

# **AGREEMENT ON ADMINISTRATIVE ARRANGEMENTS FOR THE PREK THNOT (CAMBODIA) POWER AND IRRIGATION DEVELOPMENT PROJECT**

"Agreement between the Governments of Australia, Canada, Federal Republic of Germany, India, Italy, Japan, the Kingdom of the Netherlands, Pakistan, the Philippines, the United Kingdom of Great Britain and Northern Ireland and the Royal Government of Cambodia."

"WHEREAS the Royal Government of Cambodia, encouraged by the outcome of studies put in train by the Committee for Coordination of Investigations of the Lower Mekong Basin (which operates under the aegis of Economic Commission for Asia and the Far East), by the subsequent recommendations of that Committee and of its Advisory Board and by numerous pledges of financial support from friendly countries, has taken a decision to implement forthwith the power and first stage irrigation development on the Prek Thnot River;"

WHEREAS the Secretary-General of the United Nations has made his good offices available;

"WHEREAS, at a meeting for the implementation of the Prek Thnot (Cambodia) Power and Irrigation (5,000 ha) Development Scheme (hereafter referred to as the ""Project"" as described in the Annex) held under the auspices of the United Nations at Phnom-Penh on the 9th and 10th of September 1968, the representatives of the Governments of Australia, Canada, the Federal Republic of Germany, India, Italy, Japan, the Kingdom of the Netherlands, Pakistan, the Philippines and the United Kingdom of Great Britain and Northern Ireland made declarations with regard to the intention of their respective Governments to assist the Government of Cambodia in carrying out the ""Project"";"

"WHEREAS the United Nations Development Programme has undertaken by separate agreement with the Government of Cambodia and the Food and Agriculture Organisation of the United Nations to assist in the execution of the ""Project""; and"

"WHEREAS it was found necessary to agree on procedures whereby international cooperation for the implementation of the ""Project"" would be secured in the most effective way;"

NOW THEREFORE the Parties hereby agree as follows:

## **Article I**

### **Definitions**

"Except where the context otherwise requires, the following terms have the following meanings wherever used in this Agreement:"

"(1) ""The Project"" means the Prek Thnot (Cambodia) Power and Irrigation Development Project as defined in the Annex."

"(2) ""Coordinator"" means the individual to be appointed, at the request of the Parties, by the Secretary-General of the United Nations."

"(3) ""Cooperating Members"" means the Governments of Australia, Canada, the Federal Republic of Germany, India, Italy, Japan, the Kingdom of the Netherlands, Pakistan, the Philippines and the United Kingdom of Great Britain and Northern Ireland and any Government, or intergovernmental organisation which may join this agreement at a later date in accordance with Article 10 of the Agreement."

"(4) ""The Government"" means the Government of Cambodia."

"(5) ""The Corporation"" means the Société Nationale des Grands Barrages established under Cambodian Law No. 323 of 28 May 1965, to take charge of construction and operation of the Project."

"(6) ""The Bank"" means the National Bank of Cambodia."

"(7) ""Bilateral Agreements"" means the individual agreements between the Government and each Cooperating Member relating to the latter's assistance in the financing of the Project."

"(8) ""Parties"" means the Cooperating Members and the Government of Cambodia."

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## **Article II**

### **Execution**

"1. The Government shall assume responsibility for the letting, supervision and administration of all contracts and for the execution of the project. The Government shall appoint the Corporation as its executive agent for the foregoing purposes and the operation of the project. If circumstances require the Government may request the Coordinator to consult with Cooperating Members and the United Nations Development Programme in order to provide technical and administrative assistance for the effective functioning of the Corporation; Cooperating Members and the United Nations Development Programme shall consult on how to meet such additional requests."

"2. The Corporation shall use the services of consulting engineers in the execution of the project in accordance with this Agreement. The consulting engineer for the construction of the dam, power station and diversion weir will be the Snowy Mountains Hydro-electric Authority which shall provide designs and specifications to the Corporation and shall advise the Corporation on the letting, supervision and administration of all contracts. The consulting engineer for the designs and specifications for the irrigation system will be appointed by the Food and Agriculture Organization of the United Nations acting as the executing agency of the United Nations Development Programme. The consulting engineer for supervision of the construction of the irrigation system will be the Snowy Mountains Hydro-electric Authority."

3. The Snowy Mountains Hydro-electric Authority will provide engineering advice to the Corporation for the over-all planning and coordination of all features of the project; advise the Corporation on variations in contracts or other special measures required in response to unforeseen circumstances; tender advice through the Corporation to the Government and the Coordinator on measures necessary to strengthen the technical and administrative organization of the Corporation for the successful execution of the project.

"4. The Bank shall undertake, as necessary, the banking operations for the Project relating to contributions from Cooperating Members in accordance with this Agreement."

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### **Article III**

#### **Coordinator**

1. The Parties shall request the Secretary-General of the United Nations to appoint a Coordinator. The Coordinator shall act in accordance with the provisions of this Agreement and such other terms as may from time to time be agreed by consultation among the parties. The appointment of the Coordinator shall be made after consultation with the Parties.

