

No. 29898

DENMARK
and
BURKINA FASO

**Exchange of letters constituting an agreement concerning support by the Danish Government for the development of the electric power sector in Burkina Faso (with annex).
Copenhagen, 12 and 13 August 1992**

Authentic text: French.

Registered by Denmark on 15 April 1993.

DANEMARK
et
BURKINA FASO

**Échange de lettres constituant un accord relatif à l'appui du Gouvernement danois pour le développement du secteur de l'énergie électrique au Burkina Faso (avec annexe).
Copenhague, 12 et 13 août 1992**

Texte authentique : français.

Enregistré par le Danemark le 15 avril 1993.

[TRANSLATION — TRADUCTION]

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹ BETWEEN DENMARK AND BURKINA FASO CONCERNING SUPPORT BY THE DANISH GOVERNMENT FOR THE DEVELOPMENT OF THE ELECTRIC POWER SECTOR IN BURKINA FASO

I

MINISTRY OF FOREIGN AFFAIRS
COPENHAGEN, DENMARK

12 August 1992

Ref. 104.Burkina Faso.16

Madam,

Further to the minutes of the consultations between Denmark and Burkina Faso held at Ouagadougou on 18 to 20 February 1991 and to the request made by the Ministry of Finance and Planning to the Danish Development Cooperation Office at Ouagadougou on 15 June 1992, I have the honour to inform you that the Government of Denmark is prepared to grant an amount of 41 million Danish kroner (DKr) to the electric power subsector in Burkina Faso through the Société Nationale Burkinabè d'Electricité (SONABEL) for the period 1992-1994.

I have the honour to suggest that this cooperation should be implemented in accordance with the arrangements outlined in this exchange of notes and its annex.

Article 1

DEFINITIONS

1.1. For the purposes of this Agreement, unless otherwise stated, "competent authorities" shall mean, in the case of the Government of Denmark, the Ministry of Foreign Affairs (Danish International Development Agency (DANIDA)) and, in the case of the Government of Burkina Faso, the Ministry of Finance and Planning or, for both parties, any other authority empowered to perform the functions currently exercised by the said authorities.

Article 2

OBJECTIVES OF COOPERATION

2.1. The long-term objectives of cooperation shall be:

To contribute to the economic development of the Bobo Dioulasso and Tenkodogo regions, respectively.

2.2. The immediate objectives of cooperation shall be:

¹ Came into force on 18 August 1992 by the exchange of the said letters.

To bring about a qualitative and quantitative improvement in the electric power supply of the Bobo Dioulasso and Tenkodogo regions, respectively.

Article 3

EXPECTED RESULTS

3.1. For the purpose of attaining the objectives outlined above, cooperation shall be aimed at achieving the following results:

Segment 1: Sufficient transmission capacity between Bobo 1 and Bobo 2 (improved distribution in Bobo Dioulasso);

Segment 2: Sufficient water-cooling capacity for Bobo 2;

Segment 3: Increased power availability at Tenkodogo, Koupéla and Pouytenga by means of a transmission line from Tenkodogo to Koupéla;

Segment 4: Bobo Dioulasso networks and training of SONABEL personnel in the analysis and planning of the rehabilitation and extension of networks;

Segment 5: Training of personnel of the SONABEL relay and telecommunications service in relay and relay-setting techniques.

Article 4

PLAN OF OPERATION

4.1. The plan of operation is contained in the project file annexed to this Agreement. This plan shall be reviewed and updated as required.

Article 5

INPUTS

The inputs for the project (financing, equipment, materials, labour, etc.) shall be provided by SONABEL and DANIDA in accordance with the following plan:

5.1. SONABEL:

Financing and responsibility for carrying out the civil-engineering work for segments 1, 2 and 3;

Financing of cutting equipment for the Bobo 2 substation (departure point for the inter-power station line at Bobo Dioulasso);

Transfer to Bobo 1 of transformers to equip the 15/33 kV substation of the Bobo 1 power station;

Personnel for installing equipment and materials:

Segment 1: equipment for the 33/15 kV substation (transformers, cutting equipment, etc.);

Segment 3: 33 kV lines and 33/20 kV substations;

Personnel for drawing up a master plan.

5.2. DANIDA:

Financing of equipment and materials:

Segment 1: two 10 MVA transformers, cutting equipment for the Bobo 1 sub-station;

Segment 2: drilling equipment at Bobo 2 (pumps, ducts, assembly, protection and command systems) and installation of water treatment system;

Segment 3: 33 kV line equipment and two 33/20 kV substations;

Segment 4: computers and software for the analysis and planning of networks;

Financing of technical assistance for drawing up a master plan for the Bobo Dioulasso networks;

Financing of technical training in relay and relay-setting techniques.

