

**MEMORANDUM OF ASSOCIATION**

**AMONG**

**THE BAY OF BENGAL INITIATIVE FOR**

**MULTI-SECTORAL TECHNICAL AND**

**ECONOMIC COOPERATION (BIMSTEC)**

**MEMBER COUNTRIES**

**FOR**

**ESTABLISHMENT OF**

**BIMSTEC ENERGY CENTRE**

**Dated: 22<sup>nd</sup> January, 2011.**

**MEMORANDUM OF ASSOCIATION AMONG THE BAY OF BENGAL  
INITIATIVE FOR MULTI-SECTORAL TECHNICAL AND  
ECONOMIC COOPERATION (BIMSTEC) MEMBER COUNTRIES  
FOR ESTABLISHMENT OF BIMSTEC ENERGY CENTRE**

**Recalling** the decision taken by the First BIMSTEC Energy Ministers Conference held in New Delhi, India on 4<sup>th</sup> October, 2005 agreeing to setting up of a BIMSTEC Energy Centre for sharing experience in reforms, restructuring, regulation and best practices in energy sector.

**Whereas** a concept note for the BIMSTEC Energy Centre was evolved and discussed in the workshop of the representatives of the BIMSTEC member countries held in New Delhi on 25-27<sup>th</sup> January, 2006.

**Taking** into account the comments of the BIMSTEC member countries' Governments on the draft concept paper.

**Desirous** of concluding a Memorandum of Association to define the terms and conditions of the establishment and operation of the BIMSTEC Energy Centre.

Member countries of BIMSTEC have **agreed** as follows:

**Article 1**

**Establishment**

1.1 The Governments of BIMSTEC Member Countries agree to and request India to take measures which may be required for the setting up of BIMSTEC Energy Centre in India, hereinafter called "BEC", as provided for under this Memorandum.

## **Article 2**

### **Objectives and Functions**

#### **1. The objectives of BEC are:**

The BEC (or, the 'Centre') would coordinate, facilitate and strengthen cooperation in energy sector in BIMSTEC region by promoting experience sharing and capacity building. The Centre would also act as secretariat for energy cooperation activities. Centre would have following objectives:

- (a) To create, manage and evaluate energy related data-base relevant to the region; and taking into view various on-going activities suggest a road map for meaningful intra-BIMSTEC cooperation.
- (b) To prepare and operationalise a framework for networking among the national level institutions in the region.
- (c) To prepare the groundwork, such as feasibility studies, data collection etc. for intra-BIMSTEC energy related projects.
- (d) To study, compile and disseminate the prevailing policies of the BIMSTEC member countries in different areas of energy sector.
- (e) To enhance cooperation for capacity building and sharing of experiences on best practices, including reforms, regulation and energy efficiency.

#### **2. The functions of the BEC will be:**

The Centre would undertake and promote cooperation activities within the BIMSTEC region, in the following areas:

- (i) Research & Analysis of energy related statistics.
- (ii) Grid inter-connections.
- (iii) Transnational natural gas pipelines.
- (iv) Overall development of hydro potential and supply of energy to member countries.

- (v) New and other renewable sources of energy.
- (vi) Efficient utilization of various energy resources and promotion of energy efficiency and conservation, capacity building for testing and laboratories and standards and labelling for promoting energy efficient appliances.
- (vii) Promotion of energy trade in the region for enhancing energy security.
- (viii) Cross country Investment promotion, both public and private in the energy sector.
- (ix) Promoting and developing infrastructure for training and human resource development.

### **Article 3**

#### **Organizational Structure**

##### **I. Governing Board:**

The Centre shall have a Governing Board consisting of one nominee from each BIMSTEC member country. The overall control of activities of the Centre shall be vested in the Governing Board.

##### **(a) Composition :**

The Governing Board shall consist of one nominee from each Member Country for a three year term. However, a Member Country could change its nominee earlier. Each participating country shall also designate an alternate Member to serve on the Governing Board in the event that its designated Member is unable to do so. The Chairperson of the Board would be appointed for a one-year term out of its members according to alphabetical rotation of the names of the Member Countries. The Executive Director shall be Member-Secretary of the Governing Board. The Governing Board shall meet once a year. If required, special meetings could be convened.

**(b) Responsibilities** - The Governing Board shall:

- (i) Formulate policies and oversee the functions of the Centre;
- (ii) Adopt an annual schedule of activities, programmes and budget;
- (iii) Make rules, procedures and regulations as may be required for the functioning of the Centre;
- (iv) Consider any matter referred to it by the Member Countries from time to time;
- (v) The Governing Board shall provide the Governments of BIMSTEC countries with an annual report containing technically substantive information on the progress of the various programmes undertaken by the Centre and its results.

