

SDC / HELVETAS NEPAL
TELEX / TELEFAX

DATE	DRAFTER	DISTRIBUTION
5.4.90	RW/yg	Chrono file RW WY 1 of 8 pages
<u>Time</u>	<u>Charge to</u>	
10:45 a.m.	CO	

TO: DEH, Section Asia II, Attn. Mr. P. Spycher

Re: Use of Vehicles by HMG

an	GY SPY			
Date	5/4			
Via	6/4 SPY			SPY
EDA		-5. April 1990		
. 1311 Nepal				

Dear Peter Spycher,

I send you herewith the correspondence re the above mentioned subject which is mostly self-speaking.

Regarding PDP I can give you the following additional informations:

After a coordinated action on March 9 (see letter) with FRG Embassy which wrote the same letter to the Ministry of Foreign Affairs, On March 27 I went with the Charge d' Affairs FRG to the Home Ministry, Additional Secretary Mr. Rajbhandari, to complain about the vehicles. On the next morning 28.4.90 they had been given back to the project with the threat to confiscate them again when needed.

This has been done:

Car 154 sequestered on 3.4. and not returned yet
 Car 18 used by police on 2.4.
 Car 17 taken by police on 2.4. and not been seen since then.

Kind regards,

Reto Wieser

Reto Wieser

Engli as stated



SWISS DEVELOPMENT COOPERATION/NEPAL

स्विस सरकार विकास सहयोग/नेपाल

(formerly SATA)

Kathmandu, March 9, 1990
WW/as

Ministry of Finance
Bagh Durbar
Kathmandu

Use of Vehicles in Palpa Development Programme (PDP)

Dear Sir,

I would like to refer to the Agreement on the "Palpa District Integrated Development Programme (PDP)" of January 25/ February 9, 1989, between the Government of the Swiss Confederation, the Government of the Federal Republic of Germany and His Majesty's Government of Nepal, and in particular to para 9.6(a) and 15 of its annex, saying that vehicles, equipments etc. remain at the unrestricted disposal of the Programme.

The Swiss Development Cooperation notes with great concern that presently four vehicles of PDP are used for other than project purposes.

The Swiss Development Cooperation would highly appreciate it if the concerned Authorities of His Majesty's Government would undertake necessary steps to return said vehicles immediately to PDP.

Yours sincerely,

Werner Wirz
Director
SDC/N

cc: Embassy of the Federal Republic of Germany, Kathmandu
Embassy of Switzerland, New Delhi
SDC Bern/Switzerland
Helvetas PDO, Mr. B. Dolf



His Majesty's Government
Ministry of Panchayat & Local Development
INTEGRATED HILL DEVELOPMENT PROJECT
(HMG / SDC-N)

Kathmandu Office

☎ 522020

521428

Postal Address-

IHDP

C/o SDC-N

P. O. Box 113

Kathmandu,
Nepal.

Ref No.

Subject;- Use of SDC-funded vehicle for police purposes.

Danda Pakhar
Sindhupalchowk,
Bagmati Zone,
Nepal.

Dandapakhar, Date 28.3.90

To,

Mr. W. Wirz
Director, SDC/N

On March 27, 1990 when coming back from Chautara, District of Sindhupalchowk, I crossed the toyota pick-up Nr. 8006 moving up from Sangachowk to Chautara. It was 6 pm. approximately. The vehicle was occupied by 4 civilians in the cabin and some 12 policemen in uniform on the bridge.

The pick-up Nr. 8006 was handed over from IHDP to the District Panchayat Secretariate of Sindhupalchowk on Oct 4th 1988. As seen in the attached copy of the handing-over agreement, the Local Development Officer of Sindhupalchowk took the obligation to use the vehicle for the implementation of IHDP program only. Even with extensive interpretation, the transportation of police force cannot be considered to fall in this category. It is therefore a clear violation of an existing agreement.

B. Oettli
Co-Manager, IHDP



His Majesty's Government
Ministry of Panchayat & Local Development
INTEGRATED HILL DEVELOPMENT PROJECT
(HMG / SATA)

Kathmandu Office
☎ 522020
521428
521256

Postal Address-
IHDP
C/o SATA
P. O. Box 113
Kathmandu,
Nepal.
Ref No.

Subject:-

Agreement between District Panchayat Secretarial Sindhupalchowk and IHDP on handing-over of vehicle NO.8006. Date ...04.08.1988 ...

Danda Pakhar
Sindhupalchowk,
Bagmati Zone,
Nepal.

