

**Minutes of the Fifth Meeting of
Nepal-India Joint Committee on Water Resources (JCWR)
(November 20-22, 2009; Pokhara, Nepal)**

The fifth meeting of the Nepal-India Joint Committee on Water Resources (JCWR) was held in Pokhara, Nepal on 20-22 November 2009. The Nepalese delegation was headed by Mr. S. P. Koirala, Secretary, Ministry of Energy (MoEn), Government of Nepal and the Indian delegation was headed by Mr. U.N. Panjiar, Secretary, Ministry of Water Resources, Government of India. The lists of the Nepalese and Indian delegates are at Annex I & Annex II respectively.

2. The Leader of the Nepalese delegation, in his opening remarks, welcomed the Indian delegates and offered warm hospitality. He stated that there was no alternative to meaningful India-Nepal cooperation in water sector; and that the age old cultural ties between the two countries should also be utilized as a catalyst in the sector's development. He extended his thanks to the Government of India for its bilateral cooperation in the water and power sectors in the past and also for the goodwill and keen interest to work together in different identified projects in future.

3. The Leader of the Nepalese delegation, in his remarks, apprised the committee that the Government of Nepal was taking new initiatives to put in place security arrangement and for creating conducive environment for resumption of field works at Sapta Kosi High Dam site; and expressed that the Pancheshwar Development Authority, after its establishment, would expedite finalization of the DPR and initiate preparatory works for the project's implementation.

4. Reciprocating the opening remarks of the Leader of the Nepalese delegation, the Leader of the Indian delegation expressed his gratitude for the warm welcome and hospitality extended by the Government of Nepal to the Indian delegation. In his remarks, the Indian Leader highlighted the unique relations between Nepal and India that are bound by history, geography and open borders. He also highlighted the importance of utilization of water resources, for the mutual benefit of the people of two countries.

5. Referring to the discussions held during the recent visit of Rt. Hon'ble Prime Minister of Nepal Madhav Kumar Nepal to India, Mr. Panjiar appreciated the willingness of Nepal to develop 25,000 MW of hydropower in next 20 years and offered all possible cooperation in this endeavour. He expressed hope for fruitful deliberations during the meeting.

6. After detailed deliberations on agenda which is placed at Annex-III, the following decisions were made:

1. Review of the actions on decisions taken in the Fourth meeting of JCWR

1.1. Implementation of Mahakali Treaty

1.1.1. Pancheshwar Mutipurpose Project

7. During the fourth meeting of JCWR, it was agreed to finalize the terms of reference (TOR) for Pancheshwar Development Authority (PDA) at the fifth meeting of JCWR. The Committee discussed the issue.

1.1.2. Sill Level of the Head Regulator for Nepal at Tanakpur Barrage

8. The Nepalese side reiterated its position on placing the sill level of the Head Regulator for Nepal at Tanakpur Barrage at El 241.50 m and informed that it had already started the construction of Tanakpur Main Canal in its territory. It requested the Indian side to expedite the construction of link canal for a capacity of 2,000 cusecs to take care of a situation when Sarada barrage would become defunct, matching the bed level of the canal under construction in Nepal side. The Indian side mentioned that the canal of 1,000 cusecs capacity had been planned with already constructed crest level of head regulator at El 245.0 m, and matching bed level with the canal under construction in Nepalese territory at the border. Construction of a new regulator for additional 1000 Cusecs would be provided when Sarada Barrage becomes defunct.

9. The Nepalese side requested a copy of DPR of the proposed canal on the Indian side, which was agreed to and will be forwarded thorough diplomatic channels. JSTC was directed to examine the DPR.

1.1.3. Tanakpur Mahendranagar Link Road

10. As per the decision of the fourth meeting of the JCWR, a tripartite meeting between the representatives from Department of Irrigation, Nepal, Department of Roads, Nepal and NHPC, Tanakpur was held to finalize the alignment of canal and road on September 4, 2009. It was reported that there were some minor changes in the road alignment and positions of crossing structures while maintaining the original alignment of the main canal. The Indian side mentioned that the DPR of the road had to be revised after considering the realignment and also upgraded specification of the road to Asian Highway Network standard. Besides, as per the new alignment, the Indian side mentioned that an additional 7000 sq m of the land has to be acquired in Nepalese territory. The Nepalese side mentioned that land acquisition would be accomplished after it was delineated at the site by the implementing agency, M/S RITES.

