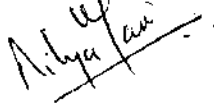
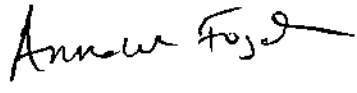


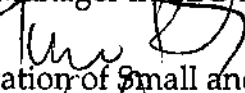
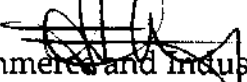


Minutes of Kick off Meeting for the Asia-Invest Project: Enhancing the Capacity of International Business Organizations in Nepal" held on Tuesday October 2nd-Wednesday October 3rd at London Chamber of Commerce and Industry.

Participants in the Kick-off Meeting:

- Mr. Dibya Mani Rajbhandari,
President of EEC-NEPAL 
- Mr. Peter Bishop,
London Chamber of Commerce and Industry
- Ms. Annabel Fogden,
London Chamber of Commerce and Industry 
- Mr. Jung Bahadur Shrestha,
President of Federation of National Cottage and Small Industries Nepal (FNCSIN) 
- Mr. Bimal Parajuli,
Assistant Project Manager in EEC-Nepal (ECIBON) 
- Ms. Tine Bork,
The Danish Federation of Small and Medium Sized Enterprises 
- Mr. Anna Högberg,
Chamber of Commerce and Industry of Southern Sweden 

Mr. Rajbhandari chaired the meeting, and Mr. Bimal Parajuli took minutes.

Agenda

A) Introduction of the each Partner:

After a welcome by mr. Rajbhandari, a presentation was given of each participant.

Ms. Anna Hogberg, informed all the partners that CCISS will be terminating the international project department from July 2008. She therefore requested that the project implementation plan should be revised accordingly, so that CCISS can fulfill their responsibilities as mentioned in the project documents.

B) Briefing on the status of Project Activities by Mr. Bimal Raman Parajuli

First of all Mr. Parajuli explain about the progress until September 2007, which have mainly involved negotiation and concluding formalities with the European Commission in New Delhi, establishing an office, identifying staff and practical setting up of offices.

Attention was drawn to national holidays (and possibly an election) in Nepal in October and November, which was expected to delay the signing of agreements with IBO representatives. It was agreed that the agreements should be signed no later than end of 2007.

According to EEC-Nepal all project staff has been recruited and are currently in place in the project office in Katmandu. An Independent Monitoring Expert has not yet been recruited, as EEC-Nepal wants to tender the position, and have yet to do so. This process must be finalized by the end of the October. CCISS and DFSME will provide input for formulation of TOR for the Independent Monitoring Expert.

To all partners, Mr. Parajuli distributed

1. Revised action plan of the project
2. Document on Program Activities and allocated budget
3. Document regarding Administrative Organization for the project
4. Individual MOU's for each partner

1. Revision of Action Plan:

All of the partners agreed that it was necessary to give priority to rescheduling of the first two activities of CCISS due to the upcoming organizational changes in CCISS.

The following changes to the action plan were agreed upon by the partners:

1. Activity 1.1.2 is rescheduled for January 2008 instead of July 2008.
2. Activity 1.1.1 is rescheduled for May 2008 instead of March 2008.
3. Activity 1.1.3 is rescheduled for April 2008 instead of November 2008.



4. The administrative monitoring activity scheduled for September 2007 is postponed to November 2007 due to the delay in starting project activities.
5. To the extent possible, the meetings of the advisory committee must be scheduled to occur during the time when international training is scheduled, as this will provide opportunity for the partners to interact with the Advisory board members.
6. Activity 2.2.1 – Determination of business information system - needs to be spread over 3-4 consecutive months rather than 2. Tine Bork will provide suggestions for a detailed plan for the activity.
7. Chairman Mr. Dibya Mani Rajbhandari proposed that the closure meeting be held in Copenhagen rather than London. This was accepted by the partners as long as the budget is adjusted accordingly.
8. The actual implementation dates/weeks of each activity must be announced and agreed upon three months before implementation in consultation with the concerned partners.
9. Mr. Tine Bork proposed that meeting minutes of the advisory board needs to be forwarded to all partners.

2) Program Activities and allocated budget

Budget:

Ms. Tine Bork noted for the record, that the delay of more than 1 year on Asia-Invests approval of the final contract documents led to a situation where the budgeted fees did not actually cover the actual salary costs of the partners.

