

## **National Cooperatives Development Board Act, 2049 (1992)**

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### **An Act Made to Provide for the Establishment and Management of National Cooperatives Development Board**

**Preamble:** Whereas, it is expedient to establish and provide for the operation of a National Cooperatives Development Board in order to bring about improvement in the economic and social standards of the lower level people through mutual cooperation and cooperative and support the promotion and development of various types of cooperative associations and unions;

Now, therefore, be it enacted by the Parliament in the Twenty-first year of the reign of His Majesty King Birendra Bir Bikram Shah Dev.

1. **Short title and commencement:** (1) This Act may be called as the "National Cooperatives Development Board Act, 2049 (1992)".  
(2) This Act shall come into force immediately
2. **Definitions:** Unless the subject or the context otherwise requires, in this Act:
  - (a) "Board" means the National Cooperatives Development Board established under Section 3.
  - (b) "Committee" means the executive committee formed pursuant to Section 7.
  - (c) "Chairperson" means the chairperson of the committee.
  - (d) "Co-chairperson" means the co-chairperson of the committee.

- (e) "Member" means the member of the committee and this term includes the chairperson, co-chairperson and member secretary of the committee.
- (f) "Prescribed" or "as prescribed" means prescribed or as prescribed in the Bye-law framed under this Act.

3. **Establishment of Board:** A National Cooperatives Development Board is, hereby, established in order to support the development of various types of cooperative associations and unions at the national level by making and formulating policies and plans on services and facilities for the economic and social development of the lower level people in consonance with the cooperative principle.
4. **Board to be autonomous body:** (1) The Board shall be an autonomous and body corporate with perpetual succession.
  - (2) The Board shall have a separate seal of its own for its activities.
  - (3) The Board may, like an individual, acquire, use, sell and dispose of, or otherwise deal with, any movable and immovable property.
  - (4) The Board may, like an individual, sue by its name and be also sued by the same name.
5. **Office of Board:** The head office of the Board shall be situated in the Kathmandu Valley.
6. **Functions, duties and powers of Board:** The functions, duties and power of the Board shall be as follows:
  - (a) To formulate policies required for the promotion and development of cooperative associations and unions through cooperative at the national level and recommend the same to Government of Nepal for their implementation.

- (b) To render necessary assistance to Government of Nepal in the formulation of policies on the development of cooperatives and development plans pertaining thereto, and implement, or cause to be implemented, such policies.
- (c) To do, or cause to be done, necessary study and research works on the development of cooperatives.
- (d) To set up a cooperative development fund with a view to providing loans or grants to cooperative associations and unions in an easily accessible manner and to provide, or cause to be provided, out of the fund, necessary capital to cooperative associations and unions for the operation of development-oriented works.
- (e) To invest in the shares of cooperative associations and unions or cooperative banks.
- (f) If any cooperative associations or unions seek assistance of the Board in borrowing loans from any native banks or other bodies or issuing debentures, to provide guarantee, as required.
- (g) To provide, or cause to be provided, technical assistance to make necessary arrangements on the operation of programs related with the development of cooperative associations and unions and promote and protect the cooperative associations and unions.
- (h) To establish harmony among various bodies of Government of Nepal, cooperative associations and unions and various non-governmental organizations, and render coordinative support to make such associations or organizations more encouraged in professional programs.

- (i) To have agreements concluded between Government of Nepal and native and foreign investors, associations, companies and corporations for industrial development in the cooperative sector.
- (j) To carry out, or caused to be carried, other necessary functions related with the development of cooperative.

7. **Formation of executive committee:** (1) There shall be one executive committee as follows for the operation of the business of Board:

- (a) Minister or Minister of State for Agriculture -Chairperson
- (b) A person designated by Government of Nepal -Co-chairperson
- (c) Chairperson, National Cooperatives Development Union -Member
- (d) Governor, Nepal Rastra Bank -Member
- (e) Secretary, Ministry of Finance -Member
- (f) Secretary, Ministry of Supplies -Member
- (g) Secretary, Ministry of Industries -Member
- (h) Secretary, Ministry of Agriculture -Member
- (i) Secretary, Ministry of Local Development -Member
- (j) Representative, National Planning Commission -Member

- (k) Registrar, Department of Cooperatives -Member
- (l) Two persons nominated by the chairpersons of central cooperative unions from amongst themselves -Member
- (m) Five persons nominated by Government of Nepal from amongst the cooperative or social workers in five Development Regions -Member
- (n) One person from amongst women cooperative workers -Member
- (o) Two persons from amongst the experts in the concerned field -Member
- (p) General Manager, Agricultural Development Bank -Member
- (q) Person designated by Government of Nepal -Member secretary

(2) Government of Nepal shall, on recommendation of the committee, nominate the members as referred to in Clauses (n) and (o) of Sub-section (1).