1.1.4. Release of Irrigation Water for Chandani Dodhara Area

11. The JCWR in the fourth meeting directed the JSTC to look into the technical details of the irrigation scheme for Chandani Dodhara Area of Nepal. As the meeting of JSTC could not be held, no progress was made on this issue. It was decided that the second meeting of the JSTC would look into the technical details of the irrigation scheme as was earlier directed by JCWR.

1.2. Koshi Afflux Bund Breach and related Matters

1.2.1. Koshi Breach Closure Works

12. JCWR appreciated the efforts made by the Government of India for satisfactory completion of the breach closure works on time, which has withstood a flood discharge of more than 300,000 cusecs during the 2009 floods.

13. The Nepalese side requested that a copy of recommendations made by the KHLC after the site visits made on October 24-26, 2009 may be provided to them at the earliest. The Indian side provided a draft copy of the report during the meeting. It was also informed that the final report would be made available by December 2009 after incorporating the results of the model tests to be carried out at CWPRS, Pune. The Indian side assured that the works required at site would be implemented before the onset of 2010 monsoon.

1.2.2. Joint Committee of Koshi and Gandak Projects (JCKGP)

14. It was reported that as directed by the JCWR, the fourth meeting of the JCKGP was held from May 2-3, 2009 at Patna in which all the relevant issues were discussed.

1.3. Sapta-Kosi High Dam Multipurpose Project and Sunkosi Storage cum Diversion Scheme – Review of Progress

15. The Nepalese side informed that despite best efforts put in by it to resume field investigation works suspended since May 2007, the work environment has not improved to recommence the drilling and drift works at Sapta Kosi dam sites.

16. The Nepalese side also informed that a process to establish two armed police posts at Chatara and Barahchhetra had been initiated for providing security to the project personnel.

17. The Indian side informed that only two police posts might not be sufficient and requires mobile security teams to provide security in the field and hence requested for the same.

18. The Indian side further recalled the decision made in the last JCWR meeting regarding the downsizing of JPO-SKSKI if the geological investigations at the

relevant sites are not resumed within three months. Indian side expressed concern that even after six months, the drilling works at the Sapta Kosi dam site could not be resumed.

19. The JCWR agreed that in case the work cannot be resumed by March 2010, JPO personnel may be redeployed to effectively utilize their services or the strength may be downsized.

1.4. Issues Related to Gandak Project

1.4.1. Status of Repair Works in Waterway Structures for Gandak Power Plant

20. The Nepalese side stated that many parts of the waterway system including Barrage and Silt Ejector needed major repairs in addition to regular repair and maintenance. Furthermore, NEA is refurbishing the Gandak Power Plant with the funding from ADB in near future. Hence, required repair and maintenance works should be carried out by GOI to facilitate the smooth generation from the power plant.

21. The Indian side informed that DPR for repair works of waterway structures especially barrage and main western canal (MWC) of Gandak Project at an estimated cost of IRs. 127 crores has been prepared by Government of Bihar and submitted to the Government of India. These works would be undertaken once the scheme is approved.

1.4.2. Maintenance/ Rehabilitation of Irrigation and River Training Works

22. The Indian side informed that the draft DPR prepared by Bihar Government for rehabilitation works of Gandak barrage and canal system was under examination and the final copy of the DPR would be provided to the Nepalese side after approval by the competent authority. It was further informed that the works undertaken by UP Government as per the recommendation made by the Gandak High Level Committee before monsoon 2009 were completed at site and withstood the 2009 floods.

23. The works recommended by the GHLC for this season, based on the site visit from October 24 to October 26, 2009 would be completed before onset of the monsoon 2010. The copy of the recommendations made by the GHLC would be provided to the Nepalese side, very shortly.

24. The Nepalese side informed that the details of the compensation of the land and crop of the affected people had been sent to the Indian side through the diplomatic channel. The Indian side mentioned that the Embassy in Kathmandu had not received any such request.

25. The Nepalese side also stated that the Liaison Officers and Land Acquisition officers of the Kosi and Gandak projects had not received their salary for about six

months and requested that the necessary action be taken by the Indian side for the payment of the salaries. The Indian side agreed to look into the matter.

