

MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN
THE GOVERNMENT OF NEPAL AND
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
ON COOPERATION IN THE FIELD OF POWER SECTOR

This Memorandum of Understanding (hereinafter referred to as the MoU) made on the 10 day of August 2018 between the **Government of Nepal** (hereinafter referred to as GoN) represented by the Ministry of Energy, Water Resources and Irrigation and the Government of the People's Republic of Bangladesh (hereinafter referred to as GoB) represented by Power Division, Ministry of Power, Energy and Mineral Resources hereinafter individually referred to as the 'Party' and collectively 'Parties'),

Desiring to enhance traditional ties of friendship between the two countries through development of bilateral economic and trade cooperation;

Realizing the ever-increasing demand of electricity for the socio-economic development and progress;

Recognizing that the cooperation in the field of exchange of power generation, grid connectivity, energy efficiency, renewable energy and development of hydro-power would mutually benefit both the countries and could extend to sub-regional and regional levels;

Realizing that the enterprises of the two countries have goodwill, understanding and solid foundation to cooperate and invest in power sector;

Realizing that the cooperation through mutual investment in power sector between the two countries has tremendous potential and promising prospects and also;

Realizing that the huge hydro-power potential in the South Asia region and utilizing this potential for the development and improvement of livelihood of the People of this region through regional/sub-regional cooperation;

HAVE AGREED AS FOLLOWS:

ARTICLE-I

The Memorandum of Understanding will act as a framework for trading power between Nepal and Bangladesh at a mutually agreed upon price and procedure. Both the countries agree to exchange power as and when it is possible and feasible. Both the Parties agree to participate and promote regional/sub-regional power sector cooperation in South Asia region such as SAARC, BIMSTEC, BBIN etc.

ARTICLE-II

The parties shall enhance their cooperation in the field of power including investment and development of power generation projects for mutual benefit. In furtherance thereof, the Parties shall encourage and facilitate joint co-operation:-

- (a) To develop power generation projects specially hydro-power development, transmission, energy efficiency and development of various types of renewable energy;
- (b) To provide consultancy services, training, seminars, workshops, research and development programmes for the development of human resources and enhancement of productivity and efficiency in the power sector;
- (c) To encourage and support cooperation between the public and private sector entities of the two countries in the field of power generation, transmission, distribution, energy efficiency, development of hydro-power projects, investment, design, construction, installation, commissioning, operation and production in both the countries;
- (d) To support and facilitate joint venture investments in power projects between the two countries subject to their existing policies & legislations;
- (e) To facilitate and assist Public and Private Sector entities for successful Implementation of the power projects;
- (f) To exchange of visits by the power sector personnel to each other's plants, institutions and infrastructures.

ARTICLE-III

Both parties will take necessary steps to establish adequate national and regional grid connectivity to explore the power trade between the two countries.

ARTICLE-IV

The parties shall set up a Joint Working Group co-chaired by the Joint Secretary, Ministry of Energy, Water Resources and Irrigation of Nepal and Joint Secretary, Power Division, Ministry of Power, Energy and Mineral Resources of Bangladesh to promote and facilitate cooperation in the areas identified under this MoU. A Joint Steering Committee co-chaired by the Energy Secretary of the Government of Nepal and Power Secretary of the Government of Bangladesh will be constituted to review the progress of the Joint Working Group.

The Joint Working Group and Joint Steering Committee will meet back to back at least once a year alternatively in Kathmandu and Dhaka.

ARTICLE-V

This non-binding Memorandum of Understanding shall not in any way affect the obligations of the Parties under existing bilateral agreements between the two countries.

ARTICLE - VI

Cooperation under this MoU will be in accordance with the laws and regulations of the respective countries. Any question and dispute arising related to the MoU during its term will be settled amicably by the Parties through mutual consultations with each other.

ARTICLE-VII

This MoU shall enter into force upon signature and shall remain in force for a period of five years, and shall be automatically renewed thereafter on a quinquennium basis unless either Party gives the other Party a written notice of 3 (three) months in advance of its intention to terminate this MoU.

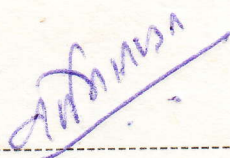
Amendments to this MoU may be made anytime by mutual consent of the Parties.

Notwithstanding the termination of this MoU, the activities being undertaken under this MoU shall not be affected and shall continue till their completion as per the terms and condition of the respective activities.

IN WITNESS WHEREOF, the undersigned, duly authorized by the two Governments have signed this MoU.

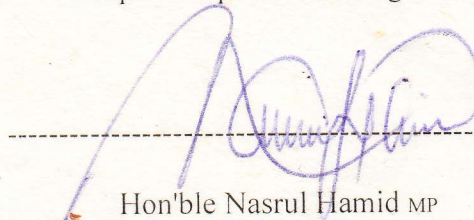
Signed on this 10 day of August 2018 in Kathmandu in two originals in English language.

On behalf of the Government of Nepal



Hon'ble Barsha Man Pun 'Ananta'
Minister, Ministry of Energy, Water
Resources and Irrigation, Nepal

On behalf of the Government of the
People's Republic of Bangladesh



Hon'ble Nasrul Hamid MP
State Minister, Ministry of Power, Energy
and Mineral Resources, Bangladesh