

No. 6061

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**UNITED STATES OF AMERICA  
and  
NEPAL**

**Agreement for financing certain educational exchange programs. Signed at Kathmandu, on 9 June 1961**

*Official texts: English and Nepalese.*

*Registered by the United States of America on 31 January 1962.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
NÉPAL**

**Accord relatif au financement de certains programmes d'échanges dans le domaine de l'enseignement. Signé à Khatmandou, le 9 juin 1961**

*Textes officiels anglais et népalais.*

*Enregistré par les États-Unis d'Amérique le 31 janvier 1962.*

No. 6061. AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND HIS MAJESTY'S GOVERNMENT OF NEPAL FOR FINANCING CERTAIN EDUCATIONAL EXCHANGE PROGRAMS. SIGNED AT KATHMANDU, ON 9 JUNE 1961

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The Government of the United States of America and His Majesty's Government of Nepal :

Desiring to promote further mutual understanding between the peoples of the United States of America and Nepal by a wider exchange of knowledge and professional talents through educational activities :

Considering that the Secretary of State of the United States of America may enter into an agreement for financing certain educational exchange programs from currencies of Nepal and India held or available for expenditure by the United States for such purposes :

Have agreed as follows :

*Article 1*

There shall be established a commission to be known as the Commission for Educational Exchange between the United States of America and Nepal (hereinafter designated "the Commission"), which shall be recognized by the Government of the United States of America and His Majesty's Government of Nepal as an organization created and established to facilitate the administration of an educational program to be financed by funds made available to the Commission by the Government of the United States of America from funds held or available for expenditure by the United States for such purpose.

Except as provided in Article 3 hereof the Commission shall be exempt from the domestic and local laws of the United States of America as they relate to the use and expenditure of currencies and credits for currencies for the purposes set forth in the present Agreement. Such funds as well as the office equipment and supplies acquired for the furtherance of the Agreement shall be regarded in Nepal as property of a foreign government.

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<sup>1</sup> Came into force on 9 June 1961, upon signature, in accordance with article 12.

The funds made available under the present Agreement, within the conditions and limitations hereinafter set forth, shall be used by the Commission or such other instrumentality as may be agreed upon by the Government of the United States of America and His Majesty's Government of Nepal for the purposes of :

- (1) Financing studies, research, instruction, and other educational activities of or for citizens of the United States of America in schools and institutions of higher learning located in Nepal or of the citizens of Nepal in United States schools and institutions of higher learning located outside the United States, Puerto Rico, and the Virgin Islands, including payment of transportation, tuition, maintenance, and other expenses incident to scholastic activities ; or
- (2) Furnishing transportation for citizens of Nepal who desire to attend United States schools and institutions of higher learning in the United States, Puerto Rico, and the Virgin Islands, and whose attendance will not deprive citizens of the United States of an opportunity to attend such schools and institutions.

#### *Article 2*

In furtherance of the aforementioned purposes, the Commission may, subject to the provisions of the present agreement, exercise all powers necessary to the carrying out of the purposes of the present agreement, including the following :

- (1) Plan, adopt and carry out programs in accordance with the purposes of the present agreement.
- (2) Recommend to the Board of Foreign Scholarships, provided for in Section 1641 (B), Title 50, appendix of the United States Code, students, professors, research scholars, teachers, residents in Nepal, and institutions of Nepal qualified to participate in the program in accordance with the aforesaid Section.
- (3) Recommend to the aforesaid Board of Foreign Scholarships such qualifications for the selection of participants in the program as it may deem necessary for achieving the purposes and objectives of the present agreement.
- (4) Acquire, hold, and dispose of property (other than real estate) in the name of the Commission as the Commission may consider necessary or desirable, provided, however, that the leasing of adequate housing and facilities for the activities of the Commission will be assured.
- (5) Authorize the Treasurer of the Commission or such other person as the Commission may designate to receive funds to be deposited in bank accounts in the name of the Treasurer of the Commission or such other person as may be designated. The appointment of the Treasurer or such designee shall be approved by the Secretary of State of the United States of America. The Treasurer shall deposit funds

received in a depository or depositories designated by the Secretary of State of the United States of America.

- (6) Authorize the disbursement of funds and the making of grants and advances of funds for the authorized purposes of the present agreement.
- (7) Provide for periodic audits of the accounts of the Treasurer of the Commission as directed by auditors selected by the Secretary of State of the United States of America.
- (8) Incur administrative expenses as may be deemed necessary out of funds made available under the present agreement.