1.5. Inundation Problems due to Mahali Sagar, Laxmanpur Barrage, Kalkalawa Bund and Rasiawal KhurdaLotun Bund

1.5.1. Inundation Problems due to Mahali Sagar

26. The progress of the field work conducted was reviewed. JCWR noted that the sill level of the old and new structure had been jointly verified and found to be the same. It was indicated by the Nepalese side that they were studying the case and that some more information with regard to the structure were required from the Indian side.

27. JCWR decided that the issue may be dropped from the agenda of the JCWR and further review of the issue may be taken by JSTC.

1.5.2. Inundation Problem due to Laxmanpur Barrage (Kalkalwa bund)

27. The Committee noted that the Task Group-1 formed by JSTC had a meeting and local contact officers conducted the field surveys at site for realigning the Gandheli nallah and agreed to provide open culvert at 0+350 chainage of the Kalkalawa bund. The implementation of the works on ground was discussed and the Indian side assured to complete the agreed structure before the monsoon of 2010. JSTC was instructed to monitor the progress of the works.

28. The Nepalese side brought to the notice of the Committee that erosion/avulsion on right bank of Rapti river inside Nepalese territory had been taking place at Holiya VDC. This has already caused displacement of large population in the area and has engulfed cultivated land. The process was on the increase and would cause further damage in Nepal and would extend even to India downstream of the Kalkalawa bund. This could be mitigated if a proper embankment is provided on Rapti river from the highlands in Nepal to the Kalkalawa bund. Regarding financing for the construction of the embankment, GoN may request Gol through the diplomatic channel.

29. The Indian side informed that a length of 8 km of Kalkalwa bund towards Laxmanpur barrage was held up on the request of the Nepalese side asking an opening in the Kalkalwa embankment. The Indian side also stated that since the issue of opening in Kalkalwa bund has been resolved, the UP Government would carry out the construction of opening simultaneously with balance works of the embankment; which was held up so far.

30. The Nepalese side stated that the 8 km embankment proposed above by the Indian side may be constructed simultaneously with the construction of the right embankment in the Nepalese territory. The Indian side reiterated that two issues are not related; however, the DPR provided by the Nepalese side will be examined.

31. JCWR decided that the issue may be dropped from the agenda of the JCWR and any further review of the issue, if required may be taken by JSTC.

1.5.3. Inundation Problem due to Rasiawal Khurd-Lotan (RKL) Bund

32. The Nepalese side stated that it had conducted additional topographic surveys inside its territory north of the bund and the data has already been processed. It was stated that Nepal would use the processed survey data to determine opening size and location of culverts along the North-South gravel road inside Nepal, to be constructed to facilitate drainage of the area between Kunra (Dano) and the road. The Nepalese side requested that the one hume pipe outlet across the RKL bund inside India, be replaced with a box culvert of same size as that of the existing box culverts to resolve the problem of inundation. The Nepalese side also suggested that RCC slab on the one open culvert as was requested by Indian side can be undertaken. JCWR directed that both sides should complete the proposed works before monsoon 2010. It was agreed to drop this issue from the future agenda of JCWR subject to timely implementation of the decision.

1.6. Review of Activities of Various Bilateral Committees

1.6.1. Joint Standing Technical Committee (JSTC) – Review of Progress

33. The JCWR noted that the 2nd meeting of the JSTC which is already overdue should take place soon and directed JSTC to meet by the end of December 2009.

1.7. West Rapti Mutipurpose (Naumure) Project – Review of Progress

34. The progress of the study being done by CWC, India was reviewed. The Indian side informed that the study on the project being conducted by CWC, India was nearing completion and the report of the study would be made available to Nepalese side by the end of December 2009.

1.8. Embankment on Mechi River

35. JCWR noted that two proposals of the Mechi river embankment works - one from Government of Bihar and the other from West Bengal were sent to Nepalese side for comments. The Nepalese side informed that the DPRs had been checked and found in order.

