



## JOINT DECISION OF MINISTERS IN CHARGE OF THE GAMBIA RIVER BASIN DEVELOPMENT ORGANISATION (OMVG) IN THE REPUBLICS OF THE GAMBIA, GUINEA, GUINEA-BISSAU AND SENEGAL

**Considering** that on 30 November 2013, the contract for the construction of the Sambangalou hydroelectric facility on the river Gambia was signed between the OMVG and CGGC Ltd, and approved by member State Ministers in charge of the OMVG;

**Noting** that CGGC Ltd has not adhered to contract provisions, in particular, paragraph (ii) of Article 7 as revised in the report of 16 August 2013 on contract negotiations, which stipulates that the Employer has received bank guarantees for performance and the initial advance payment submitted by the Contractor in compliance with the requirements of the Contract;

**Noting** that despite several meetings between the OMVG and CGGC Ltd as well as the decision, dated 27 March 2017, adopted by the Council of Ministers calling for works to commence by the end of June 2017, CGGC Ltd has not been able carry out its mobilisation on the ground;

**Noting** that through a letter dated 11 June 2017, CGGC Ltd formally notified the OMVG that it could not commence works before 30 June 2017 despite the OMVG's requests for CGGC Ltd to mobilize by 30 June 2017 at the latest in accordance with the Council of Ministers' Resolution Nr. 9/CM/43/B/G of 26 March 2017;

**Considering** that the institutional investment plan proposed by CGGC Ltd is not in keeping with the conventions on the creation, organisation and functioning of the OMVG, in particular, the Convention on the legal status of common structures, the Agreement on the establishment of SOGESART, and Resolution Nr. 1/CEG/A/E of 29 January

2016 on the declaration of joint structures of the OMVG Energy Project;

**Considering** the need for the OMVG to fulfil its commitments towards technical and financial partners for the implementation of its Energy Project;

**Considering** that Resolution Nr. 09/CM/43/B/G of 26 March 2017 on the Sambangalou hydroelectric facility instructs the High Commission to accelerate the process of mobilizing funds for Sambangalou by finalizing negotiations with the company, China Gezhouba Group Corporation (CGGC), for an effective start of works before the end of June 2017 on the one hand, and to explore new avenues for the financing of the Sambangalou hydroelectric development project on the other hand;

**Considering** that clause 15.5 of the FIDIC general conditions of contract authorizes the Employer to terminate the contract at any time for convenience by giving notice of such termination to the contractor;

### **DECIDE**

**ARTICLE 1:** The High Commission is instructed to initiate proceedings for the termination of the EPC (turnkey) contract for the construction of the Sambangalou hydroelectric facility signed between the OMVG and CGGC Ltd, and approved by the Ministers in charge of the OMVG on 30 November 2013.

**ARTICLE 2:** The High Commission is instructed to seek, as soon as possible, other sources of funding from technical and financial partners for the construction of the Sambangalou hydroelectric facility.

In this regard, the High Commission, in collaboration with OMVG member States, is instructed to prepare and submit financing requests to identified technical and financial partners, without delay.

**Article 3:** The High Commission shall ensure compliance with the notice period for termination which shall take effect 28 days after the date on which China Gezhouba Group Company Limited (CGGC Ltd) receives this notice of termination.

**Done in Dakar, 18 July 2017**

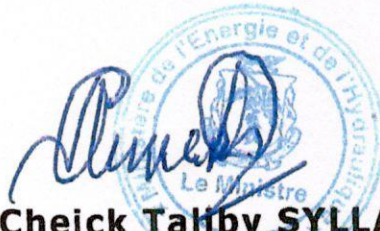
**MINISTERS**

**Republic of Senegal**



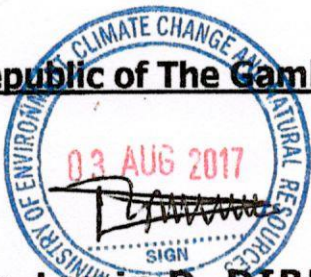
**Mr. Mansour FAYE**  
Minister of Water Resources and Sanitation

**Republic of Guinea**



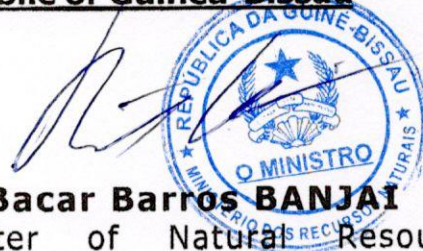
**Mr. Cheick Talby SYLLA**  
Minister of Energy and Water Resources Natural

**Republic of The Gambia**



**Mr. Lamin D. DIBBA**  
Minister of the Environment, Climate Change and Natural Resources

**Republic of Guinea-Bissau**



**Mr. Bacar Barros BANJAI**  
Minister of Natural Resources