notice in writing inform the other party of its intention to refer to arbitration any such dispute or difference mentioned in sub-clause (i); and within 90 days of the delivery of such notice, each of the two parties shall nominate an arbitrator for jointly determining such dispute or difference and the award of the arbitrators shall be binding on the parties.

(iii) Incase the arbitrators are unable to agree, the parties hereto may consult each other and appoint and Umpire whose award shall be final and binding on them.

15. *Establishment of Indo-Nepal Kosi Project Commission :*

(i) For the discussion of problems of common interest in connection with the project and for the purposes of coordination and cooperation between the two Governments with regard to any matter covered in this agreement, the two Governments shall at an early date establish a Joint "Indo-Nepal Kosi Project Commission". The rules for the composition, jurisdiction, etc., of the said Commission shall be mutually agreed upon.

(ii) Until the said Joint Commission shall be constituted the "Co-ordination Committee for the Kosi Project" shall continue to function as follows :

(a) The committee shall consist of four representatives from each country to be nominated by the respective Governments.

(b) The Chairman of the committee shall be a Minister of HMG, and the Secretary shall be the Administrator of the Kosi Project.

(c) The committee shall consider among others such matters of common interest concerning the project as land acquisition by HMG for lease to the Union, rehabilitation of displaced population, maintenance of law and order.

(iii) As soon as the said Joint Commission shall be constituted, the Co-ordination Committee for the Kosi Project shall be dissolved.

16. (i) This present Agreement shall come into force from the date of signatures of the authorised representatives of HMG and the Union respectively and thereafter, it shall remain valid for a period of 199 years.

(ii) This present Agreement shall supersede the Agreement signed between the Government of Nepal and the Government of India on the 25th April, 1954 on the Kosi Project.

IN WITNESS WHEREOF the undersigned being duly authorised thereto by their respective Governments have signed the present Amended Agreement.

DONE at Kathmandu, in quadruplicate, this day, the 19th of December, 1966.

For the
Government of India

Sd/-

SHRIMAN NARAYAN
Ambassador of India in Nepal

For His Majesty's
Government of Nepal.

Sd/-

Y.P. PANT
Secretary Ministry of Economic
Planning Finance.

ANNEXURE
KOSI AGREEMENT

Agreement[1] between the Government of India and the Government of Nepal on the Kosi Project, Kathmandu, April 25, 1954

This Agreement made this twentyfifth day of April 1954, between the Government of the Kingdom of Nepal (hereinafter referred to as the 'Government') and the Government of India (hereinafter referred to as the 'Union').

1. *Subject Matter*

Whereas the Union is desirous of constructing a barrage, head-works and other appurtenant work[s] about 3 miles upstream of Hanuman Nagar town on the Kosi River with afflux and flood banks, and canals and protective works, on land lying within the territories of Nepal, for the purpose of flood control, irrigation, generation of hydroelectric power and prevention of erosion of Nepal areas on the right side of the river, upstream of the barrage (hereinafter referred to as the 'Project');

And whereas the Government has agreed to the construction of the said barrage, head-works and other connected works by and at the cost of the Union, in consideration of the benefits hereinafter appearing;

Now the Parties Agree as follows :

(i) The barrage will be located about 8 miles upstream of Hanuman Nagar town.

(ii) Details of the Project—The general layout of the barrage, the areas within afflux bank, flood embankments and the lines of communication are shown in the plan annexed to this Agreement as Annexure 'A'[2].

(iii) For the purpose of clauses 3 and 8 of the Agreement, the land under the ponded areas and boundaries as indicated by the plan specified in sub-clause (ii) above, shall be deemed to be submerged.

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1. Came into force on 25 April 1954.
2. Not reproduced here.

2. *Preliminary Investigations and Surveys*

(i) The Government shall authorise and give necessary facilities to the canal and other officers of the Union or other persons acting under the general or special orders of such officers to enter upon such lands as necessary with such men, animals, vehicles, equipment, plant, machinery and instruments as necessary and undertake such surveys and investigations required in connection with the said Project before, during and after the construction, as may be found necessary from time to time by the Chief Engineer, Public Works Department (Kosi Project) in the Irrigation Branch of the Bihar Government. These surveys and investigations will comprise aerial and ground surveys, hydraulic, hydrometric, hydrological and geological surveys including construction of drillholes for surface and sub-surface explorations; investigations for communication and for materials of construction; and all other surveys and investigations necessary for the proper design, construction and maintenance of the barrage and all its connected works mentioned under the Project.