(3) The term of office of the members as referred to in Clauses (l), (m), (n) and (o) of Sub-section (1) shall be two years.

(4) Government of Nepal may, on recommendation of the committee, accompanied by the reasons, make necessary alteration or

change in respect of the committee members, by a Notification in the Nepal Gazette.

8. **Meeting of committee:** (1) The committee shall hold its meeting at such place, time and date as may be specified by the chairperson.

(2) The presence of at least Fifty percent members of the total number of members of the committee shall be deemed to constitute a quorum for a meeting of the committee.

(3) The meeting of the committee shall be presided over by the chairperson and by the co-chairperson in the absence of the chairperson, and by the person selected by the members from amongst themselves in the absence of both the chairperson and the co-chairperson.

(4) The decisions of the committee shall be authenticated by the member secretary.

(5) Other matters related with the meeting of the committee shall be as determined by the committee itself.

9. **Functions, duties and powers of committee:** It shall be duty of the committee to perform all such functions, exercise all such powers and perform all such duties as required to be performed and exercised by the Board, subject to this Act and the Bye-law framed under this Act.

10. **Powers to form sub-committees:** (1) The committee may form sub-committees, as required, for the operation of its business.

(2) The functions, duties, powers, working scope and procedures of the sub-committees shall be as specified by the committee.

11. **Fund of Board:** (1) The Board shall have a separate fund of its own.

(2) The fund of the Board shall consist of the following amounts:

- (a) Grants received from Government of Nepal,

- (b) Grants received from any foreign governments or international organizations,
- (c) Grants received from cooperative associations and unions, semi-governmental and non-governmental organizations,
- (d) Fees received for having provided research works or consultancy services,
- (e) Amounts received from other sources.

(3) Prior approval of Government of Nepal shall be obtained in obtaining grants from any foreign governments or international organizations.

(4) All amounts to be received by the Board shall be credited to an account to be opened with any bank within Nepal.

(5) All expenditures to be incurred by the Board shall be chargeable on the fund as referred to in Sub-section (1).

**12. Cooperative development fund:** (1) The Board shall establish a separate cooperative development fund for providing loans or grants to cooperative associations and unions from its fund in an easily accessible manner.

(2) The amounts of the cooperative development fund shall be deposited in a separate account.

(3) The cooperative development fund shall be operated as prescribed.

**13. Accounts and audit:** (1) The accounts of the incomes and expenditures of the Board shall be maintained in accordance with the method followed by Government of Nepal.

(2) The audit of the Board shall be performed by the Auditor General or by a registered auditor designated by him/her.

14. **Delegation of powers:** The committee may, as per necessity, delegate any or all of the powers conferred on it pursuant to this Act to any member or any sub-committee referred to in Section 10 or any officer employee of the Board.

15. **Term of office and terms and conditions of service of co-chairperson and member secretary:** (1) The term of office of the co-chairperson and member secretary shall be Four years and they may be re-appointed for a maximum period of Four years.

(2) The remuneration, terms and conditions of service and facilities of the co-chairperson and member secretary shall be as specified by Government of Nepal.

16. **Provisions on Employees and advisers of Board:** (1) The Board may appoint such employees and advisers required for the operation of its business.

(2) The remuneration, terms and conditions of service and facilities of the employees and advisers appointed pursuant to Sub-section (1) shall be as prescribed.

17. **Submission of report to Government of Nepal:** The Board shall submit an annual report of the activities carried out by it to Government of Nepal within Six months after the expiration of every fiscal year.

18. **Liaison with Government of Nepal:** The Board shall liaise with Government of Nepal through the Ministry of Agriculture.

19. **Dissolution of Board:** (1) If Government of Nepal decides to dissolve the Board for any reasonable ground, the Board shall be dissolved.



(2) If the Board is dissolved pursuant to Sub-section (1), the rights and obligations of the Board shall devolve on Government of Nepal.

20. **Powers to frame Bye-law:** The Board may, with the approval of Government of Nepal, frame necessary Bye-laws so as to carry out the objectives of this Act.

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