36. The Nepalese side further informed that it had also submitted a proposal for embankment on the Mechi river in Nepal to the Indian side for comments. The DPR was examined by GFCC and comments from GFCC were sent on aligning the proposed embankment away from the main river flow to save protection works, changing the bank top width and free board to be compatible with BIS code of India. As such changes are minor, the comments can be incorporated during the time of implementation. It requested that construction of embankments on both sides of Mechi river be initiated simultaneously. It also requested GOI financial assistance for

construction of embankment on the Nepalese side. The Indian side requested them to provide an analysis of the impact of the Eastern embankment on Nepalese side.

37. The Indian side stated that areas of West Bengal has been suffering from annual inundation and incurring a considerable loss every year in the district of Darjeeling. Therefore, there is an urgent need for undertaking the construction of the embankment on the Indian side to save the people from miseries from floods. The Indian side indicated that given the urgency of the situation, the embankment construction would commence shortly. The Nepalese side reiterated that the protection works should only be initiated simultaneously.

2. TOR for Pancheshwar Development Authority

38. The Committee finalized the TOR for establishment of Pancheshwar Development Authority. The TOR of the authority is appended in Annex IV. The TOR of the Authority shall be approved by the respective governments by the end of January 2010.

3. Meeting of Joint Ministerial Level Commission on Water Resources (JMCWR)

39. The Indian side offered to host the first meeting of the JMCWR in India in January 2010. The Committee agreed to seek the convenience of both team leaders. The date, venue and agenda of the meeting will be decided through diplomatic channels.

4. Flood Forecasting Activities on Rivers Common to India and Nepal

40. JCWR noted that Government of India was in the process of acquiring equipment requested for the operation, maintenance and upgrading of stations established under the flood forecasting scheme. Activities related to flood forecasting would be implemented in accordance with comprehensive Flood Forecasting Master Plan approved by JCWR in 2004.

41. JCWR directed JSTC to revisit the master plan in the light of new development in data transmission technology and pending activities; and submit recommendation for strengthening Flood forecasting network and enhancing real-time data transmission system.

5. Power Supply

5.1 Construction of New Inter Connection Facilities

42. Following the joint press statement released during the official visit of Rt. Honorable Prime Minister of Nepal, the Nepalese side proposed three new interconnection facilities, namely, Kataiya-Duhabi 132 kV, Raxaul-Birgunj 132 kV and Farbesgunj-Biratnagar 33kV between Nepal and India. The Indian side informed

that impact study of these interconnections is being taken up by CEA, India and report of the study would be made available to Nepal through diplomatic channel. The Indian side further stated that priority should be accorded to the compliance of time-line agreed to at the recent stakeholders meeting on implementation of the 400 kV Muzaffarpur-Dhalkebar cross border transmission line. It was felt that once the 400 kV Muzaffarpur-Dhalkebar interconnection is completed, the proposed 132/33 kV interconnections would become redundant and therefore investment on these lines may not be justified.

5.2 Revision of Power Exchange Tariff

43. On the issue of Koshi power tariff, JCWR directed the Power Exchange Committee (PEC) to come up with various options to resolve the issue and submit it to the JCWR for consideration.

5.3 Payment Under Power Exchange

44. The Nepalese side informed that following agreement at the Ninth PEC meeting, payment for power exchange are being made through letter of credit since September 2009 and that the outstanding dues have been cleared.

6 Interconnection and related Power Trading Arrangement

45. This being a new agenda, the Nepalese side informed the Indian side that it had drafted an agreement regarding cross border transmission line and related power trade. This new agreement need to be discussed and finalized for the smooth implementation of Muzaffarpur-Dhalkebar 400 kV transmission line in addition to other potential interconnection at multiple locations. It was agreed that the Nepalese side may forward the draft to India through diplomatic channel.

46. The meeting was held in a friendly and cordial atmosphere. The Indian side proposed to host the next meeting of JCWR in India at mutually convenient dates.

Signed on 22 November 2009 at Pokhara, Nepal.

