

No. 9475

**NETHERLANDS
and
INDIA**

Exchange of letters constituting an agreement concerning collaboration in a water development project in the State of Bihar (with related note). New Delhi, 30 August 1968

Authentic text: English.

Registered by the Netherlands on 19 March 1969.

**PAYS-BAS
et
INDE**

Échange de lettres constituant un accord concernant la collaboration aux fins d'un projet de mise en valeur des ressources hydrauliques dans l'État de Bihar (avec note connexe). New Delhi, 30 août 1968

Texte authentique: anglais.

Enregistré par les Pays-Bas le 19 mars 1969.

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹
BETWEEN THE NETHERLANDS GOVERNMENT AND
THE GOVERNMENT OF INDIA CONCERNING COL-
LABORATION IN A WATER DEVELOPMENT PROJECT
IN THE STATE OF BIHAR

I

ROYAL NETHERLANDS EMBASSY

Nr. 5905

New Delhi, August 30, 1968

Sir,

With reference to recent negotiations between representatives of the Government of the Kingdom of the Netherlands and of the Government of India concerning collaboration between the two Governments in a water development project to be executed in the State of Bihar, I have the honour to submit the following proposals on behalf of the Government of the Kingdom of the Netherlands:

1. The two Governments shall collaborate, under the overall responsibility of the Indian Government, and in conformity with the Summary of discussions (appendix)² held between representatives of the Government of the Kingdom of the Netherlands and of the Government of India in January 1968, in the following undertakings (hereinafter called "the project"):

- drilling a number of wells for the supply of fresh water;
- preparing a hydrological survey for the abovementioned drilling programme;
- carrying out a training programme in hydrology and drilling techniques.

2. The Government of the Kingdom of the Netherlands shall make available for the project a number of hydrological and drilling experts, and a number of technicians, including military personnel from the Corps of Engineers of the Royal Netherlands Army, as agreed to between the Government of India and the Government of the Kingdom of the Netherlands, provided the number does not exceed teamleader plus 24.

¹ Came into force on 30 August 1968, the date of the letter in reply, in accordance with the provisions of the said letters.

² The said appendix does not form part of the Agreement. (Information provided by the Government of the Netherlands.)

3. The Government of the Kingdom of the Netherlands shall provide the equipment and materials as may be mutually agreed to between the two Governments.

4. The Government of India shall take measures to ensure that the project can be carried out smoothly, shall assist the Netherlands personnel as much as possible and shall be responsible for the safety of the Netherlands personnel and their property and of the equipment and materials used for the project.

5. The Government of India shall provide the Netherlands experts and technicians with such information as is mutually considered relevant to the execution of the project.

6. The Government of India shall provide a number of counterpart experts and technicians and any other local personnel required for the project.

7. The Government of India shall furnish at its own expense:
— office accommodation and other premises;
— post and telecommunications services for official use.

8. The Government of India shall take all the necessary steps for clearance and temporary storage at the port of arrival in India, and for the transportation in India, of the equipment, materials and other goods required for the project that are made available by the Government of the Kingdom of the Netherlands.

9. The Government of India shall establish procedures to exempt the Government of the Kingdom of the Netherlands from payment of duties and taxes imposed in India on equipment and other goods imported into India or bought in India for the project and to provide customs clearance permits.

10. Any equipment, materials and supplies which may be furnished by the Government of the Kingdom of the Netherlands shall remain its property till the completion of the project. Thereafter, and in terms of agreement between the competent authorities, the Government of the Kingdom of the Netherlands shall donate the equipment brought in from the Netherlands to the Government of India for being made over to the Government of Bihar and the E.T.O.

11. Collaboration between the two Governments in the project shall be described in an administrative agreement ("Plan of Operations"), which shall be concluded and may be amended, if necessary, by agreement between the competent authorities designated by each Government. Each Government shall inform the other what authority it has so designated.

12. Netherlands funds imported into India for the project shall be exempt from all currency control and investment or deposit requirements in India.

13. The funds referred to in paragraph 12 shall be converted into currency of India at the official rate prevailing at the time of conversion.

14. The Government of the Kingdom of the Netherlands shall appoint a team leader who shall be responsible to the Netherlands authorities for the Netherlands assistance to be rendered for the project and for reporting on the execution thereof to these authorities. The team leader shall act in close consultation with the Government of India or with the authorities designated by that Government in matters concerning the technical activities of the Netherlands personnel, and shall respect the operational instructions given by that Government or by such authorities as may be pertinent in view of the nature of his duties and of the technical assistance to be given.

15. The Government of the Kingdom of the Netherlands shall order the Netherlands personnel to respect Indian law and to abstain from any activity that is inconsistent with the spirit of the present agreement. In particular they shall abstain from any political activity in India.

16. The Government of India shall not request the Netherlands personnel to take part in any activities other than those described in the present agreement or in the Plan of Operations referred to in paragraph 11.

17. The Government of India may request the Government of the Kingdom of the Netherlands to recall members of the Netherlands personnel if the professional or personal conduct of the person or persons concerned justifies such a measure. However, the Government of India shall not have recourse to such an expedient until it has consulted the Royal Netherlands Embassy at New Delhi on the matter.

18. The Government of India will indemnify and hold harmless the Netherlands Government and all Netherlands personnel who may be concerned with the project on behalf of the Netherlands Government against any and all liability suits, actions, demands, damages, costs or fees on account of death, injuries to persons or property, or any other losses resulting from or connected with any bonafide act or omission performed in the course of operations covered by this Agreement.

19. The Government of India shall grant the following privileges to each member of the Netherlands personnel made available by the Government of the Kingdom of the Netherlands under the present agreement.

