

PD-ABN-154

A.I.D. Project Number 655-0005

AMENDMENT NUMBER 2
TO THE
PROJECT GRANT AGREEMENT
BETWEEN
THE REPUBLIC OF CAPE VERDE
AND
THE UNITED STATES OF AMERICA
FOR
DESALINATION AND POWER (SAL ISLAND)

DATE: February 20, 1981

A.I.D. Project Number 655-0005

Amendment Number 2

to the

Project Grant Agreement

between

The Republic of Cape Verde

and

The United States of America

for

Desalination and Power (Sal Island)

The Project Grant Agreement between the Republic of Cape Verde and the United States of America, acting through the Agency for International Development ("A.I.D."), dated March 30, 1978, as amended, is hereby further amended as follows:

Annex I is amended by deleting the Project Description in its entirety and substituting the new Project Description attached to this Amendment 2.

This Amendment does not alter the purpose or objectives of the project. All other provisions of the original Agreement, dated March 30, 1978, as amended, remain in effect.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Amendment to be signed in their names and delivered as of the day and year first above written.

UNITED STATES OF AMERICA

THE REPUBLIC OF CAPE VERDE

BY:

Arthur J. de los

BY:

Jose Brito

Jose Brito

TITLE: Ambassador

TITLE: Secretary of State Co-
operation and Planning

ANNEX I

To Amendment Number 2

Cape Verde Desalination and Power (Sal Island)

(655-0005)

PROJECT DESCRIPTION

The project is a four-year planning, construction, installation and training effort. The principal focus is on providing 50 liters of water per day to up to 6,000 persons and 100 KWH of electrical energy per month to 1,100 households. To this end, the project proposes to finance: (a) the purchase and installation of a water desalination/power generating plant; (b) a water delivery system to three communities on the island; (c) a water distribution system to 1,100 households plus business and government consumers; (d) a power delivery system to three existing communities; (e) a power distribution system to 1,100 households plus business and government consumers; and (f) technical training for selected staff of the water/power plant and delivery and distribution systems.

A.I.D. financing for this project will cover the cost of engineering and construction services, commodities, technical assistance and training procured in the United States. The GOCV contribution is intended to cover local labor and material costs and land for the plan and rights of way, as well as housing facilities for construction workers and the shipping of all imported equipment and commodities.

The project executor will be the Ministry of Economy and Finance and the Water and Power Authority on Sal Island.

The following results are anticipated by the end of the Project:

- a. 1,100 households on Sal Island will have access to fresh, potable water.
- b. The water and power produced by the plant will have unit prices (unsubsidized) which are less than the current subsidized prices.

- c. Average quality of drinking water will be improved from 1,750 ppm salt content to less than 600 ppm.
- d. Average availability of drinking water will be raised from 11.25 liters/person/day to 50 liters/person/day.
- e. Incidence of impure water-related diseases will be decreased about 50% (according to World Health Organization estimates).
- f. The water/power system will create over 50 new jobs and an annual payroll of over \$120,000 per year for the population of the island.