

No. 30072

**DENMARK
and
SUDAN**

Agreement for financing the implementation of a consolidation phase for rehabilitation of water yards in Sudan (with annex). Signed at Copenhagen on 28 August 1992

Authentic text: English.

Registered by Denmark on 1 June 1993.

**DANEMARK
et
SOUDAN**

Accord en vue de financer l'exécution de la phase de consolidation pour la réhabilitation des vergues d'eau au Soudan (avec annexe). Signé à Copenhague le 28 août 1992

Texte authentique : anglais.

Enregistré par le Danemark le 1^{er} juin 1993.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SUDAN AND THE GOVERNMENT OF THE KINGDOM OF DENMARK FOR FINANCING THE IMPLEMENTATION OF A CONSOLIDATION PHASE FOR REHABILITATION OF WATER YARDS IN SUDAN

THIS AGREEMENT is made this 28th day of August..... 1992 between Government of THE REPUBLIC OF SUDAN (hereinafter referred to as "the Government of Sudan") of the one part; and

The Government of THE KINGDOM OF DENMARK (hereinafter referred to as "the Government of Denmark" of the other part;

WHEREAS

the Government of Denmark is willing to support on a grant basis the implementation of a Consolidation Phase for Rehabilitation of Water Yards in Sudan as described in the Project Appraisal report of June 1992; and

WHEREAS

The Government of Denmark and the Government of Sudan have agreed on technical cooperation in accordance with the present exchange of notes dated 31 July, 1983:

NOW THEREFORE it is agreed as follows;

Article 1

Definitions

For the purpose of this Agreement, unless otherwise stated, the terms listed below mean the following:

- a) "Competent Authorities" means, in the case of the Government of Denmark, the Ministry of Foreign Affairs, (Danida), and in the case of the Government of Sudan, the Ministry of Finance and Economic Planning, or, for both parties, any other authority empowered to perform the functions presently exercised by the said authorities.
- b) NRWC - Abbreviation for National Rural Water Corporation.
- c) "The Consultant" means Water & Power Planners A/S, Kemp & Lauritzen A/S, and Burmeister & Wain Scandinavian Contractor A/S, in consortium.

¹ Came into force on 28 August 1992 by signature, in accordance with article 18.

Article 2

Objectives of the Project

The overall development objectives to which the project is related are:

Improved living conditions for rural communities in Northern and Central Regions through well functioning water yards.

The immediate objectives of the project are:

- An efficiently working Rehabilitation Department of NRWC.
- The availability to NRWC of spare parts of Danish origin, i.e. Bukh and Grundfos parts.
- Transfer of know-how to the Rehabilitation Department of NRWC at all levels, i.e. management, technical and administrative.

Article 3

Outputs of the Project

- Educated staff at management -, technical - and administrative level in the Rehabilitation Department, in the workshop in Wad Medani, and in the field teams rehabilitating the water yards.
- 2-3 technicians from each existing Maintenance Centre in the Central and Northern Regions trained in rehabilitation activities in the workshop in Wad Medani as well as in the field, for later performance in their respective Maintenance Centre.
- Establishment of a procurement system for Bukh and Grundfos parts enabling NRWC to handle the procurement themselves at the end of the two years' period.
- NRWC Rehabilitation Department's capability increased to rehabilitate additional 75 water yards per year, provided the financial means are available - from a functioning Water Tariff system or from other budget allocations.
- Water yard operators trained in service and preventive maintenance of the equipment of each of the water yards rehabilitated during the "Consolidation Phase".

Article 4

Project Implementation

In accordance with the Project Document¹ annexed to this agreement the implementation of the project will be the responsibility of NRWC and the Consultant.

¹ The Project document does not constitute an integral part of the Agreement (information supplied by the Government of Denmark).

NRWC and the Consultant shall present an Annual Plan of action for the first year of the consolidation phase not later than 1st December 1992, and for the second year not later than 1st September 1993.

Article 5

Items to be Provided by the Government of the Sudan

Under this Agreement, the Government of the Sudan shall provide:

- All local salaries and allowances for NRWC staff.
- Funds for payment of all taxes and duties which might be levied on imported equipment and materials, or exemptions from such taxes, duties or levies.
- Workshop and storage facilities and offices at Wad Medani at no costs.
- All machines and tools provided for the workshop in Wad Medani as well as vehicles, office equipment and any other item inherited from phase 1 "Rehabilitation of 150 water yards in the Sudan".
- 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.
- Directives concerning the Water Tariff and budgets for the Rehabilitation Department of the NRWC allowing the latter to perform rehabilitation of 75 water yards per year including importation of Bukh and Grundfos parts at the expiration of the Danish financed Project period.
- Provision of the necessary amount of diesel (costs to be borne by the Government of Denmark).

Article 6

Items to be Provided by the Government of Denmark

The Government of Denmark will provide the following for the effective implementation of the project:

	<u>DKK (mill.)</u>
1) Employment of Danish Consultants	7.2
2) Spareparts and Equipment	11.0
3) Reimbursables	6.0
4) Contingencies (10%)	2.4
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Total	26.6
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Any proposal for additional components or for the reallocation between components shall be subject to approval by both parties.

Equipment, etc. will be purchased by the consulting company and paid for directly by Danida.

The Government of Denmark will enter into a contract with Water & Power Planners A/S, Kemp & Lauritzen A/S, and Burmeister & Wain Scandinavian Contractor A/S in consortium from funds included above to cover:

- Employment, including salaries, insurance and travel of one assistant project manager, one assistant field manager, and one assistant workshop manager to be posted to Sudan as well as head office support services.

Article 7

General Obligations

Sustainable water supply systems, including cost effective and cost recovery options, constitute important policy issues of the socio-economic reform process of the Sudan. To improve input supplies and revenue collection it is accepted by the Government of the Sudan that informal community organized committees will be allowed to assist NRWC in the supply of fuel and lubricants, maintenance, and in collection of water charges, etc.

Article 8

Shipment

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

Article 9

Importation, Import Taxes and Other Public Charges

The Government of the Sudan shall secure a timely importation and clearance through customs of goods covered by this Agreement.

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

Article 10

Status of Expatriate Personnel

1. The technical assistance provided through the Danish consulting company will be regulated by the Agreement on technical