**II. Executive Director:**

A full-time Executive Director shall be overall in-charge of the Centre in respect of administration, finance, planning and implementation of all tasks/activities/projects. The Executive Director would be the administrator in-charge of all the specialized Wings set up within the MoA of BEC. The Executive Director shall also be Member-Secretary of the Governing Board. The first Executive Director shall be from India appointed by Chairman of the Governing Board. The tenure of Executive Director would be initially for three years, extendable up to another two years.

**III. Directors :**

The Centre shall consist of such specialized Wings as may be decided by the Governing Board, each to be headed by a Director to be appointed by the Governing Body on the recommendation of the Search Committee constituted by the Governing Board. The tenure of a Director would be three years extendable up to another two years. Some of the suggested specialized Wings are enumerated below:

- (a) Data management, Research and Analysis;
- (b) Grid connectivity;
- (c) Energy Efficiency and Conservation;
- (d) Natural Gas Pipeline;
- (e) Hydro Power;
- (f) New and other renewable Energy sources;
- (g) Energy Security and Trade.

#### **IV. Recruitment**

The posts of executives will be filled in a manner that all Member countries are adequately represented.

#### **Article 4**

#### **Funding**

The budget of the Centre will have three components: (a) Capital Expenditure, (b) Institutional Expenditure & (c) Programme Expenditure

- (a) **Capital Expenditure:** Capital Expenditure would include the physical infrastructure including buildings, equipment and vehicles. The expenses will be borne by India as host country.
- (b) **Institutional Expenditure:** Institutional Expenditure will include salaries, perquisites, office expenditure, stationery etc. The cost of local hospitality for the members of the Board for attending the Board Meetings will also be met from this Head.
- (c) **Programme Expenditure:** Programme Expenditure will include direct expenditure on the programme activities of the Centre. This expenditure will also include cost incurred in conducting training courses, including the payment of honorarium to the faculty, hostel facilities etc. As far as possible,

consultancy services will be sought from amongst the Member Countries.

The Centre will render services to the Member Countries free of charges. However, specific services as decided by the Executive Director would be on actual cost basis.

The Centre may seek and generate funds from within the Member Countries and other possible funding sources as approved by the Senior Officials Meeting (SOM) to finance its programmes and activities.

Institutional Expenditure and Programme Expenditure will be shared by all BIMSTEC Member Countries according to a mutually agreed arrangement.

#### **Article 5**

##### **Legal status, privileges and immunities**

A Host Country Agreement shall be executed regarding legal status, privileges, immunities, etc. of the BEC.

#### **Article 6**

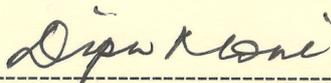
##### **Miscellaneous**

Relevant Articles of this MoA would be subject to such harmonised provisions for recruitment, staffing and funding arrangements, as may be agreed by the member countries.

In witness whereof, the undersigned, being duly authorised by their respective Governments, have signed this Agreement.

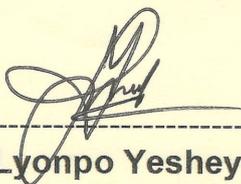
**Done** at Nay Pyi Taw, The Union of Myanmar on this 22<sup>nd</sup> day of January 2011, in the English language.

**For the Government of the People's Republic of Bangladesh**



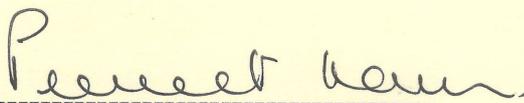
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**H.E. Dr. Dipu Moni, M.P.**  
Minister of Foreign Affairs

**For the Government of the Kingdom of Bhutan**



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**H.E. Mr. Lyonpo Yeshey Zimba**  
Minister-in-charge of Foreign Affairs

**For the Government of the Republic of India**



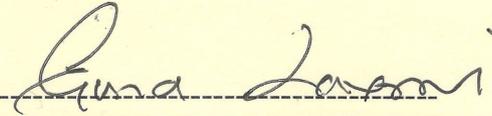
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**H.E. Mrs. Preeti Kaur**  
Minister of State for External Affairs

**For the Government of the Union of Myanmar**



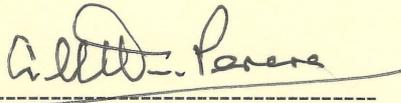
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**H.E. U Nyan Win**  
Minister for Foreign Affairs

**For the Government of the Federal Democratic Republic of Nepal**



**H.E. Ms. Gunalaxmi Sharma Bishwokarma**  
Ambassador to the Union of Myanmar

**For the Government of the Democratic Socialist Republic of Sri Lanka**



**H.E. Mr. Neomal Perera**  
Deputy Minister of External Affairs

**For the Government of the Kingdom of Thailand**



**H.E. Mr. Kasit Piromya**  
Minister of Foreign Affairs