- a) exemption from Indian income tax on the salaries and allowances paid to them by or on behalf of the Government of the Kingdom of the Netherlands. Arrangements shall also be made to ensure that the Netherlands personnel will not be required to pay any fiscal charges, registration fees or any charges on emoluments incidental to their professional duties in India;
- b) duty-free importation of personal and household effects brought by personnel and covered by the Passengers (non-tourist) Baggage Rules, professional equipment included.

20. The Government of India shall exempt the Netherlands personnel from import duty on the following articles, provided they are intended for personal use and are not already covered by paragraph 19 b) above:

- one motor vehicle or motor-cycle;
- one refrigerator and/or home freezer;
- one radio receiver and one radio-gramophone;
- two airconditioners;
- minor electrical accessories and appliances;
- professional equipment and apparatus.

21. The exemptions referred to in paragraphs 9, 19 and 20 shall be granted on condition that the imported goods or the goods bought in India be exported when the members of the Netherlands personnel leave India on completing their assignment. The prior permission of the Indian authorities shall be required for the disposal of these goods in India; the said authorities may demand that the duty payable on the goods be paid after all.

22. The Government of India shall allow the Netherlands experts and technicians to import duty free into India food, liquor, drugs, medicines, tobacco, books, periodicals and toilet articles for personal use up to a value of Rs. 3000 per annum per head for unmarried men or married men not accompanied by their wives and Rs. 5000 for married men accompanied by their wives. If a member of the personnel stays in India for less than a year, the maximum shall be proportionately less.

23. The Government of India shall provide the Netherlands personnel, as becomes their status or rank, with:

- free accommodation;
- free medical and dental treatment in India, including hospitalization, if the medical treatment cannot be given by Netherlands personnel.

24. The Indian authorities shall regard as valid any driving licences issued by the Netherlands competent authorities to members of the Netherlands personnel.

25. The military personnel attached to the Netherlands team shall not wear their military uniform; they shall wear either their standard working dress or civilian dress.

26. a) The Netherlands Government recognize the primary right of the Indian Government to exercise jurisdiction as regards offences punishable under civil penal law of India;

b) The Netherlands authorities shall be responsible for the maintenance of discipline and order among the military personnel. Such personnel shall also be governed by their own military laws and regulations in matters pertaining to military offences and to military discipline and its infringements;

c) In a case of concurrent jurisdiction and when by reason of special circumstances major Netherlands interests are involved, the Netherlands Government may request the Indian Government to grant in that specific case the Netherlands authorities the exercise of jurisdiction. The Indian Government shall be prepared to give sympathetic consideration to such a request;

d) When by reason of special circumstances in a specific case major Netherlands interests are involved, the Netherlands Government may request the Indian Government to be allowed to execute a sentence of imprisonment pronounced by an Indian court within the territory of the Kingdom of the Netherlands. The Indian Government shall be prepared to give sympathetic consideration to such a request.

27. The team leader shall have the right to take charge of the body of a member of the Netherlands personnel who dies in Indian territory, and may transport it to the Netherlands after obtaining the permission from the competent authorities in India required under Indian laws.

28. Contingencies not provided for in the present agreement shall be provided for in consultation between the Indian authorities and the Royal Netherlands Embassy at New Delhi.

29. Any dispute between the two Governments with respect to the interpretation or application of the present agreement shall be settled by negotiation.

If the foregoing proposals meet with the approval of the Government of India, I have the honour to propose that this letter and your concurring reply constitute an agreement between the Government of the Kingdom of the Netherlands and the Government of India that shall remain in force for one year as from the date of your reply, it being understood that the validity of the agreement shall be tacitly extended for another year at most if the project is not finished before the end of the first year.

I avail myself of this opportunity to renew to you, Sir, the assurances of my highest consideration.

J. L. VAN DER KUN
Chargé d'Affaires a.i.

Mr. Romesh Bhandari
Director T.E.C.
Ministry of External Affairs
New Delhi

II

GOVERNMENT OF INDIA
MINISTRY OF EXTERNAL AFFAIRS
NEW DELHI - 11

N° B 2322 (24) 67

August 30, 1968

Sir,

I have the honour to acknowledge receipt of your letter No. 5905 of today, which reads as follows:

[*See letter I*]

I confirm that the proposals contained in your letter are acceptable to the Government of India and that your letter and this reply shall constitute an agreement between the Government of India and the Government of the Kingdom of the Netherlands.

I avail myself of this opportunity to renew to you, Sir, the assurances of my highest consideration.

Yours faithfully

BHANDARI

Mr. J. L. van der Kun
Chargé d'Affaires a.i.
Royal Netherlands Embassy
New Delhi

RELATED NOTE

GOVERNMENT OF INDIA
MINISTRY OF EXTERNAL AFFAIRS
NEW DELHI - 11

No. B 2322 (24) 67

30th August, 1968

The Ministry of External Affairs presents its compliments to the Royal Netherlands Embassy in India and with reference to the letters exchanged between Mr. R. Bhandari, Director (TEC) and Mr. J. L. van der Kun, Chargé d'Affaires, regarding collaboration between the Government of India and the Government of the Kingdom of the Netherlands in a water development project in Bihar, has the honour to state that the Ministry will see to it,

that, in the event of a common delict perpetrated by one of the Netherlands team-members, the Netherlands Embassy, as well as the Netherlands team-leader will be immediately informed about any action taken by the Indian juridical authorities;

that, the possibility will always be open to the Embassy to contact the incriminated Netherlands team-member;

that, the incriminated Netherlands team-member will be given every opportunity and possibility to engage juridical assistance.

The Ministry of External Affairs avails itself of this opportunity to renew to the Royal Netherlands Embassy the assurances of its highest consideration.

The Royal Netherlands Embassy
New Delhi