(ii) The Government will also authorise and give necessary facilities for investigations of storage or detention dams on the Kosi or its tributaries, soil conservation measures such as check dams, afforestation, etc., required for a complete solution of the Kosi problem in the future.

3. *Authority for Execution of Works and Occupation of Land and other Property*

(i) The Government will authorise the Union to proceed with the execution of the said Project as and when the Project or a part of the Project receives sanction of the said Union and notice has been given by the Union to the Government of its intention to commence work on the Project and shall permit access by the engineer(s) and all other officers, servants and nominees of the Union with such men, animals, vehicles, plants, machinery, equipment and instruments as may be necessary for the direction and execution of the Project to all such lands and places and shall permit the occupation, for such period as may be necessary of all such lands and places as may be required for the proper execution of the Project.

(ii) The land required for the purposes mentioned in clause 3(i) above shall be acquired by the Government and compensation therefor shall be paid by the Union in accordance with provisions of clause 8 hereof.

(iii) The Government will authorise officers of the Union to enter on land outside the limits or boundaries of the barrage and its connected works in case of any accident happening or being apprehended to any of the said works and to execute all works which may be necessary for the purpose of repairing or preventing such accident: compensation, in every case, shall be tendered by the Union to the proprietors or the occupiers of the said land for all damages done to the same through the Government in order that compensation may be awarded in accordance with clause 8 hereof.

(iv) The Government will permit the Union to quarry the construction materials required for the Project from the various deposits as Chatra, Dharan Bazar or other places in Nepal.

4. *Use of Water and Power*

(i) Without prejudice to the right of Government to withdraw for irrigation or any other purpose in Nepal such supplies of water, as may be required from time to time, the Union will have the right to regulate all the supplies in the Kosi River at the Barrage site and to generate power at the same site for the purposes of the Project.

(ii) The Government shall be entitled to use up to 50 percent of the hydro-electric power generated at the Barrage site Power House on payment of such tariff rates as may be fixed for the sale of power by the Union in consultation with the Government.

5. *Sovereignty and Jurisdiction*

The Union shall be the owner of all lands acquired by the Government under the provisions of clause 3 hereof which shall be transferred by them to the Union and of all water rights secured to it under clause 4(i).

Provided that the sovereignty rights and territorial jurisdiction of the Government in respect of such lands shall continue unimpaired by such transfer.

6. *Royalties*

(i) The Government will receive royalty in respect of power generated and utilized in the Indian Union at rates to be settled by agreement hereafter.

Provided that no royalty will be paid on the power sold to Nepal.

(ii) The Government shall be entitled to receive payment of royalties from the Union in respect of stone, gravel and ballast obtained from the Nepal territory and used in the construction and future maintenance of the barrage and other connected works at rates to be settled by agreement hereafter.

(iii) The Union shall be at liberty to use and remove clay, sand and soil without let or hindrance from lands acquired by the Government and transferred to the Union.

(iv) Use the timber from Nepal forests, required for the construction shall be permitted on payment of compensation.

Provided no compensation will be payable to the Government for such quantities of timber as may be decided upon by the Government and the Union to be necessary for use on the spurs or other training works required for the prevention of caving and erosion of the right bank in Nepal.

Provided likewise that no compensation will be payable by the Union for any timber obtained from the forest lands acquired by the Government and transferred to the Union.

7. *Customs Duties*

The Government shall charge no customs duty or duty of any kind, during construction and subsequent maintenance, on any articles or materials required for the purpose of the project and the work connected therewith or for the *bona fide* use of the Union.

8. *Compensation for Land and Property*

(i) For assessing the compensation to be awarded by the Union to the Government in cash (a) lands required for the execution of the various works as mentioned in clause 3(ii) and (b) submerged lands, will be divided into the following classes :

1. Cultivated lands.

2. Forest lands.

3. Village lands and houses and other immovable property standing on them.

4. Waste lands.

All lands recorded in the register of lands in the territory of Nepal as actually cultivated shall be deemed to be cultivated lands for the purposes of this clause.

(ii) The Union shall pay compensation (a) to the Government for the loss of land revenue as at the time of acquisition in respect of the area acquired and (b) to whomsoever it may be due for the Project and transferred to the Union.

The assessment of such compensation, and the manner of payment shall be determined hereafter by mutual agreement between the Government and the Union.

(iii) All lands required for the purposes of the Project shall be jointly measured by the duly authorised officers of the Government and the Union respectively.

9. *Communications*

(i) The Government agrees that the Union may construct and maintain roads, tramways, ropeways etc. required for the Project in Nepal and shall provide land for these purposes on payment of compensation as provided in clause 8.

