

FRAMEWORK AGREEMENT
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF INDIA
AND
THE GOVERNMENT OF THE UNION OF MYANMAR
FOR THE CONSTRUCTION AND OPERATION OF A MULTI-MODAL
TRANSIT TRANSPORT FACILITY ON KALADAN RIVER
CONNECTING THE SITTWE PORT IN MYANMAR
WITH THE STATE OF MIZORAM IN INDIA

The **Government of the Republic of India** and the **Government of the Union of Myanmar** hereinafter referred to as the Contracting Parties;

Being desirous of further developing and strengthening friendly and good neighbourly relations;

Having agreed to cooperate bilaterally to promote greater economic cooperation for mutual benefit and for the well being of their people;

Considering development of infrastructural projects including transport facilities as important for facilitating greater economic integration and people-to-people contact;

Desirous of exploring the possibility of constructing a multi-modal transit transport facility connecting the port of Sittwe in Myanmar with the State of Mizoram in India combining a system of inland waterway and highways;

Having examined the Detailed Project Report (DPR) prepared and submitted by RITES Ltd. in April and December 2003;

Being aware of environmental considerations and, in this connection, noting that the DPR prepared by RITES does not reflect any adverse impact.

Bearing in mind the principles of sovereignty, equality and mutual benefit;

Have agreed as follows:

Article 1: Definitions

For the purposes of this Agreement:

"Multi-modal Transit Transport Facility" means an inland waterway link connecting the port of Sittwe and Setpyitpyin (Kaletwa) along the Kaladan River and a highway linking Setpyitpyin (Kaletwa) to the India-Myanmar border in the State of Mizoram.

"Protocol on Facilitation of Transit Transport" means a mutually agreed document defining the operational aspects of the project, which shall be annexed to and form an integral part of this Agreement.

"Protocol on Maintenance and Administration" means a mutually agreed document to define the operation, maintenance, and administration of the Kaladan Multi-Modal Transit Transport Facility for mutual benefit which shall be annexed to and form an integral part of this Agreement.

Article 2

For the purpose of implementation of this Agreement, the Contracting Parties shall appoint respective nodal agencies. The Ministry of External Affairs shall represent the Government of the Republic of India and the Ministry of Foreign Affairs shall represent the Government of the Union of Myanmar.

With a view to advising and supervising the overall progress of work on the project the respective nodal agencies shall appoint a Multi-Sectoral group. The group shall hold periodic meetings to review progress.

Article 3

The Contracting Parties agree to construct the Kaladan multi-modal transit transport facility with the following key components:

- a) The land required for the Project will be provided gratis by the Government of the Union of Myanmar.
- b) Construction of a port/Inland Water Transport (IWT) terminal and related infrastructure facilities at the port of Sittwe in Myanmar for trans-shipment from ships to inland vessels and vice versa, including development of the navigation channels.
- c) Development of Kaladan waterway from Sittwe to Setpyitpyin (Kaletwa) – about 225 km by undertaking river engineering works such as dredging, removal of rock outcrops/ rapids, navigation aids, etc.
- d) Construction of an IWT / Highway trans-shipment terminal and related facilities at Setpyitpyin (Kaletwa).
- e) Construction of a highway from Setpyitpyin (Kaletwa) to India-Myanmar border.
- f) Maintenance and management of the above facility components.

The details of these project components including alignment have been examined in the Detailed Project Report already submitted to the Parties by M/s RITES Ltd. in 2003 and accepted by the respective Parties.

The Detailed Project Report estimates the cost of construction of the Project as under:

Upgradation of Sittwe port and Kaladan waterway: US \$ 68.24 million.

Construction of a road from Setpyitpyin (Kaletwa) to India-Myanmar border: US \$ 49.14 million

The details of the project components have been examined and accepted by the Contracting Parties.

Article 4

a) The Government of India shall appoint the Project Development Consultant from India. The Project Development Consultant shall be responsible for the following in the execution of the project.

- (i) Preparation for selection of the construction contractors for development of various project facilities as indicated in Article 3.
- (ii) Coordination/liaison between the nodal agencies and the construction contractors; and
- (iii) Supervision of construction and project management of various works.

b) The Government of India shall appoint the main contractor from India. If required different sub contractors from both the contracting parties may be appointed for implementing various components of the project.

Article 5

For proper implementation of the project, the Government of the Union of Myanmar, during the period of construction, which commences from the date mutually agreed by the Parties, after the entry into force of the Agreement shall:

(A) Extend the following facilities free of charge:

- (i) Allocation of waterfront area for construction of port terminal structures.
- (ii) Allocation of adequate land for construction of onshore facilities.
- (iii) Provision of adequate security for the machinery, materials and personnel or any other clearance required under local laws;
- (iv) Permissions from the local authorities on account of environment or any other clearance required under local laws and;
- (v) Any other facility in connection with the project as mutually agreed.