S. P. Koirala
Secretary
Ministry of Energy
Government of Nepal

U. N. Panjiar
Secretary
Ministry of Water Resources
Government of India

LIST OF DELEGATES – NEPAL

1.	Mr. Shanker Prasad Koirala Secretary, Ministry of Energy	Team Leader
2.	Mr. Rajendra Kishore Kshetri Joint Secretary, Ministry of Energy	Member
3.	Mr. Suresh Raj Uprety Joint Secretary, Water & Energy Commission Secretariat	Member
4.	Mr. Anup Kumar Upadhyay Joint Secretary, Ministry of Energy	Member
5.	Mr. Mathura Dangol Superintending Engineer, Ministry of Irrigation	Member
6.	Mr. Rishi Ram Ghimire Under Secretary, Ministry of Foreign Affairs	Member
7.	Mr. Madhusudan Paudel Director General, Department of Irrigation	Member
8.	Mr. Sriranjana Lacoul Director General, Department of Electricity Development	Member
9.	Mr. Khom Raj Dahal Director General, Department of Water Induced Disaster Prevention	Member
10.	Dr. Keshav Prasad Sharma Deputy Director General, Department of Hydrology and Meteorology	Member
11.	Mr. Shiv Kumar Sharma Director, Central Development Region, Department of Irrigation	Member
12.	Mr. Dilli Bahadur Singh Project Manager, Pancheswor Multipurpose Project	Member
13.	Mr. Surendra Mananda Bajracharya Project Manager, Sapta Kosi High Dam Multipurpose Project and Sun Kosi Storage Cum Diversion Scheme	Member
14.	Dr. Jibendra Jha Managing Director, Nepal Electricity Authority	Member
15.	Mr. Pradip Raj Pande Act. Director, Western Development Region, Department of Irrigation	Member
16.	Mr. Keshav Dhoj Adhikari Senior Divisional Engineer, Ministry of Energy	Member

Invitees:

17. Mr. Subarn Lal Shrestha
Senior Divisional Engineer,
Sapta Kosi High Dam Multipurpose Project and Sun Kosi Storage Cum Diversion
Scheme
18. Mr. Pravin Raj Aryal
Senior Divisional Engineer, Ministry of Energy
19. Mr. Sanjay Dhungel
Senior Divisional Engineer, Water & Energy Commission Secretariat (WECS)
20. Mr. Dinesh Kumar Ghimire
Senior Divisional Engineer, Ministry of Energy
21. Mr. Madhav Belbase
Senior Divisional Engineer, Department of Irrigation
22. Mr. Shashi Bahadur Bisht
Senior Divisional Engineer, Department of Water Induced Disaster Prevention
23. Mr. Basistha Raj Adhikari
Senior Divisional Engineer, Department of Water Induced Disaster Prevention
24. Mr. Basu Dev Aryal
Under Secretary, Ground Water Resources Development Board
25. Mr. Sher Singh Bhat
Director, Nepal Electricity Authority
26. Mr. Shashi Sagar Rajbhandari
Director, Nepal Electricity Authority
27. Mr. Shalik Ram Thapa
Under Secretary (Account), Ministry of Energy
28. Mr. Gyanendra Prasad Dhakal
Section Officer, Ministry of Energy
29. Mr. Jayandra Shrestha,
Joint Director, Nepal Electricity Authority

LIST OF DELEGATES - INDIA

1.	Shri Umesh Narayan Panjiar, Secretary (WR)	Team Leader
2.	Shri Rakesh Sood, Ambassador of India to Nepal	Member
3.	Shri A. K. Bajaj, Chairman, Central Water Commission	"
4.	Shri R.C. Jha, Chairman, Ganga Flood Control Commission	"
5.	Shri Satish Mehta, Joint Secretary (North), MEA	"
6.	Shri S. P. Kakran, Commissioner (Ganga), MOWR	"
7.	Shri Arun Sinha, Principal Secretary (Irrigation), Gov. of UP	"
8.	Shri Tanmoy Das, Chief Engineer (HP&I), Central Electricity Authority	"
9.	Shri Harsh K. Jain, Counsellor (Commerce), Embassy of India	"
10.	Shri Saurabh Jain, Additional Secretary (Energy), Govt. of Uttarakhand	"
11.	Shri Asim Ch. Mukherjee, Chairman, North Bengal Flood Control Commission	"
12.	Shri K.S. Nagaraja, Executive Director (D & E), NHPC Limited	"
13.	Shri S.K. Sahu, Project Manager (I), Sapta Kosi Sun Kosi Investigation	Invitee

**Agenda Points for
The Fifth Meeting of Joint Committee on Water Resources (JCWR)
on 20-22 November 2009 at Pokhara, Nepal**

