

AGREEMENT

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF
SOUTH AFRICA

AND

THE GOVERNMENT OF SPAIN

ON GRANT ASSISTANCE FOR THE
ESTABLISHMENT OF A SOUTH AFRICAN
TOURISM INSTITUTE (SATI)

AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA AND THE GOVERNMENT OF SPAIN ON GRANT ASSISTANCE FOR THE ESTABLISHMENT OF A SOUTH AFRICAN TOURISM INSTITUTE (SATI)

PREAMBLE

The Government of the Republic of South Africa (hereinafter referred to as "South Africa") and the Government of Spain (hereinafter referred to as "Spain") (hereinafter also jointly referred to as the "Parties" and in the singular as a "Party");

HAVING regard to the friendly relationship existing between the Parties;

DESIRING to strengthen relations through the implementation of a project relating to the establishment of a South African Tourism Institute (SATI), (hereinafter referred to as "the Project").

HEREBY AGREE as follows:

**ARTICLE 1
COMPETENT AUTHORITIES**

- (1) As competent authorities responsible for the implementation of this Agreement -
 - (a) Spain, designates the Spanish Agency for International Co-operation(AECI); and
 - (b) The South African Department of Environmental Affairs and Tourism representing South Africa designates the Tourism Hospitality and Sports Education Authority (THETA).
- (2) All communications to AECI by THETA and SATI shall be addressed through the Embassy of Spain in Pretoria.

**ARTICLE 2
SCOPE AND IMPLEMENTATION OF THE PROJECT**

- (1) The Project shall be implemented by the competent authorities in accordance with the Revised Business Plan (April 2000) attached hereto as Annexure 1, as prepared by

South Africa, and with the Working Plan, which will have to be agreed upon by AECI and THETA prior to the implementation of the Project. Both the Business and Working Plans shall form an integral part of this Agreement and, should any conflict of interpretation arise between them, the Working Plan shall always prevail.

- (2) In the event that, for whatever reason, the above-mentioned Working Plan cannot be completed in time before the beginning of the Project, this can be temporarily implemented on the basis of a provisional schedule for the first year proposed by South Africa and agreed to by Spain. Once the final Working Plan is completed it will automatically replace the provisional schedule.
- (3) Any change in the time frame, programme of work or budget of the Project including the addition of components to the Project or a reallocation of funding between components of the Project, shall be subject to prior approval of the Parties.
- (4) The South African Tourism Institute (SATI) shall be established within the Skills Development Trust.
- (5) The THETA shall work closely with the convenor technikons for hospitality and travel and tourism and with previously disadvantaged private sector providers.

ARTICLE 3 FINANCE OF THE PROJECT

- (1) With regard to the financial contribution Spain shall provide a total grant of R 13 266 500, which shall be transferred into the account of the Reconstruction and Development Programme Fund at the South African Reserve Bank, in three successive disbursements (one at the beginning of each year of implementation of the Project). Upon signing of this Agreement, Spain shall transfer 130 761 000 pesetas to cover start-up costs and the activities of the first year of the Project.
- (2) The funds shall be held in an interest-bearing account exclusively dedicated to the Project. Interest accruing on the funds shall be fully accounted for in the Project accounts or records of SATI. It can only be used for the benefit of the Project with prior written approval of Spain. Any additional funds collected by SATI from other sponsors, shall be held in a separate account and shall also be accounted for separately.
- (3) Any expenditure over and above the commitment of Spain shall be borne by South Africa.
- (4) The commitment of Spain is subject to a time limit of three years for implementation, starting upon signature of this Agreement. After three years, on completion of the project, the Parties shall jointly assess its results and the possibilities of continuing their co-operation in this field. South Africa shall ensure the sustainability of the Project after

the initial three-year phase by funding SATI's executive team for the subsequent period on a permanent basis.

ARTICLE 4 GENERAL RIGHTS AND OBLIGATIONS OF THE PARTIES

- (1) The Parties shall exchange views with regard to matters relating to the Project and provide each other with all data, documentation and information available to them, give all appropriate mutual assistance required in the discharge of the Parties' duties and provide all necessary information, in particular in all administrative questions, to facilitate the implementation of the Project.
- (2)(a) The Spanish Agency for International Co-operation shall appoint a Spanish consultant firm as its special representative for the monitoring of the project. Members of the above-mentioned company shall travel to South Africa, in principle, on a quarterly basis, to monitor the evolution of the Project and its accordance with the budget, time schedule and targets set out in the Working Plan.
 - (b) The Spanish Agency for International Co-operation shall cover the expenses of this monitoring at no additional cost to SATI. SATI, however, shall provide the Spanish experts with office space, equipment, computer hardware and all the assistance required to carry out their duties, including access to all books, accounts and supporting documents.
 - (c) In addition to their monitoring functions, the Spanish consultants shall provide SATI with technical advice when so required by South Africa. Should SATI need specific technical expertise beyond the consultants' field of specialisation, Spain shall decide on a case-by-case basis whether it can provide the demanded technical assistance at no additional cost to SATI. The THETA could appoint a South African Consultant, which would be at their own cost.
- (3) Notwithstanding the provisions of subArticle (2), Spain shall have the right to carry out any technical or financial mission that it considers necessary to follow the execution of the Project. To facilitate the work of any person instructed to carry out such a monitoring mission, THETA shall provide all relevant assistance, information and documentation.
- (4) Eighteen months after receiving each of the three transfers mentioned in Article 3 (1) THETA shall submit detailed final audited accounts to Spain on cost incurred and disbursements made by it in the implementation of the Project, including entire original proofs of the invoices. The account shall reflect a final balance with regard to the total amount transferred in accordance with Articles (3) and (4). Spain may request separate, itemised, accounts for individual activities of the Project.

- (5) The audit of the accounts must appear as an endorsement of audit on the accounts, accompanied by the comments in the auditor's record, if any.
- (6) Any unspent balance reflected in the accounts shall be refunded to Spain when submitting the audited accounts. South Africa shall undertake separate written commitments to the reimbursement of the eventual unspent balance for each of the three above-mentioned transfers.
- (7) Representatives of the Auditor-General of Spain shall have the right to carry out any audit or inspection considered necessary as regards the use of the Spanish funds in question, on the basis of all relevant documentation.
- (8) Together with the audited accounts mentioned in subArticle (4), the THETA shall also present a written report on the execution of each of the three phases of implementation of the Project.

ARTICLE 5 PROJECT COMMUNICATIONS

Upon receiving communication of the meetings, the Spanish Agency for International Co-operation shall notify SATI through the Embassy of Spain in Pretoria of the name of the representative or representatives who will attend the meetings of the SATI's Advisory Board on its behalf.

ARTICLE 6 SETTLEMENT OF DISPUTES

Any dispute between the Parties arising out of the interpretation or the implementation of this Agreement shall be settled amicably through negotiations between the Parties.

ARTICLE 7 AMENDMENT

This Agreement may be amended by mutual consent of the Parties through an exchange of notes between the Parties through the diplomatic channel.

**ARTICLE 8
ENTRY INTO FORCE**

- (1) This Agreement shall enter into force on the date of signature.
- (2) This Agreement shall remain in force until the date of completion of the Project in accordance with this Agreement or until the expiration of a period of one month from the date on which either Party shall have given written notice of termination to the other Party.

IN WITNESS WHEREOF, the undersigned, being duly authorised thereto by their respective Governments, have signed and sealed this Agreement in duplicate in the English language, both texts being equally authentic.

DONE AT Pretoria on this 3rd day of July 2000.



For the Government of the
Republic of South Africa



For the Government of
Spain