

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF INDIA
AND
THE ROYAL GOVERNMENT OF BHUTAN
FOR ESTABLISHMENT OF THE
INDIA - BHUTAN FOUNDATION

The Government of India (GOI) and the Royal Government of Bhutan (RGOB);

Bearing in mind the traditionally close ties of friendship, understanding and cooperation between the two countries;

Inspired by a common desire to enrich and expand the scope of these ties through mutually agreed activities;

Have agreed to conclude this Memorandum of Understanding (MOU) for establishing the India-Bhutan Foundation.

Article I

There shall be established the India- Bhutan Foundation to be governed by the terms of this MOU. Its objective shall be to enhance exchange and interaction among the peoples of Bhutan and India through activities in mutually agreed areas, in particular, in the educational, cultural, scientific and technical fields.

Article II

The Foundation shall be financed through revenues from a Trust Fund, which shall be established principally through grants made available by the two parties. It may also accept contributions from other agencies, both public and private, upon consent of both Governments. The Fund shall be managed by a Board of Directors set up by the Foundation.

Article III

The revenues from the Trust Fund, within the conditions and limitations hereinafter set forth, shall be used by the Foundation for the purpose of financing the following:

- 1) studies, research and other educational activities and in-service training for citizens of Bhutan and India at institutions of learning located in each other's countries;
- 2) visits and exchanges of scholars, poets, writers, journalists, artists, and other professionals both in general field of education and in the fields of agriculture, environment, public health, science and technology and other fields as may be mutually agreed upon by GOI and RGOB;
- 3) other related programmes and activities such as seminars, symposia, workshops, etc., on subjects of common interest; and
- 4) support to non-Governmental organizations in the two countries whose work contributes to achieving objectives of the Foundation.

Article IV

The Foundation may, subject to the provisions of the present MOU, exercise all the powers necessary for pursuing its purposes including the following:

- (1) receive funds;
- (2) open and operate bank accounts in the name of the Foundation;
- (3) disburse funds and make payments for activities in accordance with the purposes of the present MOU; and
- (4) Provide for annual audit of the accounts of the Foundation by auditors selected by GOI and RGOB.

Article V

All commitments, obligations and expenditures by the Foundation shall be made pursuant to an annual budget approved by GOI and RGOB.

Article VI

The Foundation shall be administered by a 10-member Board of Directors (hereafter designated as 'the Board'). The Ambassador of Bhutan to India and the Ambassador of India to Bhutan shall be the Co-Chairpersons of the Board. GOI and RGOB shall each nominate four other members of the Board. Respective Embassy officials designated by the concerned Ambassadors shall act jointly as Secretary of the Foundation.

Article VII

The Board shall adopt guidelines and procedures, as it shall deem necessary for the conduct of the affairs of the Foundation.

Article VIII

A report on the activities of the Foundation shall be presented annually by the Board to the GOI and the RGOB.

Article IX

The Co-Chairpersons of the Board shall be responsible for the direction and supervision of the programmes and activities in accordance with the Board's resolutions and directives and the provisions of this Memorandum.

Article X

Meetings of the Board shall be held twice a year alternately in India and Bhutan.

Article XI

Wherever, in the present Memorandum, the terms of GOI and RGOB are used, it shall be understood to mean the Foreign Ministries of the two Governments.

Article XII

The present Memorandum may be amended by exchange of diplomatic notes between the two Governments.

Article XIII

The GOI and the RGOB shall resolve any problem, which may arise in the operation of this MOU through bilateral discussions.

Article XIV

The present Memorandum 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 Memorandum of Understanding.

Done at New Delhi, in duplicate, on the Twenty-Ninth day of August, 2003.

K. Sibal

(Kanwal Sibal)
Foreign Secretary
On behalf of the
Government of the Republic of
India

(Dago Tshering)

Ambassador of Bhutan to
India
On behalf of the
Royal Government of Bhutan