- 2. Review of the actions taken on decisions taken in the Fourth meeting of JCWR**
 - 2.1. Implementation of Mahakali Treaty**
 - 2.1.1. Pancheshwar Multipurpose Project
 - 2.1.2. Sill Level of the Head Regulator for Nepal at Tanakpur Barrage
 - 2.1.3. Tanakpur Mahendranagar Link Road
 - 2.1.4. Release of Irrigation Water for Chandani Dodhara Area
 - 2.2. Koshi Afflux Bund Breach and related Matters**
 - 2.2.1. Koshi Breach Closure Works
 - 2.2.2. Joint Committee of Koshi and Gandak Projects (JCKGP)
 - 2.3. Sapta-Koshi High Dam Multipurpose Project and Sunkoshi Storage cum Diversion Scheme – Review of Progress**
 - 2.4. Issues Related to Gandak Project**
 - 2.4.1. Status of Repair Works in Waterway Structures for Gandak Power Plant
 - 2.4.2. Maintenance/ Rehabilitation of Irrigation and River Training Works
 - 2.5. Inundation Problems due to Mahali Sagar, Laxmanpur Barrage, Kalkalawa Bund and Rasiawal Khurda Lotun Bund**
 - 2.5.1. Inundation Problems due to Mahali Sagar
 - 2.5.2. Inundation Problem due to Laxmanpur Barrage
 - 2.5.3. Inundation Problem due to Rasiawal Khurdalotun Bund
 - 2.6. Review of Activities of Various Bilateral Committees**
 - 2.6.1. Joint Standing Technical Committee (JSTC) – Review of Progress
 - 2.7. West Rapti Multipurpose (Naumure) Project – Review of Progress**
 - 2.8. Embankment on Mechi River**
- 3. TOR for Pancheshwar Development Authority**
- 4. Meeting of Joint Ministerial Level Commission on Water Resources (JMCWR)**
- 5. Flood Forecasting Activities on Rivers Common to India and Nepal**
- 6. Power Supply**
 - 6.1. Construction on New Inter Connection Facilities**
 - 6.2. Revision of Power Exchange Tariff**
 - 6.3. Payment Under Power Exchange**
- 7. Interconnection and related Power Trading Arrangement**
- 8. Any Other Business**

Pancheshwar Development Authority (PDA)

Terms of Reference (TOR) of PDA

1. The Government of India (GOI) and The Government of Nepal (GON) (hereinafter referred to as "the Parties"), have agreed at the 3rd meeting of the Joint Committee on Water Resources to set up the Pancheshwar Development Authority (hereinafter referred to as "the Authority") pursuant to Article 10 of the Mahakali Treaty. The Authority shall act as an independent autonomous body. It shall have two Co-Chairpersons, one from each Party and twelve Members (six Members from each side) as per Annexure- A; which will be working as a Governing Body of the Authority. Among others, the Ambassadors of Nepal to India and India to Nepal shall be permanent invitees at the meeting of the Governing Body.
2. The Authority shall take immediate measures to finalize the Detailed Project Report of Pancheshwar Multipurpose Project (hereinafter referred to as "the Project"). Thereafter, the Authority shall undertake the execution, operation and maintenance of the Project, including the re-regulating dam at Rupaligad site in an integrated manner.
3. All powers of the Authority shall be vested in the Governing Body. The Governing Body may delegate all or any of its powers to the Executive Committee. The Executive Committee shall comprise of the Chief Executive Officer (CEO), Additional Chief Executive Officer (ACEO), Executive Director (Legal), Executive Director (Technical), Executive Director (Administration), Executive Director (Environment), Executive Director (Resettlement and Rehabilitation) and Executive Director (Finance) selected by the Authority having equal representations from each Party.
4. The Chief Executive Officer shall be in charge of the Project and shall act under direction, supervision and guidance of the Authority.
5. The CEO will be appointed by the Authority, either from India or Nepal, on competitive basis having requisite qualification, relevant experience and proven track record. Once appointed, he will function as the Member-Secretary of the Authority. The ACEO will be selected by the Authority, from the other country, on competitive basis and after appointment will function as the Member-Joint Secretary of the Authority.
6. The Authority shall have its headquarter at Mahendranagar, Nepal. The site offices as required shall be established in India and Nepal. Till such time the headquarter is set up at Mahendranagar, the Authority shall function from Kathmandu, Nepal. The other officers and staff required for the execution of

