

Memorandum of Understanding
between
Pranaverein, Austria
and
Village Awareness Social Development Organization, Nepal

1. Parties to the Memorandum of Understanding

The Memorandum of Understanding (MoU) is entered into between Int. Pranaverein Austria, (hereafter referred to as PRANAVEREIN, www.pranaverein.at) and Village Awareness Social Development Organization, PO Box: 9817, Fax: 977-1-4252034, Ph No # 977-1-2388485, Bank account 016-1073340 at Nepal Investment Bank, Swift Code NIBL NPKT, Thamel, Kathmandu, email: vasdon(@wlink.com.np) Koteswor, Kathmandu, Nepal (hereafter referred to as "VASDON") for working together for the benefit of the region, specially concerning health issues. Within that context the first concrete project is providing a grant to support the implementation of the project "Rural Road Construction Program" (hereafter referred to as "the Road Project"). Other projects like building of a local hospital and improving the health situation generally are planned. Also the collecting and processing of local plants and herbs as well as honeybees will be started.

2. Preamble

VASDON was established in 1998 as an non-governmental Organization by a NGO Act, 2034 BS. Over the years, VASDON has established itself as a leading organization in the field of rural development. The goal of VASDON is to enhance social justice and morality. Since its inception, VASDON has as such played a significant role in developing the capabilities of rural people (in the area of Schools Support, Vocational Trainings, Sports etc.)

Within the framework, PRANAVEREIN and VASDON will develop the programme of Rural Road Construction in remote areas of Kavrepalanchok district.

Objectives of the Road Construction Project

Construction of 25 km of road

Planning costs will be 8.000.- Rps / Km means a total of 200.000.- Rps. This planning will be made by Vasdon until end of 2007. The amount will be transferred from Pranaverein to Vasdon in September 2007.

After finishing the planning and cost estimating process there will be an special evaluation from Pranaverein to proceed in this project. This means that there is must for the participant of other parties like governmental institutions

at district level and villagers level to support the project within a common sense planning of the timetable.

Further money transfers depend on how project evolves definitely and should be connected to the length of finished road.

Only given in that common sense agreement will be signed from all parties, PranaVerein will grant the point 4.

3. Duration

The MoU covers the period from 2007-2010.

4. Special Modus Operandi in the road project

The provisions, governing the grant, are as follows:

PRANAVEREIN undertakes -

to provide a total grant of Euro 20.000.- (twenty thousand) to finance the implementation of all activities mentioned in the proposal attached. So the PRANAVEREIN will provide Euro 20.000. ~~this is 75% of the amount of the total budget for the road project within 4 years~~, this means an amount of 5.000.- Euro per year. 25% of the amount are carried by VASDON from other sources.

** within 4 years starting 2007 - depending on point 2.* ~~to undertake visits to monitor and supervise the project activities and/or accounts at any time during the project implementation period;~~

VASDON undertakes-

- to implement the project in a professional manner in accordance with the Proposal and within the time frame stated;
- to cooperate closely with PRANAVEREIN, DDC, VDC and User Groups.
- to provide . end of the project period, a project completion report.
- to seek prior written approval from PRANAVEREIN for any deviations from the agreed budget. However, in terms of activity costs VASDON has the flexibility to transfer between sub-headings (activity levels) within the approved budget for each identified output without increasing the cost established in the budget for;

5. Road Maintenance Project

For the existing Road leading from Chohere to Wafal (Monastery Area) there will be support from PranaVerein as soon as time and cost table is available.

6. Honeybee Project

For homing honey bees and transferring knowledge of honeybee farming there will be support from PranaVerein as soon as time and cost table is available.

7. Herbal Project

For homing different herbs and transferring knowledge of herb farming there will be support from PranaVerein as soon as time and cost table is available.

8. Jungle fruits

This projects aims to finding further possibilities for the existing fruits. So a list of the trees, plants and fruits in english language is necessary to proceed with the data also in Austria.

9. Funding 2007

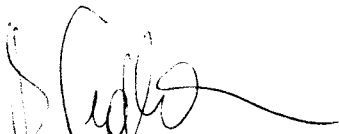
For August 2007 – December 2007 PranaVerein will transfer 15.000.- nps per month to VASDON for covering a part of the deveoping costs of the above projects

10. Other

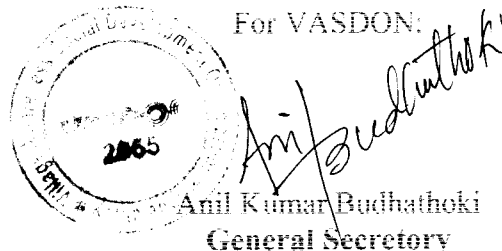
This MoU shall govern matters set forth in this MoU, the prevailing laws of Nepal shall govern other matters.

The undersigned, as authorized representatives of PRANAVEREIN and VASDON, have read, understood and agreed to accept and abide by the terms and conditions of this MoU.

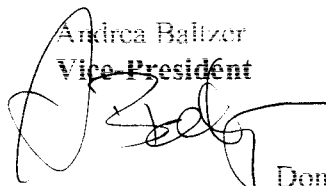
For PRANAVEREIN:

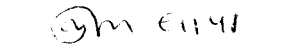

Burgi Sedlak
President

For VASDON:


Anil Kumar Budhathoki
General Secretary

Witness


Andrea Baltzer
Vice-President


Bhim Bahadur Thapa
Executive Member

Done in Kathmandu on 12 August 2007.