5.3. All proposals for the inclusion of additional components or reallocations among existing components shall be subject to approval by both parties.

Article 6

BUDGET AND FINANCIAL FLOWS

The budget estimates for the project are in fixed prices based on those which are obtained at the beginning of 1992.

6.1. DANIDA component:

	<i>Millions of DKr</i>
1. Bobo 1 — Bobo 2 33 kV link	10
2. Drilling, Bobo	2
3. Tenkodogo-Koupéla 33 kV interlink	18
4. Technical assistance, computers and software — master plan for the Bobo Dioulasso networks	4
5. Relay training	1
Engineers — consultants	3
Miscellaneous	3
GRAND TOTAL, DANIDA FINANCING	41

One (1) Danish Kroner equals forty (40) CFA francs.

6.2. SONABEL component:

	<i>Millions of CFA francs</i>
1. Bobo 1 — Bobo 2 33 kV link	82
2. Tenkodogo-Koupéla 33 Kv interlink	157
Miscellaneous	23
GRAND TOTAL, SONABEL FINANCING	262

The financing to be provided by SONABEL excludes transport costs within the country. The 262 million CFA francs equal 6.5 million Danish kroner.

6.3. The financial flows shall be subject to the conditions of payment of contracts concluded between Danish firms and DANIDA.

Article 7

REFUND

7.1. Part of the project budget shall be refunded. The amount to be refunded shall consist of the total value of the contracts concluded between DANIDA and suppliers and contractors and shall include the following elements:

Delivery of materials for the Bobo Dioulasso inter-power station link;

Construction, delivery and assembly of drilling equipment at the Bobo 2 power station;

Delivery of materials for the Tenkodogo-Koupéla transmission line.

7.2. The amount to be refunded shall be calculated in CFA francs on the basis of the exchange rate of one (1) Danish kroner to forty (40) CFA francs; 25 per cent of the amount shall be transferred directly by DANIDA to SONABEL in the form of a contribution to its capital assets. For 75 per cent of the amount, the following conditions shall apply:

Interest rate: 5 per cent per year

Deferred: 5 years

Total duration: 20 years, including the five years deferred

Method of reimbursement: in equal installments.

7.3. SONABEL shall reimburse the refunded amount to the Ministry of Finance and Planning of Burkina Faso which shall ensure that the reimbursements proceed smoothly.

Article 8

MARITIME TRANSPORT

8.1. All maritime transport of the capital goods envisaged in this Agreement must take place in accordance with the principle of the free participation of vessels in international trade on the basis of free and honest competition.

Article 9

IMPORTS, IMPORT DUTIES AND OTHER PUBLIC CHARGES

9.1. This Agreement shall be exempt from all taxes, current or future, envisaged in current or future legislative or regulatory acts of Burkina Faso at the time of their publication, implementation, registration, entry into force etc.

9.2. The Government of Burkina Faso shall exempt goods and services arriving from Denmark and third countries under this Agreement from all import duties, taxes, national duties or other public charges such as import surcharges, duties to compensate for indirect taxation, and the deposit for the issuance of regulatory or import permits.

9.3. The funds granted by the Danish Government may not be used for payment of import duties, taxes, national or other public charges such as import surcharges, duties to compensate for indirect taxation, or charges or deposits in connec-

tion with the issuance of payments and of licences, including, in particular, import licences for all equipment, materials, supplies and spare parts delivered by Denmark for the purposes of carrying out the agreed activities, regardless of whether such goods are imported into Burkina Faso or acquired in the territory of Burkina Faso.

Article 10

CUSTOMS AND RESIDENCE FACILITIES FOR TECHNICAL ASSISTANCE PERSONNEL

10.1. The Government of Burkina Faso shall ensure that advisers are exempt from:

(a) All taxes and charges on any remuneration coming from Denmark;

(b) All duties and charges on the import and export of new or used personal effects and of equipment imported by advisers for use during their mission in Burkina Faso.

10.2. The Government of Burkina Faso shall issue multiple entry and exit visas, work permits and resident permits to advisers.

Article 11

ORGANIZATION AND IMPLEMENTATION OF THE COOPERATION PROGRAMME

11.1. SONABEL shall be the body responsible for carrying out and developing the construction work. It shall be assisted by an engineer/consultant for the exact definition of components of the project, overall follow-up of its implementation and monitoring of the work.

11.2. The division of responsibilities among the parties is envisaged as follows:

Treasurer and works manager: DANIDA;

Co-treasurer and assistant works manager during the construction period: SONABEL;

Site manager: The engineer-consultant.

