

No. 26292

**DENMARK
and
BURKINA FASO**

Financing Agreement. Signed at Copenhagen on 23 September 1988

Authentic text: French.

Registered by Denmark on 9 November 1988.

**DANEMARK
et
BURKINA FASO**

Accord de financement. Signé à Copenhague le 23 septembre 1988

Texte authentique : français.

Enregistré par le Danemark le 9 novembre 1988.

[TRANSLATION — TRADUCTION]

FINANCING AGREEMENT¹ BETWEEN THE GOVERNMENT OF
THE KINGDOM OF DENMARK AND THE GOVERNMENT OF
BURKINA FASO

The Government of the Kingdom of Denmark and the Government of Burkina Faso, desiring to strengthen the traditional cooperation and cordial relations between their countries, have agreed that, within the framework of the economic development of Burkina Faso, financial assistance from Denmark in the form of a grant will be extended to the Government of Burkina Faso, in accordance with the following provisions:

Article I. FUNDS

The Government of the Kingdom of Denmark, represented by the General Secretariat of the Danish International Development Agency (DANIDA), shall make available to the Government of Burkina Faso, in the form of a grant, the sum of 135 (one hundred thirty-five) million Danish kroner for execution of the projects referred to in article II.

Article II. USE OF FUNDS

1. The funds shall be used to finance the purchase from Denmark of Danish goods and services (including transport and insurance from Denmark to the project sites in Burkina Faso) for execution of the following projects:

	<i>Millions of Danish kroner</i>	
<i>A. Electricity</i>		
Execution of the second phase of the new power station at Bobo Dioulasso	34	
Improvement of the distribution networks in Ouagadougou and Bobo Dioulasso	31	
Improvement of the small power stations and distribution networks of the regional centres	7	
Pilot project. Production of electric power from solar energy to complement the supply from small power stations.....	3	
Unforeseen expenses, price increases and any additional studies	10	<u>85</u>
<i>B. Water management</i>		
Water supply projects in seven or nine secondary centres	15	
Further improvement of the Pissy, Dori and Banfora water supply systems.....	15	

¹ Came into force on 23 September 1988 by signature, in accordance with article XII.

	<i>Millions of Danish kroner</i>
Preparation of an overall plan and execution of subsequent general design studies as well as implementation of the first phase of a scheme to renovate the Koudougou water supply system.....	10
Unforeseen expenses, price increases and spare parts intended for use on projects financed by Denmark.....	10 50
GRAND TOTAL	<u>135</u>

2. A portion not exceeding 25 per cent of the funds may be used to defray local costs relating to projects for which delivery of Danish capital goods and services has been contracted with DANIDA within the framework of this Agreement.

3. Any proposal to include a new project in the programme or to replace one of the specified projects by a new one shall be submitted to both Parties for approval.

Article III. PROJECT EXECUTION

Any contracts regarding the projects, to which DANIDA is a Party, shall be executed in accordance with the provisions of this Agreement and with the programmes, budgets and any other provisions of the Memorandum signed on 12 March 1987 at Ouagadougou, by the representatives of both Parties. Any amendment of these provisions shall be subject to the prior approval of both Parties.

Article IV. TRANSFER OF PROPERTY

In the absence of any agreement to the contrary between the Parties, the Government of Burkina Faso or any third party designated by the Government of Burkina Faso and approved by DANIDA shall assume all rights and obligations relative to the supplies financed by the latter upon fulfilment of the contracts for execution of the projects referred to in article II.

Article V. SHIPMENT BY SEA

The shipment by sea of capital goods covered by this Agreement shall be arranged with due regard for the principle of freedom of navigation for vessels engaged in international trade under the regime of free and fair competition.

Article VI. TAXES AND OTHER FISCAL CHARGES

1. This Agreement shall be exempt from all existing or future taxes imposed under existing or future legislation or regulations of Burkina Faso, in connection with the issue, execution, registration or entry into force of this Agreement, or otherwise.

2. The Government of Burkina Faso shall exempt the goods and services arriving from Denmark and from third countries under this Agreement from all import taxes, duties, national taxes and other fiscal charges such as import surcharges, countervailing duties for excise taxes and taxes or deposits relating to the issuance of payment authorizations or import licences.

Article VII. COLLABORATION AND EXCHANGE OF INFORMATION

1. The two Parties shall collaborate fully in achieving the purposes of this Agreement. To that end, they shall, at the request of either Party, exchange views on questions relating to the projects financed under this Agreement and shall provide any information which might reasonably be requested on the subject.

2. Each of the Parties shall have the right to send agents or duly authorized representatives to perform any technical or financial task it may deem necessary for the purpose of monitoring the execution of the projects financed in execution of the present Agreement.

The two Parties shall provide all necessary assistance, information and documentation to the persons entrusted with that task in order to facilitate their work.

3. Representatives of the Rigsrevisionen (the highest public auditing institution in Denmark) shall be entitled, using all relevant documentation, to conduct any audit or inspection deemed necessary in connection with the use of the funds granted to the Government of Burkina Faso under this Agreement.

4. The two Parties shall jointly conduct project evaluations at the request of either Party.

Article VIII. SUSPENSION

1. In the event of non-compliance by the Government of Burkina Faso with any obligation or commitment contracted under this Agreement, DANIDA may suspend all or part of the payments deriving therefrom.

2. Notwithstanding any suspension decided upon under the terms of this article, all other provisions of the Agreement shall continue to be fully valid.

Article IX. SETTLEMENT OF DISPUTES

1. Any dispute between the Parties concerning the interpretation or execution of this Agreement which cannot be settled within six months through the diplomatic channels shall, at the request of either Party, be submitted to an arbitral tribunal consisting of three members. The President of the Tribunal shall be a national of a third country and shall be appointed by mutual agreement between the two Parties. If the two Parties cannot reach agreement, within two months, on the appointment of the President of the Tribunal, either Party may request the President of the International Court of Justice to make the appointment. Each Party shall appoint its own arbitrator; if either Party fails to appoint an arbitrator, the latter may be appointed by the President of the Tribunal.

2. Both Parties shall abide by and carry out the decisions of the Tribunal.

Article X. MISCELLANEOUS PROVISIONS

Any notices, requests or understandings under this Agreement shall be submitted in writing.

Article XI. ADDRESSES

The following addresses are given for the purposes of executing this Agreement:

For the Government of Burkina Faso:

Electric energy

Office National d'Electricité du Burkina (SONABEL)
B.P. 54
Ouagadougou
Telex No. 5208 bf

Water resources

Office National de l'Eau et de l'assainissement (ONEA)
B.P. 170
Ouagadougou
Telex No. 5226 bf

For DANIDA:

Ministry of Foreign Affairs
General Secretariat for International Development Cooperation
Asiatisk Plads 2
DK-1448 Copenhagen K

Telegrams:

ÉTRANGÈRES COPENHAGUE

Telex:

31292 ETR DK

Article XII. ENTRY INTO FORCE

This Agreement shall enter into force on the date of its signature.

IN WITNESS WHEREOF, the representatives of the two Parties, being duly authorized for that purpose, have signed this Agreement in duplicate in the French language.

DONE at Copenhagen on 23 September 1988.

For the Government
of the Kingdom of Denmark:

[Signed]

BENT HAAKONSEN

For the Government
of Burkina Faso:

[Signed]

YOUSOUF OUÉDRAOGO