"2. The Cooperating Members and the United Nations Development Programme may, pursuant to the procedure set out under Article IV.2, request the Secretary-General of the United Nations to facilitate the provision of professional advice to the Coordinator from the appropriate international organizations, including the Advisory Board of the Committee for Coordination of Investigations of the Lower Mekong Basin."

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### **Article IV**

#### **Cooperating Members**

"1. The Coordinator shall convene a meeting of the Cooperating Members and the United Nations Development Programme at least twice a year to receive and examine reports and information referred to in Article V.9 and Article VI.6, as well as the budget referred to in Article V.4, and, at any other time, at the request of three or more Cooperating Members. Normally, at least two weeks notice of such meetings shall be given."

"2. The Cooperating Members and the United Nations Development Programme may hold consultations concerning measures to be taken for major problems arising in respect of the implementation of the Project, and make recommendations to the Government through the Coordinator. The Government shall take due cognizance of such recommendations. In making such recommendations referred to above, the Cooperating Members shall advise the Government whether the recommendation is a consensus or is supported by the majority of the Cooperating Members whose combined contributions also constitute more than half of the total of such contributions."

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### **Article V**

#### **Use of contributions**

"1. Contributions by the Cooperating Members shall be used for or applied exclusively to carry out the Project, subject to such terms and conditions as each Cooperating Member has established in respect of its contribution."

"2. The Corporation shall furnish to the Coordinator promptly upon their preparation, (i) draft contracts, plans and specifications, cost estimates, plans of construction and construction schedules for the project and (ii) any material modifications subsequently made therein, in such detail as the Coordinator shall from time to time request."

"3. As soon as possible after the entry into force of this Agreement the Corporation, advised by the consulting engineer and the Coordinator, and in consultation with interested individual Corporating Members shall determine the procedures for tendering and for the arrangement of the contracts, and shall inform the Cooperating Members, it being understood that, in so far as the national regulations of a Cooperating Member so require, any tendering or contracting procedures relating to that Cooperating Member's contribution shall meet such requirements. The responsibility for awarding the main contracts shall rest with the Corporation."

"4. The Corporation shall present through the Coordinator to the Cooperating Members as soon as possible after the entry into force of this agreement and on each 30 June and 31 December thereafter a budget prepared in consultation with the Coordinator covering estimated expenditure, both in foreign and local currencies, for the ensuing twelve months. Cooperating Members shall take due cognizance of the financial requirements of the budget thus prepared."

"5. Whenever drawings upon foreign contributions whether in cash or in kind are required, the Corporation shall provide the Coordinator with the necessary justification for each drawing in such manner as may be agreed with each Cooperating Member. Each request for drawing shall be validated by the counter-signature of the Coordinator. Provided that the request does not exceed the undrawn portion of its contribution each Cooperating Member shall then arrange payment accordingly."

"6. The Corporation on the advice of the consulting engineer shall establish suitable procedures for financial control of work in progress on all construction sites, including procedures for periodic stocktaking and for safe custody of engineering stores."

7. The Bank entrusted with the accountancy in respect of the foreign contributions shall set up suitable accounting procedures for this purpose and shall at quarterly intervals transmit to the Coordinator statements of accounts relating to the project for which it is responsible.

8. Upon the termination of the Agreement any unused contribution or part thereof remaining to the credit of the Government with the Bank shall be reimbursed to the Cooperating Member in question unless otherwise agreed between the Government and the Cooperating Member.

9. The Coordinator shall send to each Cooperating Member and the United Nations Development Programme (i) quarterly reports concerning the progress of the Project and (ii) quarterly reports containing appropriate information on the use of the contributions.

"10. The Government and the Coordinator shall arrange for the comprehensive and regular audit of all financial transactions, stores and equipment."

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## **Article VI**

## Undertakings of Cambodia

"1. The Government shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound engineering and financial practices and shall accord first priority, in its development program, to the Project."

2. The Government shall make good any deficit in foreign exchange which may arise in the course of the execution of the Project.

"3. The Government shall make available promptly as required the necessary local currency for carrying out the Project. In preparing a schedule for the use of local currency, the Government shall consult with the Coordinator."

4. The Government shall at its own expense and promptly as needed obtain and make available land and interests in land required for the carrying out or operation of the Project free of any incumbrance.

"5. The Corporation shall maintain in a manner satisfactory to the Coordinator and to Cooperating Members records adequate to identify the goods and services financed by the latter's contributions, to disclose the use thereof in the Project, and to show the progress of the Project. The Government shall consider requests from Cooperating Members, as may be necessary for the execution of the Project, to visit the site of the Project and to see goods used or required for the Project. It shall furnish to the Coordinator all such information concerning the Project as he shall reasonably request."