Article 12

INFORMATION, FOLLOW-UP AND EVALUATION

12.1. The two Parties agree to collaborate fully for the achievement of the objectives of this Agreement. To this end, they shall exchange views on questions relating to cooperation and shall provide each other with any information which may be requested. The two Parties shall jointly undertake a review of the implementation of the programme in the event that either Party so requests.

12.2. DANIDA may, if required, undertake any technical or financial mission it deems necessary to monitor the implementation of the programme. The Government of Burkina Faso shall provide the persons responsible for such a mission with all necessary assistance, information and documentation.

12.3. An evaluation of this cooperation programme, carried out jointly, preferably by DANIDA and the Government of Burkina Faso, may be undertaken at the request of either of the Parties.

12.4. DANIDA may undertake follow-up and ex-post-facto evaluation activities.

Article 13

REPORTS, ACCOUNTING AND VERIFICATION

13.1. The engineer-consultant, in close cooperation with SONABEL, shall prepare reports and documentation in accordance with the engineer's terms of reference (see annex I in the project file).

13.2. Representatives of *Rigsrevisionen* (the Danish institution for the auditing of government accounts) may conduct, on the basis of all relevant documentation, any audit or inspection considered necessary of the use of the funds made available to the Government of Burkina Faso under this Agreement.

Article 14

TRANSFER OF OWNERSHIP

14.1. The materials supplied by the Government of Denmark shall become the property of SONABEL unless the two Parties agree otherwise.

Article 15

ADDRESSES

15.1. The authorities responsible for the implementation of the Agreement shall be:

(a) In Denmark:

The Ministry of Foreign Affairs
DANIDA
Asiatisk Plads 2
1448 Copenhagen K
Denmark
Telephone: 33.92.00.00
Telex: 31292 etr dk
Fax: 31.54.05.33

(b) In Burkina Faso:

Ministère des Finances et du Plan
Ouagadougou
Burkina Faso
Telephone: 33.25.34
Telex: Secrétariat Général du Gouvernement
5555 segegouv

The Agency responsible for implementation shall be:
The Société Nationale Burkinabè d'Electricité
01. B.P. 54
Ouagadougou 01
Burkina Faso
Telephone: 30.61.00
Telex: 5208 68
Fax: 31.03.40

Article 16

ENTRY INTO FORCE

16.1. This Agreement shall enter into force on the date of the exchange of notes and shall remain in force until the end of the programme, unless it is denounced.

Article 17

AMENDMENTS, SETTLEMENT OF DISPUTES AND DENUNCIATION

17.1. Any amendment to this Agreement shall be made through an exchange of letters between the two Parties.

17.2. Any dispute between the two Parties regarding the interpretation or implementation of this Agreement shall be settled in an amicable manner through the diplomatic channel. Should such a procedure fail, the two Parties may denounce the Agreement jointly through an exchange of notes or unilaterally by means of notification. Such notification shall take effect three months after it is received by the other Party.

If the foregoing is acceptable to the Government of Burkina Faso, I have the honour to propose that this letter and your reply thereto shall constitute an agreement between our two Governments on this subject.

Accept, Madam, etc.

[Signed]

BIRGER RIIS-JØRGENSEN
Director for West and East Africa

Her Excellency Mrs. Anne Konate
Ambassador of Burkina Faso
Copenhagen

ANNEX

TIMETABLE FOR IMPLEMENTATION

<i>Segments</i>	<i>Period of Implementation</i>							
	<i>3/92</i>	<i>4/92</i>	<i>1/93</i>	<i>2/93</i>	<i>3/93</i>	<i>4/93</i>	<i>1/94</i>	<i>1/94</i>
1. 33 kV inter-power station link at Bobo Dioulasso	■							
2. Drilling Bobo 2		■						
3. Tenkodogo-Koupela interlink	■							
4. Master plan for the Bobo networks			■					
5. Training in relaying			■					

II

EMBASSY OF BURKINA FASO
THE AMBASSADOR

Copenhagen, 13 August 1992

No. 608/ABF/CPH

Sir,

By your letter No. 104.Burkina Faso.16 of 12 August 1992 you informed me of the following:

[*See letter I*]

[*Annex as under letter I*]

I have the honour to confirm that the authorities of Burkina Faso are in agreement with the preceding provisions and to inform you that this letter and the annex thereto shall constitute an agreement between our two Governments.

[*Signed*]

ANNE KONATE

Mr. Birger Riis-Jørgensen
Director for West and East Africa
Ministry of Foreign Affairs
Copenhagen
