

B1986/26

Agreement

THE GOVERNMENT OF NEW ZEALAND

AND

THE GOVERNMENT OF WESTERN SAMOA

CONCERNING THEIR FINANCIAL CONTRIBUTIONS

TO THE APIA WATER SUPPLY


Introduction

This Agreement defines the responsibilities of the New Zealand and Western Samoa Governments with respect to their roles in the financing and implementation of the Apia Water Supply Project (hereinafter referred to as "The Project").

2 It is understood that the Governments of the Federal Republic of Germany and Kingdom of Saudi Arabia are also contributing to the financing and implementation of the Project and that they have concluded individual bilateral documents with the Government of Western Samoa relating to their responsibilities on the project.

Objective of the Project

3 The objective of the Project is to provide the Apia urban area with an adequate quantity and acceptable quality of drinking water by renewing, upgrading or extending the present system.


B. W. A.

Description of the Project

4 It is understood that the Project will comprise supply, treatment and reticulation systems based on intakes on the Fuluasou River and the Vaisigano River. The area to be reticulated will be the Apia City area except the lightly populated outskirts, with the limit to be determined by the Western Samoa Government, taking into account the finance available.

Design Parameters of the Project

5 It is understood that the Project is to be based on the following basic design parameters which will have been agreed to by all Participating Governments:

- i a per capita domestic use of at least 180 litres per day in the year 2010;
- ii industrial/commercial demand as follows:
 - Vaitele Industrial area - $30\text{m}^3/\text{hectare}/\text{day}$
 - Small Scale Industrial - $15\text{m}^3/\text{hectare}/\text{day}$
 - Commercial - $8.4\text{m}^3/\text{hectare}/\text{day}$

Paul
BWA

- Day Schools - 25 litre/pupil/day
 - Hotels - 500 litre/bed/day
 - Hospitals - 600 litre/bed/day
- iii a population calculated on a growth of 1.6% for the period 1984-2000 and 2.2% for the period 2000-2010;
- iv system losses of 15% for the period up to 1995 and 20% beyond 1995.

Implementing Agencies

6 The Government of Western Samoa (hereinafter referred to as "WSG") shall have responsibility for the coordination and implementation of the Project, through its appropriate departments and government bodies, in consultation with the other funding parties, whose contributions it is understood will be executed by the following Implementing Agencies:

- the Ministry of Foreign Affairs External Aid Division for the Government of New Zealand (hereinafter referred to as "MFA");

Paul
Davis

- the Saudi Fund for Development for the Government of the Kingdom of Saudi Arabia (hereinafter referred to as "SFD"); and
- the Kreditanstalt fur Wiederaufbau for the Government of the Federal Republic of Germany (hereinafter referred to as "KfW").

Financial Contribution of Participating Governments

7 The responsibilities of the Participating Governments shall be as follows:

i Responsibility of the Government of New Zealand

MFA shall provide a financial contribution of up to NZ\$2.6 million for the physical construction costs of the Project. This amount shall be drawn from the annual bilateral development assistance allocation for financial years 1986/87 to 1990/91 inclusive, and subject to the annual appropriations of the New Zealand Government. The contribution shall be the maximum amount available to the Project, and shall not be increased except with the agreement of the New Zealand Government. No contribution shall be given to the Project after financial year 1990/91 except with the agreement of the New Zealand Government.

*Paul
Burd*

ii Responsibility of the Government of Western Samoa
WSG shall contribute the amount of the contract not financed by the other three Participating Governments. Each of the four financial contributions shall include an appropriate amount for contingencies that may arise through either technical variations or price fluctuations. The consulting costs together with an allowance for consulting contingencies shall be included in the assessment.

iii Responsibility of the Government of the Kingdom of Saudi Arabia
It is understood that SFD will provide a contribution of up to Saudi Riyals 16 million towards the cost of the Project.


iv Responsibility of the Government of the Federal Republic of Germany
It is understood that KFW will provide a financial contribution of up to DM7.6 million in accordance with the Financing Agreement and Separate Agreement signed between KFW and WSG at Frankfurt on 4 May 1984. The KFW contribution is to be used for the design and implementation of the Project.

Paul
W. A.

8 Professional services shall be provided as required for the implementation of the Project, as set out in this Agreement and in the following documents:

- i Consulting Agreement between WSG (referred to as "the Client") and the Consultant, dated 16 April 1984;
- ii the Financing Agreement and Separate Agreement between WSG and KFW, signed at Frankfurt on 4 May 1984 and the Loan Agreement between WSG and SFD, to be signed within 30 days of signing this agreement.

9 WSG shall ensure that written authorisation of rights of access and all necessary easements on public land are obtained prior to the letting of any contract for the construction of any part of the Project, to avoid contractual and consequential delays that could lead to other costs being incurred. For pipeline easements across private land, negotiations will be actioned according to Annex 6 of the agreed Minutes of the Meeting at Mannheim held from 9-11 October 1985.