"6. The Government and the Coordinator shall from time to time exchange views with regard to matters relating to the purposes of this Agreement. The Government will promptly inform the Coordinator who shall forthwith inform the Cooperating Members of any condition which interferes with, or which threatens to interfere with, the accomplishment of the purposes of this Agreement."

"7. The Government shall grant an exemption from, or the Corporation shall bear from its own funds the cost of any taxes, duties, fees, or levies which may be imposed in respect of:"

"(a) the receipts of contractors, suppliers, companies and firms furnishing or supplying property or services for the purposes of carrying out the Project;"

"(b) The salaries, allowances, bonuses and other income of experts, technicians and employees not normally resident in Cambodia;"

"(c) The importation and making available for consumption of the equipment, property, products and services necessary for the purposes of carrying out the Project and the re-exportation of such equipment, property and products not required after completion of the Project operations."

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## Article VII

### Consultation

If in the opinion of the Coordinator or any Cooperating Member it is considered that a situation has arisen or may arise which would make it improbable that the Project can be completed substantially as envisaged in the Annex to this Agreement

(a) The Parties shall be promptly informed.

(b) The interested Parties shall forthwith consult with one another concerning measures which should be taken.

(c) The Coordinator shall inform all Parties of the results of the consultation referred to in (b) above and shall also inform the Secretary-General of the United Nations who will take such action as may be required in consultation with the interested Parties.

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## **Article VIII**

### **Completion**

"1. The Government, assisted by the Coordinator, shall inform the Cooperating Members of the completion of the Project."

2. The Project shall be deemed to be complete when

(a) The reservoir has filled to full supply level and is ready for operation; or

(b) The two units of the power station have been completed and in operation for twelve months; or

"(c) The 5,000 hectares of irrigation are in operation, whichever is the latest."

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## **Article IX**

### **Settlement of disputes**

"Settlement of disputes arising out of the interpretation of this Agreement between the Government and a Cooperating Member or members shall first be sought through diplomatic channels. If an agreed settlement is not reached between the Parties, either Party may request the Secretary-General of the United Nations to lend his good offices for the purpose of solving the disputes."

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## **Article X**

### **Additional Cooperating Members**

"Any Government, or intergovernmental organization, not a Party to this Agreement, may, with the prior approval of the Parties hereto and in accordance with such arrangements as they shall agree upon, become a Cooperating Member."

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## **Article XI**

### Termination

This Agreement shall terminate upon completion of the Project.

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## **Article XII**

### Entry into force

This Agreement shall be opened for signature from 23 September 1968 and shall enter into force on the date when all Parties mentioned in the Preamble to the Agreement have signed it. In witness whereof the undersigned duly authorised thereto have signed the present Agreement.

"The text of this Agreement, in the English and French languages, in a single copy in each language, will be deposited in the archives of United Nations which shall communicate certified copies thereof to each of the Parties to this Agreement, it being agreed and understood that the English and French texts shall be considered equally authentic."

[Signatures not reproduced here.]

### **DEFINITION OF THE PREK THNOT (CAMBODIA) POWER AND IRRIGATION DEVELOPMENT PROJECT**

"The Project consists of the first stage development of power and irrigation on the Prek Thnot River in Cambodia. It is to be carried out over a construction period of approximately three-and-a half years, at an estimated total cost of the equivalent of US\$27,000,000 of which US\$18,000,000 is the estimated requirement in foreign exchange. It will include the following:"

1. An earth and rockfill regulation dam will be constructed at a point approximately 70 kilometres from Phnom Penh. The storage dam will have a total crest length of about 10 kilometres. The main section will rise 28.5 metres above the river bed; elevation of the embankment crest (with parapet) will be 63.25 metres. It is estimated that construction can be completed in three years.

"The dam will create a reservoir of an ultimate net capacity of approximately 980 million cubic metres and a reservoir surface area of approximately 195 square kilometres. A 350-metre ungated concrete spillway with a capacity of 4,400 cubic metres a second will be provided."

2. A power station housing two 9 mW turbo-generators will be located at the foot of the dam to provide an estimated annual output of 50 million kWh in mean years and 28 million kWh in dry years. It is estimated that construction can be completed in three-and-a-half years.

3. A diversion weir will be constructed approximately 12 kilometres down-stream from the storage dam. It is estimated that construction of the diversion weir can be completed in two years.

"4. An irrigation system to provide water for approximately 5,000 hectares will be provided on the left bank of the river in the area traversed by the Phnom Penh Sihanoukville highway, which it is estimated can be completed in two years."

"5. A transmission line will be constructed from the power station to the nearest point on the transmission line between Kirirom and Phnom Penh, and the existing substation in Phnom Penh will be expanded."

Source:

[http://iea.uoregon.edu/pages/view\\_treaty.php?t=1968-AdministrativeArrangementsPrekThnotPowerIrrigationDevelopmentProject.EN.txt&par=view\\_treaty\\_html](http://iea.uoregon.edu/pages/view_treaty.php?t=1968-AdministrativeArrangementsPrekThnotPowerIrrigationDevelopmentProject.EN.txt&par=view_treaty_html)