

No. 27580

**DENMARK
and
MALDIVES**

**Agreement on Danish support for the establishment of a
desalination plant in Malé in the Republic of Maldives.
Signed at Copenhagen on 4 December 1989**

Authentic text: English.

Registered by Denmark on 10 October 1990.

**DANEMARK
et
MALDIVES**

**Accord pour la construction avec l'aide du Danemark d'une
usine de dessalement de l'eau de mer à Malé en Répu-
blique des Maldives. Signé à Copenhague le 4 décembre
1989**

Texte authentique : anglais.

Enregistré par le Danemark le 10 octobre 1990.

AGREEMENT¹ BETWEEN THE MALDIVES AND DENMARK ON DANISH SUPPORT FOR THE ESTABLISHMENT OF A DESALI- NATION PLANT IN MALÉ IN THE REPUBLIC OF MALDIVES

The Government of the Kingdom of Denmark has agreed within an amount of 40 million Danish Kroner (DDK) to support on a grant basis the establishment of a desalination plant in Malé in the Republic of Maldives.

The Government of the Republic of Maldives and the Government of the Kingdom of Denmark have agreed that the project be carried out in accordance with the following provisions of this agreement.

ARTICLE 1

Objectives of the Project

The overall development objective to which the project will contribute is to improve health conditions of the population in Malé.

The immediate objectives of the project are:

- provision of safe drinking water to the population of Malé
- improvement of technical and managerial capability of the staff responsible for management, operation and maintenance of water supply installations.

ARTICLE 2

Outputs of the Project

In order to achieve the above-mentioned immediate objectives, the project aims at producing the following:

- one multieffect evaporator (ME) desalination plant constructed in Malé with the capacity of producing 800 m³ of fresh water per day
- staff trained in management, operation and maintenance of the ME desalination plant

¹ Came into force on 4 December 1989 by signature, in accordance with article 12.

- an appropriate arrangement for operation and maintenance of the ME desalination plant, taking the coordination of the operation of the desalination plant and the power plant on which it depends into consideration.

ARTICLE 3

Items to be Provided by the Government of the Republic of Maldives

Under this Agreement the Government of the Republic of Maldives shall make available:

- exemption from all taxes, duties and other expenditures in connection with equipment imported and services rendered under this agreement
- funds for payment of all other expenses required for the establishment and operation of the project which are not mentioned as items to be provided by the Government of Denmark.

ARTICLE 4

Items to be Provided by the Government of Denmark

The Government of Denmark, acting through the Danish International Development Agency, Danida, will provide the following for the effective implementation of the project:

	<u>DKK (mill.)</u>
1) Desalination plant	32
2) Spare parts	1
3) Consultancy assistance in connection with training programmes	2
4) Contingencies	<u>5</u>
Total	40

Any proposal for additional components or for the reallocation between components shall be subject to approval by both parties.

Contracts with contractors, suppliers and consultants will be made directly by Danida, unless otherwise agreed.

ARTICLE 5

General Obligations

The Government of the Republic of Maldives will ensure that the costs of operation and maintenance are provided. In this connection the question of cost recovery through a tariff system will be discussed.

ARTICLE 6

Shipment

All shipments of capital goods covered by this agreement will be in keeping with the principle of free circulation of ships in international trade in free and fair competition.

ARTICLE 7

Importation, Import taxes and other public charges

The Government of the Republic of Maldives shall secure a timely importation and clearance through customs of goods covered by this agreement, including the equipment of contractors and consultants which shall remain their property and be allowed free re-exportation.

The Danish grant shall not be used for payment of any import duty, tax, national or other public charges such as import surcharges, duties to compensate for domestic excise taxes, charges or deposits in connection with the issuance of payments, licenses or import licenses for all equipment, materials, supplies and spare parts supplied by Denmark to the activities agreed upon, whether imported or purchased within the Maldives.

ARTICLE 8

Status of Expatriate Personnel

1. The Government of the Republic of Maldives will make provision for the exemption of officers from:

- a) all taxes in respect of any emolument paid to them from Danish sources;
- b) all duties and taxes imposed on the import and export of new as well as used household goods and personal effects

imported by the officers and their families for their exclusive use within 6 months after their arrival subject to re-export on completion of tour of services or payment of duties and taxes if sold locally. The term "household goods and personal effects" shall include inter alia for each household: one refrigerator, one deep freezer, one washing machine, one vacuum cleaner, one cooker, one radio, one record player, one tape recorder, one CD-player, one personal computer with printer, one television/video set, minor electrical appliances, one set of photographic and cine-equipment and air conditioning units;

- c) all duties and taxes imposed on the import and export of a motor vehicle, for personal use of the officers, or the purchase of such a motor vehicle in the Republic of Maldives out of duty free stock, provided that a motor vehicle imported under these privileges shall be liable for such duties and taxes if resold to a person in the Republic of Maldives unless resold to a person entitled to the same privileges. In case of damage of the motor vehicle imported beyond repair or otherwise lost without neglect on the part of the officer, the Government of the Republic of Maldives shall allow the officer import free of customs duty of another motor vehicle. Furthermore, the Government of the Republic of Maldives shall allow import free of customs duty and tax of one new motor vehicle upon the officer's termination of three years of service, if the contract is prolonged to four years or more.

2. The Government of the Republic of Maldives shall issue free multiple entry and exit visa for the officers and their families, work permits and residence permits for the officers and for the families of the officers.

3. The Government of the Republic of Maldives shall give assistance in clearance through customs of effects mentioned under 1.b) and 1.c).

4. The Government of the Republic of Maldives shall allow every officer to operate an external account. Regarding the repatriation of sale proceeds of the officers' motor vehicles, the officers shall apply separately to the National Bank of the Republic of Maldives and their applications will be dealt with in accordance with the foreign exchange control regulations prevailing at the time of their departure.

ARTICLE 9

Project Organization and Coordination

The project will be implemented by the Maldives Water and Sanitation Authority in close coordination with the Maldives Electricity Board.

ARTICLE 10

Information, Review and Evaluation

1. The Parties shall collaborate fully to ensure that the purposes of this agreement be accomplished. To that end the Parties shall exchange views with regard to matters relating to the project and provide each other with all such information as can reasonably be requested with regard to the matters in question. Joint Danish-Maldivian/ project reviews shall be carried out at the request of either Party.

2. Danida shall have the right to carry out any technical or financial mission that it considers necessary to follow the execution of the project. To facilitate the work of the person or persons instructed to carry out such a monitoring mission, the Maldivian authorities shall provide all relevant assistance, information, and documentation.

3. Evaluation of the project, preferably undertaken jointly by Danida and the Maldivian authorities, may be carried out at the request of either Party.

4. Danida shall have the right to carry out an evaluation after the termination of the project.

ARTICLE 11

Reporting

At the completion of the project, the project authorities will prepare a Project Completion Report.

ARTICLE 12

Entry into force

This agreement shall enter into force on the date of signature and shall remain in force for three years.

ARTICLE 13

Termination

The Parties may terminate the project by agreement through an exchange of notes or unilaterally by a notice of termination. Such notice will come into effect six months after having been received by the other Party.

In witness hereof the Parties hereto, acting through their representatives duly authorized for this purpose, have caused this Agreement to be signed in two originals in the English language in Copenhagen on 4th December, 1989.

For the Government
of the Republic of Maldives:

[Signed]

MOHAMED SHIHAB

For the Government
of the Kingdom of Denmark:

[Signed]

OLE LØNSMANN POULSEN