GL/A

10 WSG shall provide to the New Zealand Government reports on a regular basis and as set out in the Minutes of the abovementioned meeting at Mannheim. Each four month report shall contain a brief summary of physical progress with a comparison against programme, any problems related to progress or any current or foreseen contractual difficulties with potential financial implications, and a Cost Control Summary similar to that shown in Appendix 1 of this Agreement. An intervening two month report need only contain the Cost Control summary, and should highlight any contractual problems.

11 For planning purposes, WSG shall provide all Participating Governments on agreed dates each year, a forecast of contributions required from each of them. The amount to be contributed by each Participating Government is to be according to agreed proportions of the total funding required for that part of the Project to which the contribution applies (consulting services or construction). The request for funding shall be in the form of a schedule showing the amount required from each Participating Government, the total contribution to date and the total paid to the Contractor to date.


BWA

Delegated Financial Authority

12 For the portion of the project financed by the New Zealand Government, WSG shall immediately inform MFA of any variations exceeding a total value of NZ\$0.2 million for price escalations and NZ\$0.5 million for technical variations and shall approve an adjustment to the delegated financial authority provided that this does not cause the New Zealand Government funded portion of the project to exceed the total New Zealand contribution available. In the event of variations exceeding the total New Zealand contribution available, WSG shall immediately inform the MFA in order to seek agreement on the need for the variation and the availability of additional funds before any work takes place on the variation.

Progress Payments

13 MFA shall pay to WSG on the measure-up-date of each payment period the amount assessed by the WSG to be due, based on the work programme provided to them by the Contractor. This, in effect, is an advance payment and adjustments shall be made to subsequent payments if the approved certificates of work done show the rate of payment requires variation.



General Provisions

14 The Western Samoa Government will be responsible for dealing with any claims which may be brought by third parties against the New Zealand Government during the project implementation period. This provision will not relieve any person from liability for any criminal, grossly negligent or fraudulent act.

15 The Western Samoa Government will arrange for any protection deemed necessary to ensure the safety of New Zealand project personnel, and equipment both at the project location and in transit in Western Samoa during the project implementation period. The New Zealand Government will take reasonable precautions to ensure that personnel have due regard for local traditions and customs.

16 The Government of Western Samoa shall take appropriate measures to ensure that the following improvements in water supply management take place:

- i There shall be an improvement in the protection of the catchment areas by, inter alia, creating a water resource authority.

Paul
ELIA

- ii Possibilities shall be created to allow the introduction of consumption orientated water rates and their regular adjustment to the development of costs.
- iii Sanctions against misuse of and damage to public water supply and waste water disposal installations as well as for failure to pay the rates shall be strengthened.

17 WSG shall take every step to keep the cost of the work to a minimum without sacrificing the quality of the Project, shall ensure that extra costs incurred in the implementation of the Project are kept to a minimum, and shall make every effort to ensure that the Contractor achieves planned progress.

18 It is understood that all Participating Governments should ensure that any publicity given to the Project should include mention of the involvement of the other three Participating Governments.

19 The New Zealand Government shall cooperate fully with all other Participating Governments to ensure the success of the Project, and shall furnish the other three

Handwritten signatures:
A stylized signature, possibly "G. Smith", and another signature below it, possibly "B. A.", both in dark ink.

with such information concerning the Project as may be reasonably requested. In the event of the withdrawal of any of the other Participating Governments from the Project, the New Zealand Government shall review its continued involvement with the Project.

20 The Appendix attached to this Agreement shall form an integral part of this Agreement.

21 This Agreement shall come into force on the date of signature.

22 This Agreement has been signed on behalf of the Governments of New Zealand and Western Samoa by their duly authorised representatives in Apia on / - 7 - 1986.

For the Government of New Zealand

For the Government of Western Samoa

D.W. Alabon
New Zealand High Commissioner

[Signature]

ACT. MINISTER PYVD.

BIMONTHLY COST CONTROL SUMMARYPART A: FORECAST OF FINAL COSTCosts in DM and WS\$

	<u>NZG</u>	<u>WSG</u>	<u>KfW</u>	<u>SFD</u>	<u>TOTAL</u>
Initial Contract Price					
Total Variations Issued					
Adjusted Contract Price					
Further Variations Foreseen/ Contingency Sum					
Forecast Final Cost					

PART B: SUMMARY OF ISSUED VARIATIONS

	<u>NZG</u>	<u>WSF</u>	<u>KfW</u>	<u>SFD</u>	<u>TOTAL</u>
(i) Variations due to changes in measurement					
Sub-Total					
(ii) Variations requested by Sponsor or of scope					
Sub-Total					


 BL 17.

(iii) Variations due to errors or
omissions of design

Sub-Total

(iv) Variations in cost due to price
fluctuations

Sub-Total

PART C: PROGRESS

NZG WSG KfW SFD TOTAL

Cost incurred to date

Cost programmed for completion

Months ahead or behind

Paul

bw-A