

Preamble:

Nepal Solar Energy Society (NSES) has signed an agreement with Ecosian Co. Ltd. based in Seoul, The Republic of Korea, to carry out research work in generating clean energy source from bio-degradable waste generally available as municipality waste. Ecosian is committed to provide Korean Experts, major equipment required for scrubbing biogas and compressing purified methane in appropriate vessels. NSES shall discharge its responsibilities on behalf of Ecosian in Nepal.

The ownership of all equipment installed after the pilot project shall be transferred to Kathmandu University as per the recommendation of NSES.

MEMORANDUM OF UNDERSTANDING (MOU)

Nepal Solar Energy Society (NSES), an institution working in the field of energy, environment and waste management in Nepal (hereinafter referred to as Party A), having its registered office at Bagbazar, Kathmandu, Nepal and **Kathmandu University (KU)**, (hereinafter referred to as Party B), having its registered office at Dhulikhel, Kavre, Nepal, hereby commonly understand and agree as follows:

I. Outline of the Project

1. Title

Energy Generation from municipality solid waste

2. Objective of the Project

Party A has planned to install Institutional Energy Generation System from bio-degradable solid waste in Nepal and Party B has agreed to work together to achieve the goal of Party A.

3. Period of consulting service

The Period of MOU shall last for one year and can be extended under mutual agreement.

4. Project Site:

Kathmandu University Complex, Dhulikhel, Kavre, Nepal.

5. Share of Responsibility

The role and responsibility of the Project shall be shared by Party A and Party B. Following shall be the role and responsibility of Party A and Party B. If any change is required it will be discussed and can be modified as required by the written agreement of both parties.

6. Steering Committee

A steering committee consisting of Prof. Dr. Bhola Thapa, Dean, School of Engineering, KU, Dr. Jong Hwan Eun, CEO, Ecosian Co. Ltd. and Prof. Dr. Jagan Nath Shrestha, President, Nepal Solar Energy Society shall be formed to implement the project activities.



II. Understanding of Party A and Party B

1. Understandings of Party A: Nepal Solar Energy Society (NSES)

Party A shall, in accordance with its domestic laws and regulations in Nepal, take necessary measures for the successful implementation of the Project as follows:

- 1.1 To construct bio-gas plants of 90m³ (3 × 30m³) in the premises of Kathmandu University, and generate bio-gas that is required for project by feeding bio-degradable organic waste in coordination with Party B and other concerned Nepalese parties;
- 1.2 To construct the pipeline to supply produced bio-gas from bio-gas plants to the purifier as required in close cooperation with Party B;
- 1.3 To carryout monitoring, awareness and information dissemination activities and documentation in close technical guidance, cooperation and coordination with party B;
- 1.4 To arrange all official matters related to taxes, public charges and customs clearance imposed by Nepal Government while equipment are imported from Korea. Party B shall assist Party A by all means for customs clearance of equipment by providing necessary documents;
- 1.5 To provide drawings of bio-digesters and equipment layout, relevant data, statistics and documents as may be necessary for carrying out the project activities;
- 1.6 To maintain coordination among all involved Nepalese parties and stakeholders concerned;
- 1.7 To arrange Korean experts who shall train Nepalese both in Nepal and Korea;
- 1.8 One technical personnel recommended by Party B shall be trained for 5 days in Korea to provide technical know-how on energy generation from municipality waste and in Nepal to carry out project activities at KU during and after the pilot project
- 1.9 Party A shall transfer ownership of all equipment and bio-gas digesters installed at KU complex after the pilot project to Party B.

2. Understandings of Party B: Kathmandu University (KU)

In accordance with the laws and regulation in effect in Nepal, Party B, shall be responsible for the following activities:

- 2.1 To arrange logistic support for the arrangement and installation of equipment from compression to bottling;
- 2.2 Party B will provide adequate space required for installation of equipment of the project and construction of bio-gas digesters;
- 2.3 Part B shall provide three phase electricity supply and water that are required for the project;
- 2.4 Part B shall ensure proper storage and safety of equipment during and after the Project;
- 2.5 Party B shall guarantee security of equipment and construction site and construct structures such as 6 m x 6 m x 3 m for laying out equipment needed for the project;
- 2.6 Party B shall provide office space and furniture required for the Project period;
- 2.7 Party B shall obtain all necessary approvals and permits from the authorities concerned which are required by laws and regulations in effect in Nepal and

settle all legal matters which may be brought about regarding the implementation of the Project;

- 2.8 Party B shall provide permission to Nepalese students to carry out relevant research work using equipment installed during the project period at KU complex.

III. Proposed Time Schedule

The Project shall start in June 2009 and shall be completed in December 2009 and if the project could not be completed due to reasons beyond the control of parties A and B it could be extended upto May 11, 2010.

IV. Confidentiality

Party A and Party B shall not disclose any information about this MOU and data known and obtained from this Project to the third party except for academic purposes.

V. Force Majure

Both parties are not responsible for the act of God due to reasons beyond the control of both parties in Nepal.

VI. General Understanding

1. It is commonly acknowledged and agreed that the purpose of this MOU is to successfully complete the Project activities.
2. Dean, School of Engineering, KU will be responsible for the execution of the project.

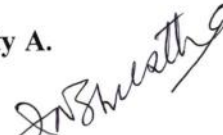
Any dispute shall be discussed between the Parties to reach an amicable solution.

Nepal Solar Energy Society and Kathmandu University agree to cooperate on full scale after this pilot project.

June 12, 2009


For and on behalf of

Party A.



Prof. Jagan Nath Shrestha
President
Nepal Solar Energy Society
Bagbajar, Kathmandu

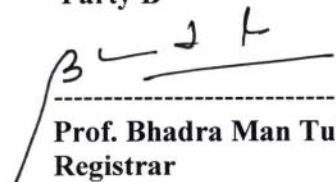
Witness:




Mr. Y. R. Tamrakar
Vice-President
Nepal Solar Energy Society
Bagbajar, Kathmandu



Party B



Prof. Bhadra Man Tuladhar
Registrar
Kathmandu University
Dhulikhel, Kavre



Prof. Bhola Thapa
Dean, School of Engineering
Kathmandu University
Dhulikhel, Kavre

