

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 AGREEMENT<sup>1</sup> 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:

<sup>1</sup> 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-