Mr. Dibya Rajbhandari noted that the delay of 1 year for finalizing formalities had been beyond the control of EEC-Nepal, and that it had taken the equivalent of two months work to finalise formalities rather than 1 as stipulated in the original budget. It was also noted that Mr. Rajbhandari will be visiting Europe Aid in Bruxelles on October 8th.



It was also noted that there has been change of staff in both LCCI and CCISS, and some of the staff originally included in the project proposal will thus be replaced with other, equally competent staff.

Mr. Dibya Rajbhandari informed the European partners that a tax of 2% might be levied on the international reimbursements to the partners due to Nepalese exchange controls. Such a reduction of the fees was found unacceptable to the partners. Mr. Rajbhandari will provide further documentation to this fact, after which the partners will decide on what should be done to limit any reduction of fees.

In regards to per diems, Ms. Anna Högberg and Ms. Tine Bork will provide information on the rules for per diems for reference. It was noted that per diems are paid to the organizations involved, and not as personal compensations.

3) Discussion on Administrative Organization-manual:

The document with the proposed Administrative Organization was discussed extensively, and a number of changes were agreed upon. The document has been revised accordingly and is attached to the meeting minutes.

The European partners noted that individual employment contracts as well as individual pay-slips for their staff would not be forwarded to the project office, but official documentation of salary-levels can be forwarded (e.g. a signed and stamped statement of the financial manager of each organization stating the salary level including all social security costs etc.).

The project organization must supply the European partners with all necessary templates for reporting and reimbursement (time sheets etc.).

4) Discussion of MOU's

A revised draft copy of MOU's with each partner for implementation of the project were discussed by the partners.

A number of changes were suggested relating to:

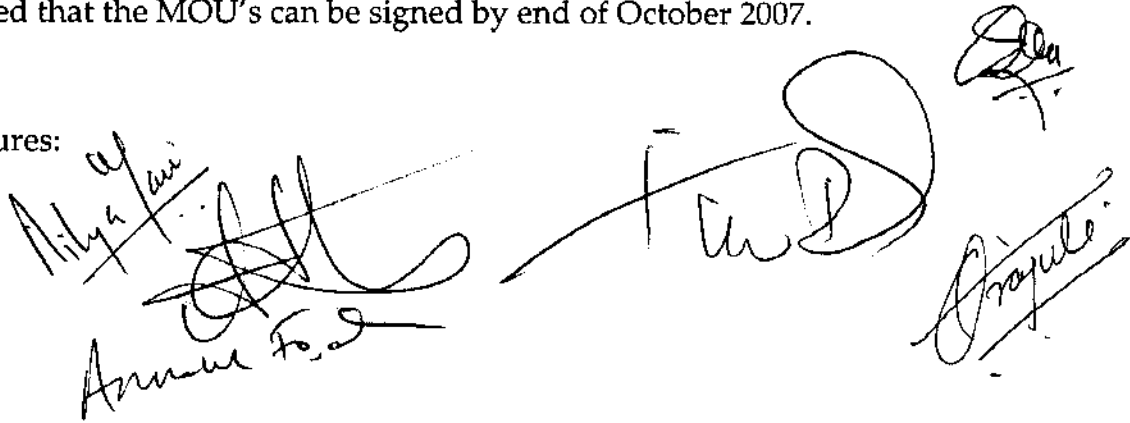
- Unit fee rates should be included in the MOU's
- Budgeted time for each activity should be specified in the MOU's



- Any dispute should be settled by ICC arbitration law in Nepal or under the jurisdiction of Belgian Law.
- The supporting documents: Revised action plan; Program Activities and budget; and the Administrative Organisation-document should be referred to in the MOU's
- Terms of payment and requirements to reporting and claims for reimbursement should be specified in the MOU's.

The re-revised MOU's (and other revised documents) was handed over in hard copy to the partners and will subsequently be e-mailed to the partners, who will provide final comments or approval by 3rd week of October 2007, after which it is expected that the MOU's can be signed by end of October 2007.

Signatures:



The image shows several handwritten signatures in black ink. On the left, there are two signatures: one that appears to be 'Alysa' and another that is more stylized. Below these is a signature that looks like 'Annex'. In the center, there is a large, bold signature that resembles 'Fand'. To the right of this is a smaller signature that looks like 'Prayul'. At the top right, there is another signature that is partially cut off and appears to be 'Sla'.