(ii) Subject to the territorial jurisdiction of the Government the ownership and the control of the metalled roads, tramways, and railway shall vest in the Union. The roads will be essentially departmental roads of the Irrigation Department of the Union and any concession in regard to their use by commercial and non-commercial vehicles of Nepal shall not be deemed to confer any right of way.

(iii) The Government agrees to permit, on the same terms as for other users, the use of all roads, waterways and other avenues of transport and communications in Nepal for *bona fide* purposes of the construction and maintenance of the barrage and other connected works.

(iv) The bridge over Hanuman Nagar Barrage will be open to public traffic but the Union shall have the right to close the traffic over the bridge for repairs, *etc.*

(v) The Government agrees to permit the use of telephone and telegraph in the project area to authorised servants of the Government for business in emergencies provided such use does not in any way interfere with the construction and operation of Projects.

10. *Use of River Craft*

All navigation rights in the Kosi River in Nepal will rest with the Government. The use of any water-craft like boat launches and timber rafts within two miles of the Barrage and Headworks shall not be allowed except by special licence under special permits to be issued by the Executive Engineer, Barrage. Any unauthorised watercraft found within this limit shall be liable to prosecution.

11. *Fishing Rights*

All the fishing rights in the Kosi River in Nepal except within two miles of the Barrage shall vest in the Government of Nepal. No fishing will be permitted within two miles of the Barrage and Headworks.

12. *Use of Nepali Labour*

The Union shall give preference to Nepali labour, personnel and contractors to the extent available and in its opinion suitable for the construction of the Project but shall be at liberty to import labour of all classes to the extent necessary.

13. *Administration of the Project Areas in Nepal*

The Union shall carry out inside the Project areas in the territory of Nepal functions such as the establishment and administration of schools, hospitals, provision of water-supply and electricity, drainage, tramway lines and other civic amenities.

14. The Government shall be responsible for the maintenance of law and order in the Project areas within the territory of Nepal. The Government and Union shall, from time to time, consider and make suitable arrangements calculated to achieve the above object.

15. If so desired by the Union, the Government agrees to establish special court or courts in the Project area to ensure expeditious

disposal of cases arising within the Project area. The Union shall bear the cost involved in the establishment of such courts, if the Government so desires.

16. *Future Kosi Control Works*

If further investigations indicate the necessity of storage or detention dams and other soil conservation measures on the Kosi and its tributaries, the Government agree to grant their consent to them on conditions similar to those mentioned herein.

17. *Arbitration*

If any question, differences or objections whatever shall arise in any way, connected with or arising out of this Agreement or the meaning or operation of any part thereof or the rights, duties or liabilities of either party, except as to decisions of any such matter as therein before otherwise provided for, every such matter shall be referred for arbitration to two persons—one to be appointed by the Government and the other by the Union—whose decision shall be final and binding, provided that in the event of disagreement between the two arbitrators, they shall refer the matter under dispute for decision to an umpire to be jointly appointed by the two arbitrators before entering on the reference.

18. This Agreement shall be deemed to come into force with effect from the date of signatures of the authorised representatives of the Government and the Union respectively.

IN WITNESS WHEREOF the undersigned being duly authorised thereto by their respective Governments have signed the present Agreement.

DONE at Kathmandu, in duplicate, this twentyfifth day of April, 1954.

Sd/-

GULZARI LAL NANDA
For the Government of India.

Sd/-

MAHABIR SHUMSHER
For the Government of Nepal.

Co-ordination Committee for Kosi Project

Whereas it is considered desirable to establish a forum for discussion of problems of common interest and in order to expedite decisions for the early completion of the Kosi Project, it is agreed between the Union of India and the Government of Nepal to set up a Co-ordination Committee. The Committee will consist of three representatives from each country to be nominated by the respective Governments. It is further agreed that the Chairman of the Committee will be a Minister of the Government of Nepal and the Secretary will be the Administrator of the Kosi Project. The Committee will consider such matters of common interest concerning the project including land acquisition, rehabilitation of displaced population, maintenance of law and order, soil conservation measures and such other items as may be referred to the Committee for consideration by the Government of Nepal or the Union from time to time.

2. The Committee shall meet as and when necessary at Kathmandu or at the barrage site or such other place as may be necessary at the discretion of the Committee.

3. Travelling allowance for the journeys undertaken by the Committee shall be met by the Union according to normal rates in the Union.

   All other expenditure on staff, *etc.*, of the Committee will be met by the Union.