TRADE AND INVESTMENT FRAMEWORK AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF NEPAL

The Government of the United States of America and the Government of the Nepal (individually a "Party" and collectively the "Parties"):

Desiring to enhance the bonds of friendship and spirit of cooperation, to expand trade, investment and technical cooperation, and to strengthen economic relations between the Parties;

Recognizing the importance of fostering an open and predictable environment for international trade and investment;

Recognizing the benefits the Parties can derive from increased international trade and investment, and that trade-distorting investment measures and protectionist trade barriers can reduce these benefits;

Seeking to promote transparency and to eliminate bribery and corruption in international trade and investment;

Recognizing the essential role of private investment, both domestic and foreign, in furthering growth, creating jobs, expanding trade, improving technology, and enhancing economic development;

Recognizing the increased importance of trade in services between their economies;

Taking into account the desirability of reducing trade barriers in order to facilitate increased trade among the Parties;

Recognizing the importance of providing adequate and effective protection and enforcement of intellectual property rights and of membership in and adherence to intellectual property rights conventions with policy flexibilities in view of the level of development of the Parties;

Recognizing the importance of adopting and maintaining in each Party's law and practices the fundamental labor rights as stated in the ILO Declaration on Fundamental

Principles and Rights at Work and its Follow-Up (1998), and of ensuring the effective enforcement of each Party's labor laws;

Recognizing the importance of protecting and preserving the environment in accordance with each Party's environmental laws, and desiring to ensure that trade and environmental policies are mutually supportive in the furtherance of sustainable development;

Desiring to encourage and facilitate contacts between enterprises and other private sector groups in each other's territories;

Acknowledging the desirability of resolving trade and investment problems between them as expeditiously as possible;

Desiring that this Framework Agreement reinforce the multilateral trading system;

Noting that the Parties are Members of the WTO and affirming that this Agreement is without prejudice to the rights and obligations of these Parties under the agreements, understandings, and other instruments related to or concluded under the auspices of the WTO;

Seeking to create a mechanism for further dialogue on initiatives for expanding their trade through enhanced cooperation and more comprehensive agreements,

HAVE AGREED as follows:

Article One.

The Parties affirm their desire to promote an attractive investment climate and to expand and diversify trade in products

and services between the Parties.

Article Two.

1. The Parties hereby establish a United States-Nepal Council on Trade and Investment ("Council"), comprising representatives of each Party. The Nepalese side shall be chaired by the Ministry of Commerce and Supplies; and the United States' side shall be chaired by the Office of the U.S. Trade Representative ("USTR"). Both Parties may be assisted by officials of other government entities as circumstances require.

2. The Council shall meet at such times, in such places, and through such means as the Parties may agree. The Parties shall endeavor to meet no less than once a year.

Article Three.

The Council shall:

1. monitor trade and investment relations between the Parties, identify opportunities for expanding trade and investment, and identify relevant issues, such as those related to the protection of intellectual property rights, worker rights, and the environment, that may be appropriate for negotiation in an appropriate forum;

2. consider specific trade and investment matters of interest to the Parties;

3. consider capacity building and technical assistance on matters of interest to the Parties, including with respect to promoting trade in services;

4. consider trade facilitation measures for the enhancement of bilateral trade;

5. identify and work to remove impediments to trade and investment between the Parties; and

6. seek the advice of the private sector and civil society, where appropriate, on matters related to the Council's work.

Article Four.

A Party may refer a specific trade or investment matter to the Council by delivering a written request to the other Party that includes a description of the matter concerned. The Council shall take up the matter promptly after the request is delivered unless the requesting Party agrees to postpone discussion of the matter. Each Party shall endeavor to provide an opportunity for the Council to consider a matter before taking actions that could adversely affect trade or investment interests of the other Party.

Article Five.

This Agreement shall be without prejudice to the law of either Party or to the rights and obligations of either Party under any other agreement.

Article Six.

This Agreement shall enter into force on signature.

Article Seven.

Any Party may withdraw from this Agreement by providing written notice of withdrawal to the other Party. The withdrawal shall take effect on a date the Parties agree or, if the Parties cannot agree, 180 days after the date on which the notice of withdrawal is delivered.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed this Agreement.

DONE at Washington, D.C., this 15th day of April 2011.

FOR THE GOVERNMENT OF NEPAL:

Bharat Mohan Adhikari

Deputy Prime Minister and Minister for Commerce and Supplies

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

Ron Kirk

United States Trade Representative