- the Project will be decided by the Authority from the nationals of both the countries.
7. Authority shall frame its own rules of business. The Executive Committee shall assist the Governing body in order to frame the required rules to regularize the administrative, technical, financial and organizational matters of the Project.
 8. The Authority shall have an organizational setup for the implementation of the Project. To start the activities, the key personnel identified shall be selected and appointed by the respective Party. The supervisory and supporting staff to the key personnel would be either hired on contract or be outsourced.
 9. The facilities created or installed in connection with the execution and operation of the Project shall be under the joint ownership. Such facilities shall include power plants of equal capacity on each side of the river. The power plants on either side shall be operated in an integrated manner and energy so generated shall be shared equally by both the Parties.
 10. The joint ownership of the facilities shall not confer to any Party right of property nor jurisdiction over any part of the territory of the other Party. Neither does it imply alteration or change in the respective sovereignty over the Mahakali River.
 11. An amount to be mutually decided by the Parties shall be provided equally as equity share to start the functioning of the Authority. Further fund requirements shall be met by the Authority by drawing loans from financial institutions and/or by calling upon the Parties to contribute.
 12. Both Parties, jointly or severally and in a manner they shall agree to, shall, at the request of the Authority guarantee any borrowing or contractual obligations the Authority may undertake.
 13. The Authority shall be entitled to accept grants and to borrow money required for the completion of the Project. All amounts received by the Authority by way of equity, loan, grant etc., from any source shall be credited to a fund called "Pancheshwar Development Fund". The Authority shall open a bank account for the Pancheshwar Development Fund, which shall be jointly operated under the signatures of Chief Executive Officer, Additional Chief Executive Officer and Executive Director (Finance) of which not more than two would be of the same country.
 14. The annual requirement of funds shall be worked out by the Executive Committee and approved by the Governing Body in accordance with the schedule of construction and its progress.
 15. Major procurement of works, goods and consulting services for the Project shall be made through competitive bidding. The Authority is entitled to enter into agreements which are necessary for the pursuance of the Project.
 16. The Parties shall make available the required land for the Project construction, operation and maintenance. An integrated comprehensive plan for resettlement and rehabilitation of persons displaced by the Project shall

be devised by the Authority keeping in view the legal requirement of both Parties.

17. No taxes, levies or contributions of any kind shall apply to materials and equipment acquired by the Authority in any of the two countries or imported by the Authority from third country for use in its works or installations. No restrictions of any kind shall apply to the movement or delivery of the materials and equipment required for the Project.
18. The officers and staff of the Authority shall enjoy diplomatic privilege and immunity and would not be prosecuted by any Party for the works carried by them in course of execution of the Project in good faith.
19. The provisions set forth herein shall be the subject of approval of the respective governments as the case may be. The matters not covered by this TOR shall be settled by mutual agreement of the two governments.

PANCHESHWAR DEVELOPMENT AUTHORITY

Indian Side		Nepalese Side
Secretary, MOWR, GOI	Co-Chairman	Secretary, MoEn, GON
Commissioner (Ganga), MOWR	Member	Joint Secretary, MoEn
Joint Secretary (North), MEA	Member	Joint Secretary, Ministry of Foreign Affairs
Joint Secretary (Hydro), MOP	Member	Director General, Deptt. of Electricity Development
JS&FA, MOWR	Member	Joint Secretary, Ministry of Finance
Principal Secretary (Energy), Govt. of Uttarakhand	Member	Director General, Deptt. of Irrigation
Chief Executive Officer/Additional Chief Executive Officer, PMP	Member	Chief Executive Officer/Additional Chief Executive Officer, PMP
Ambassador of India to Nepal	Special Invitee	Ambassador of Nepal to India
Principal Advisor (WR), Planning Commission	Special Invitee	Joint Secretary, Water and Energy Commission
Principal Secretary/ Secretary (WR), Govt. of UP	Special Invitee	Managing Director, NEA

Note: CEO & ACEO, once appointed, will function as Member Secretary & Member Joint Secretary of the PDA.