

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE GOVERNMENT OF REPUBLIC OF INDIA

AND

THE GOVERNMENT OF ISLAMIC REPUBLIC OF
AFGHANISTAN

ON

CO-OPERATION IN THE FIELD OF FERTILIZER SECTOR

The Government of the Republic of India represented by the Ministry of Chemicals & Fertilizers and the Government of the Islamic Republic of Afghanistan represented by the Ministry of Mines (hereinafter individually referred to as 'Party' and jointly as "Parties");

Desiring to promote and expand bilateral relations in the fertilizer sector between the two countries.

Conscious to the advantages to be derived by people of both countries from the promotion of such cooperation;

Have reached the following understanding:

ARTICLE - 1

The Parties shall promote development of cooperation in the fields of fertilizer sector, which inter-alia may include but not limited to.

1. Promotion of private and public sectors investment in the area of fertilizer production;
2. Planning, development & facilitation of setting up of fertilizer production facilities including naphtha and gas based fertilizer plants
3. Joint venture fertilizer projects involving use of important inputs for fertilizer industry like natural gas, fuel oil, coal, rock phosphate etc. Afghanistan would provide access to the important inputs/raw materials for these projects.
4. Support in developing infrastructural and related facilities required by fertilizer industry.
5. For addressing the problem of shortage of technically qualified manpower to sustain development and growth of the fertilizer industry in Afghanistan, Government of India will support training courses for professionals, concerned government officials and planners in the areas of:
 - a. Fertilizer production technology
 - b. Sustainable development of fertilizer industry

- c. Occupational safety and health of workers working in fertilizer manufacturing units and conducting safety audits
 - d. Management of environmental impacts of fertilizer production and energy efficiency in fertilizer units.
 - e. Corporate Social Responsibility activities focusing on community development, education, health care, family welfare, social initiatives etc to mitigate the social impacts of setting up fertilizer manufacturing units.
6. Government of India will promote investment of Indian companies in the fertilizer sector in Afghanistan. Government of Afghanistan will provide the necessary investment climate, security and other facilities required for the Indian companies to invest and operate in this sector in Afghanistan. The Government of Afghanistan will provide access to the important inputs/raw materials for the joint venture fertilizer projects as mentioned in para 3 above.
7. Separate agreements/arrangements will be concluded for implementing specific projects arising from cooperative activities under this MoU.

ARTICLE- 2

1. The Parties will define the programme of activities and procedures of implementation.
2. The joint activities may include:
 - a) Strengthening the integration and relationship between Research and Training Institutions dealing in fertilizer sector;
 - b) Promotion and encouragement of contracts between the relevant private and public enterprises and organizations and Parties;
 - c) Co-operation between relevant institutions.

- d) Setting-up of Joint Ventures Fertilizer Projects for production of fertilizers in Afghanistan with buy back agreement for supply of produced fertilizers to India after fulfilling the need/requirements of these fertilizers in Afghanistan.

ARTICLE- 3

1. The Parties shall promote cooperation in short and medium term within the framework of joint activities mentioned in Article-1
2. Biennial Work Plans will be drawn by mutual agreement between the Parties to give effect to the objectives of this Memorandum of Understanding.

ARTICLE 4

The present Memorandum of Understanding can be amended with the mutual consent of the two parties in writing. All differences will be settled by way of amicable negotiations through diplomatic channels.

ARTICLE 5

Activities pursuant to this Memorandum of Understanding are subject to the availability of funds and personnel, and to the laws and regulations of the respective countries of the Parties.

ARTICLE 6

The Parties in-charge for the execution of the present Memorandum of Understanding are:

- (a) The Ministry of Chemicals & Fertilizers of the Republic of India
- (b) The Ministry of Mines of the Islamic Republic of Afghanistan and

ARTICLE- 7

The Parties in order to implement the current Memorandum of Understanding will negotiate specific agreements in complementary, which will constitute an integral part of the current document.

ARTICLE-8

A Joint Working Group shall be formed to coordinate the implementation of the areas of cooperation under this Memorandum of Understanding. The Joint Working Group shall meet once in every six months alternately in India and in Afghanistan. The composition, venue and date of the meetings of the Joint Working Group shall be determined by mutual agreement of the Parties.

ARTICLE 9

Each Party will bear its expenses relating to activities and programmes carried out by it towards the fulfillment of the objectives of the Memorandum of Understanding including its participation in the meetings of Joint Working Group.

ARTICLE 10

This Memorandum of Understanding shall enter into force on the day of its signing and shall remain in force for a period of five (5) years and shall be automatically extended for a further period of five (5) years, unless either of the two Parties notifies the other in writing at least six (6) months prior to the date of the expiry of its validity of its intention to terminate the Memorandum of Understanding.


In witness whereof, the undersigned being duly authorized by their respective Governments.

Done in New Delhi on November 12, 2012 in two originals, each in the English, Dari, Hindi and Pashto languages, all texts being equally authentic. In case of divergence in interpretation, the English text shall prevail.

For the Government of the
Republic of India

For the Government of the
Islamic Republic of Afghanistan


(Salman Khurshid)
Minister of External Affairs


(Wahidullah Shahrani)
Minister of Mines