

NEPAL

DEDUCTION ON REIMBURSEMENT FOR UNSERVICEABLE VEHICLES

1. ISSUE PAPER THEME: Major Equipment

2. SUMMARY / BACKGROUND

For the TCC to secure 100% reimbursement of the vehicles deployed, it is required to maintain a minimum of 90% serviceability. If the criteria is not met for the number of vehicles authorized and agreed in the Memorandum of Understanding, a reduction in reimbursement is carried out.

3. DETAILED PROPOSAL

According to the COE Manual 2020, Chapter 8, para 5, under wet lease arrangement a country has the responsibility to maintain 90% operational serviceability. When a TCCs vehicles are found to be less than 90% serviceable a deduction in the troops cost is also executed. This provision has an unjust double penalty hence it is proposed that the corresponding deduction be made only on the reimbursement of the respective vehicles.

4. PROPOSED MANUAL TEXT

It is proposed that, in COE Manual 2020, Chapter 8, para 5, under wet lease arrangement, the text should read as “Under wet lease arrangement, a country has a responsibility to maintain 90 per cent operational serviceability. When the total number of operationally serviceable vehicles is less than 90 per cent of the quantity authorized in the memorandum of understanding, the reimbursement will be deducted for the respective vehicles only”

Similar changes should be made in other relevant pages.