- (B) Provide the following at appropriate charges:
- (i) Use of the existing Sittwe Port terminal facilities for berthing
 - (ii) Facilities such as provision of fuel, boats and barges for transportation of personnel/ equipment/ material along the project corridor including on river Kaladan;
 - (iii) Communication facilities including telephone/ fax connections;
 - (iv) A suitable number of interpreters to facilitate discussion amongst personnel using Myanmar, English and Hindi languages and;
 - (v) Any other facility in connection with the project as mutually agreed.

Article 6

The concerned agencies of the Government of the Republic of India shall be permitted to bring in equipment, material and personnel including technicians required for the execution of the project free of impediments and costs. The nodal agency in Myanmar shall be responsible for facilitating these activities.

Article 7

For any machinery/ equipment/ construction material, etc. required to be procured locally, the Government of the Union of Myanmar shall permit its procurement and use without impediment and free of local taxes and duties.

Article 8

The equipment / machinery imported for the project by the Indian side shall be allowed, to be taken into and out of Myanmar and the Project site, by India without impediments or taxes in accordance with the internal procedures of Myanmar.

Article 9

The Government of the Union of Myanmar shall facilitate entry and exit of personnel including technicians involved in the execution of the project on production of a passport or travelling document issued by the Government of the Republic of India.

The concerned authorities of the Government of the Union of Myanmar shall provide temporary stay permits to Indian nationals employed for implementation of the project upon receipt of information (with complete bio-data) thereto from the Embassy of India in Yangon. Such temporary stay permits, if necessary, will be renewed in accordance with the rules and regulations of stay extension procedures of the Government of the Union of Myanmar against a certificate of identity issued by the project consultant.

Article 10

The Government of the Union of Myanmar shall facilitate duty free import, as mutually agreed upon, of personal effects of the personnel deputed from India for the implementation of the project.

Article 11

The personnel including technicians brought in from India for the execution of the project shall not be subject to local income tax of Myanmar. They will also be exempt from other taxes and duties as mutually agreed upon, during their entire stay in Myanmar.

Article 12

The Government of the Union of Myanmar shall provide necessary security to the project personnel including technicians. The Government of the Union of Myanmar shall make available medical facilities to project personnel including technicians as provided to Myanmar nationals at the nearest medical centre/ hospital.

Article 13

The Government of the Union of Myanmar shall permit and assist the internal travel of project personnel including technicians and transport of equipment and materials. It shall also provide space for accommodation for project personnel including technicians and site offices without cost within the project area.

Article 14

The cost of the construction of the project shall be borne by the Government of the Republic of India.

Article 15

On completion, the Project will be handed over to the Government of the Union of Myanmar on terms and conditions mutually agreed upon. It shall be operated and maintained by the Government of the Union of Myanmar in accordance with the provisions contained in the Protocol on Facilitation of Transit Transport and Protocol on Maintenance and Administration.

Article 16

Both parties shall provide all support and facilities for meeting genuine requirements in terms of communication facilities, use of materials including explosives, hiring of labour, etc. These details shall be worked out by the nodal agencies through mutual agreement and in accordance with their laws.

Article 17

Indian personnel including technicians shall abide by the laws of the Union of Myanmar and shall not interfere in the internal affairs of the Union of Myanmar during their stay in that country. Disciplinary action against Indian personnel including technicians shall be taken by the relevant Indian authorities and the guilty personnel could be repatriated, if necessary. Criminal cases will be dealt with as per the laws of the Union of Myanmar.

Indian labour laws, including rates of payment and compensation, will apply to Indian personnel including technicians, in case of injury/death. The Myanmar workers shall be subject to Myanmar labour laws.

Article 18

The Indian nodal agency shall establish and operate a liaison office at Sittwe for coordinating the project works. The Myanmar side shall facilitate the establishment of such an office.

Article 19

Any dispute arising out of the interpretation or application of this Agreement shall be settled through mutual consultations between the Contracting Parties.

Article 20

This Agreement may be amended or supplemented by mutual agreement in writing between the Contracting Parties.


Article 21

This Agreement shall enter into force on the date of its signature. The Agreement shall remain in force until it is terminated by mutual agreement in writing between the Contracting Parties.

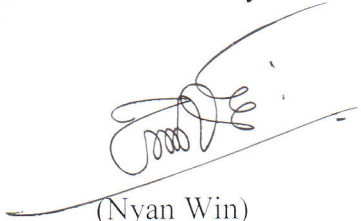
In witness whereof, the undersigned being duly authorized by their respective Governments, have signed this Agreement:

Done at New Delhi on the 2nd day of April, in the year 2008 in three originals each in Hindi, Myanmar and English languages, all the texts being equally authentic. In case of any difference or doubt, the English text shall prevail.

For the Government of the
Republic of India


(Pranab Mukherjee)
Minister of External Affairs

For the Government of the
Union of Myanmar


(Nyan Win)
Minister for Foreign Affairs