### *Article 3*

All commitments, obligations, and expenditures authorized by the Commission shall be made in accordance with an annual budget, to be approved by the Secretary of State of the United States of America, provided, however, that in no case shall a total amount of the currencies of Nepal and India in excess of the equivalent of the statutory limitation of \$1,000,000.00 (One Million Dollars) be expended under the terms of this Agreement during any single calendar year.

### *Article 4*

The Commission shall consist of eight members, four of whom shall be citizens of the United States of America and four of whom shall be citizens of Nepal. In addition, the principal officer in charge of the Diplomatic Mission of the United States of America to Nepal (hereinafter designated "Chief of Mission") shall be Honorary Chairman of the Commission. He shall cast the deciding vote in the event of a tie vote by the Commission and shall appoint the Chairman of the Commission. The Chairman as a regular member of the Commission shall have the right to vote. The citizens of the United States of America on the Commission, at least two of whom shall be officers of the United States Foreign Service establishment in Nepal, shall be appointed and removed by the Chief of Mission, and one of them shall serve as Treasurer of the Commission. The Nepali members shall be appointed and removed by His Majesty's Government of Nepal.

The members shall serve from the time of their appointment until the following December 31, and shall be eligible for reappointment. Vacancies by reason of resignation, transfer or residence outside of Nepal, expiration of service, or otherwise, shall be filled in accordance with the appointment procedure set forth in this article.

The members shall serve without compensation but the Commission may authorize the payment of the necessary expenses of the members in attending the meetings of the Commission and in performing other official duties assigned by the Commission.

*Article 5*

The Commission shall adopt such by-laws and appoint such committees as it shall deem necessary for the conduct of the affairs of the Commission.

*Article 6*

Reports acceptable in forms and content to the Secretary of State of the United States of America shall be made annually on the activities of the Commission to the Secretary of State of the United States of America and His Majesty's Government of Nepal.

*Article 7*

The principal office of the Commission shall be in the capital city of Nepal but meetings of the Commission and any of its committees may be held in such other places as the Commission may from time to time determine, and the activities of any of the Commission's officers or staff may be carried on at such places as may be approved by the Commission.

*Article 8*

The Government of the United States of America and His Majesty's Government of Nepal agree that currencies of Nepal and India held or available for expenditure by the Government of the United States of America, up to the equivalent of approximately \$500,000.00 (Five Hundred Thousand Dollars), as a consequence of sales made pursuant to the Surplus Agricultural Commodities Agreement between the United States and India dated November 13, 1959,<sup>1</sup> may be used for the purposes of this Agreement.

In addition to the funds provided in the first paragraph of this Article, the Government of the United States of America and His Majesty's Government of Nepal agree that any other currency of Nepal or of India held or available for expenditure by the Government of the United States of America may also be used for the purposes of this Agreement.

The performance of this Agreement shall be subject to the availability of appropriations to the Secretary of State of the United States of America when required by the laws of the United States for reimbursement to the Treasury of the United States for currency of Nepal or of India held or available for expenditure by the United States.

The Secretary of State of the United States of America will make available for expenditure as authorized by the Commission currencies of Nepal and India in such

<sup>1</sup> United Nations, *Treaty Series*, Vol. 360, p. 287; Vol. 368, p. 378; Vol. 371, p. 402, and Vol. 400, p. 412.

amounts as may be required for the purposes of this Agreement but in no event may amounts in excess of the budgetary limitations established pursuant to Article 3 of the present Agreement be expended by the Commission.

*Article 9*

United States citizens employed by the Commission and United States grantees engaged in educational activities under the auspices of the Commission, and accompanying members of their families, shall be exempt in Nepal from taxation of every kind, including customs duties, excises and other forms of taxation on personal property intended for their own use.

*Article 10*

The Government of the United States of America and His Majesty's Government of Nepal shall make every effort to facilitate the exchange of persons programs authorized in this Agreement and to resolve problems which may arise in the operation thereof.

*Article 11*

Wherever, in the present Agreement, the term "Secretary of State of the United States of America" is used, it shall be understood to mean the Secretary of State of the United States of America or any officer or employee of the Government of the United States of America designated by him to act in his behalf.

*Article 12*

The present agreement may be amended by the exchange of diplomatic notes between the Government of the United States of America and His Majesty's Government of Nepal.

The present agreement shall come into force upon the date of signature.

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

DONE at Kathmandu in duplicate, in the English and Nepali languages, each of which shall be of equal authenticity, this 9th day of June, 1961.

For the Government of the  
United States of America :

Henry E. STEBBINS

[SEAL]

For his Majesty's  
Government of Nepal :

Bishwa Bhandu THAPA

[SEAL]