This agreement for the utilization of Hi Lux pick up No. 8006 has been entered by and between IHDP home... the District Panchayat Secretarial, Sindhupalchowk herein after all called the "BORROWER" on the following terms and conditions which comes under the approved proposal No. 16 dated 14.5.2045.

1. Till the period of a formal handing-over of the above mentioned vehicle will remain red plated and the property of IHDP, once the necessary procedures will be completed for a formal handing-over another agreement will be prepared for signature.
2. The Borrower of this vehicle will be liable to follow the lender's vehicle rules and regulations.
3. The vehicle is explicitly for the implementation of IHDP Programmes of District Line Agencies.
4. District panchayat secretariat, Sindhupalchowk is responsible to coordinate the use of the vehicle for all the District Line Agencies which implement IHDP Programmes.
5. The Borrower is responsible for the fueling, maintainance and repair work. The necessary budget is with the District Panchayat Secretariate.
6. IHDP is providing a driver on deputation to the District Panchayat Secretariat, Sindhupalchowk. The necessary salary and allowances is in the budget of the District Panchayat Secretariat.
7. The Borrower has to channelize monthly vehicle Log Book to the Transport sector, DDP within the first week of the new month.
8. This rules will be valid till the period of a formal handing-over of this vehicle to the Borrower.

This is done and signed on ... 4 Oct 1988 ... at DDP.

Lender
Transport Sector
IHDP

Borrower
District
Sindhupalchowk

स्वास्थ्य विभाग
काठमाडौं



SWISS DEVELOPMENT COOPERATION/NEPAL

स्विस सरकार विकास सहयोग/नेपाल

(formerly SATA)

an					a/a
Datum					
Via					
EDA					
R. n.					

Kathmandu, March 2, 1990
WW/as

Mr. B.K. Bhomi
Chief, NPDP

utilization of Project Vehicles

Dear Mr. Bhomi,

During regular auditing of NPDP it has been found that 2 of the project vehicles, namely pick-up no. 1416 and Hilux no. 6, were missing. There are indications that these vehicles are misused for non-project purposes, a fact which, if to be found true, would be in clear contravention of Art. 8 of the Project Agreement.

May I kindly request you to immediately inform me in writing about the utilization of said vehicles, if possibly by means of photocopies of the logbook.

Thank you,

Yours sincerely,

W. Wirz
Werner Wirz
Director
SDC/N

- cc: - Ministry of Finance, Bagh Durbar
- SDC Bern/Switzerland, ad t. 311 Nepal 27
- SDC/N, Audit Section
- NPDP Co-Manager



His Majesty's Government
Ministry of Agriculture

National Agriculture Research and Service Centre

NATIONAL POTATO DEVELOPMENT PROGRAMME

No. 610

Khumaltar
Lalitpur, Nepal.

Ref. No. Your letter of March 2, 1990
WW/as

Date... March 5, 1990.

Subject:-- Utilization of Project Vehicles

Mr. W. Wirz
Director
SDC/N
Ekantakuna,
Jawalakhel,
Lalitpur

Dear Mr. Wirz,

Concerning utilization of Project Vehicles of NPDP, I would like to inform you that Datsun Pick Up No. 1461 which was handed over to NPDP about 9 years ago is lent to Bagmati Zonal Commissioner's Office for security support for some period at the order of NARSC but not the Hilux Pick Up No. 6 & 7.

Yours sincerely

Balen Kaji Bhomi

B.K. Bhomi
Chief, NPDP

CHIEF POTATO DEVELOPMENT OFFICER

cc: - NARSC - request to get the Pick Up No. 1461, since it is
contravention of Art 8 of the Project Agreement
of HMG/SDC/N.

- Ministry of Agriculture.

NATIONAL POTATO DEVELOPMENT PROGRAMME (NPDP)

(राष्ट्रिय आलु विकास कार्यक्रम)

SWISS DEVELOPMENT COOPERATION/NEPAL (SDC/N)



I. Communication about NPDP Datsun pick-up plate no 1461 BA.A.Jha

- A. This short note is written under the request of SDC/N acting Director, Mr.R.Wieser. It will inform the reader about the NPDP car Datsun pick-up no.1461 BA.A.Jha.
- B. This car was purchased by SDC for NPDP in 1980. On the 3th Of February 1981 the car was officially handed-over to HMG .
- The Agreement between the Government of Switzerland and His Majesty's Government of Nepal concerning the Integrated Potato Development Project (IPDP), done in Kathmandu on the 9th of December 1977, and valid for 5 years, mentioned at page 3, article 8, *sub-article "The Swing Circle" (hr: no specific reference is given for vehicles)* to the Project on a CIF Kathmandu basis. The equipment financed by the Swiss Government shall be imported by SATA, upon arrival in Nepal be made available to the Project and thereby become the property of His Majesty's Government of Nepal".

The Agreement for the National Potato Development Programme (1983 - 1987) is more specific on the ownership matter. The article 13. "Ownership of Project equipment and Inspection" mentioned at the point 13.1: " Items purchased and/or imported by SATA shall become the property of HMG/N upon import and signature of a handing over note. However, the basic transportation means (e.g. vehicles, motorbikes) given through SATA shall become the property of HMG/N as and when the collaboration between the Swiss Government and HMG/N for the project ends. HMG/N shall put up an inventory for the above mentioned items, keep it up to date and control its conformity". It continues with point 13.2: " The items referred to under Article 13.1 shall be made available for the exclusive use of the Project". Point 13.3 can also be mentioned for its contingent relevance: " HMG/N shall enable the representative of the Swiss Government to inspect the items imported by SATA or financed out of the proceeds of the Swiss Contribution as well as any other relevant records and documents including all accounts of the Project".

In the present Agreement between the two Governments (1988 - 1992) the article 8, at page 8, under property of the programme mentions: " Items purchased out of funds made available by Switzerland will become the property of HMG/N upon arrival and transferal by means of a handing-over note. Items handed over will be kept at exclusive disposal of the programme's units, having requested the procurement, for their duration. HMG/N will cause proper records and inventories to be kept of all such items. Worn-out and otherwise unsuitable goods will be immediately auctioned or written off. Vehicles provided by SDC/N shall become the property of HMG/N as and when the collaboration between Switzerland and HMG/N for the programme ends.

Mailing Address : NPDP, c/o SDC Ekanta Kūna,¹ Jāwalakhel, P.O. Box 113, Kathmandu, Nepal

Office Address : NPDP/HMG, Khumaltar, Nepal

TEL: 5-25513 5-22114

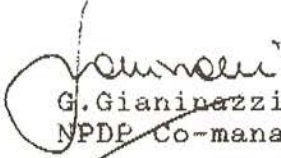
FAX: (9771) 525358

TELEX: 2245 SATA NP

If operational circumstances prevail which make it expedient to transfer ownership of certain vehicles to HMG/N, SDC may do so even before cooperation for the project between SDC and HMG/N ends subject to common understanding between the two parties and signature of a handing-over note".

Now, if the first agreement (1977 - 1982) is binding - the car was purchased during this agreement - SDC does not seem to be in a strong position for an official claim. Only the two successive Agreements have a more detailed phrasing on property, and they give more space for strong reaction. It would be better to consult a legal advisor to sort out the matter before launching in strong protest.

- C. Until the 18th of January 1990 the car was used in NPDP. On that day it was given to the Bagmati Zone Zonal Office under request coming through the official HMG channel (from Zonal Office to Home Ministry, from Home Ministry to Ministry of Agriculture, from Ministry of Agriculture to NARSC (National Agriculture Research & Service Centre), and from NARSC in a written form to NPDP Chief (National Potato Development Programme)). The written request to NPDP is lost.
- D. During the last weeks the car was repeatedly seen loaded with persons of the security force, especially in the center of Patan.
- E. On the 2nd of March 90 a formal request written by Mr.W.Wirz,SDC/N Director to Mr.B.K.Bhomi,NPDP Chief (see copy in annex) received a prompt answer from Mr.B.K.Bhomi, but no action followed that exchange of letters.
- F. To the limit of the paradox, few days ago the zonal office in NPDP chief thought to mobilize the necessary funds through the Joint Account (SDC funds but administrated through HMG R&R: the signature of NPDP Chief and NPDP/SDC Co-manager is necessary to withdraw the funds from the bank), but - obviously - I did not accept to sign the bank draft.
- G. On the 30th of March at Gabahal of Lalitpur District the car was burnt by the people of Patan during the fight against the security force. The driver, Mr.Dev Lal Maharajan, HMG-NPDP driver, was quite badly injured during the incident.
The car relict is parked in front of the Police Office of Jawalakhel.
- H. Historical note: The same car was used for at least 4 months during the 1983's elections. When the car came back to NPDP its body was quite badly damaged.


G. Gianinazzi
NPDP Co-manager

C:\USERS\MAIL\NPDP CAR.GV

April 4, 1990