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No. 568

**UNITED NATIONS SPECIAL FUND
and
WORLD HEALTH ORGANIZATION**

Agreement concerning the execution of Special Fund projects. Signed at Geneva, on 24 May 1960, and at New York, on 25 May 1960

Official texts: English and French.

Filed and recorded by the Secretariat on 25 May 1960.

**FONDS SPÉCIAL DES NATIONS UNIES
et
ORGANISATION MONDIALE DE LA SANTÉ**

**Accord au sujet de l'exécution de projets du Fonds spécial.
Signé à Genève, le 24 mai 1960, et à New-York, le
25 mai 1960**

Textes officiels anglais et français.

Classé et inscrit au répertoire par le Secrétariat le 25 mai 1960.

No. 568. AGREEMENT¹ BETWEEN THE UNITED NATIONS SPECIAL FUND AND THE WORLD HEALTH ORGANIZATION CONCERNING THE EXECUTION OF SPECIAL FUND PROJECTS. SIGNED AT GENEVA, ON 24 MAY 1960, AND AT NEW YORK, ON 25 MAY 1960

WHEREAS the United Nations Special Fund, on the basis of resolution 1240 (XIII)² of the General Assembly, has agreed to provide certain governments with assistance in carrying out projects for the purpose of promoting social progress and better standards of life and advancing the economic, social and technical development of peoples;

WHEREAS the World Health Assembly has by its resolution WHA12.51, requested the Director-General to co-operate with the Special Fund;

WHEREAS the Managing Director of the Special Fund desires to obtain the services of the World Health Organization (hereinafter referred to as the Executing Agency) to execute certain projects; and

WHEREAS resolution 1240 (XIII) of the General Assembly provides that the Managing Director of the Special Fund shall establish and maintain close and continuing working relationships with the specialized agencies concerned with those fields of activity in which the Special Fund will operate and that projects shall be executed, whenever possible, by the specialized agencies concerned;

NOW THEREFORE the Managing Director of the Special Fund and the Director-General of the Executing Agency have agreed as follows :

Article I

PERFORMANCE OF WORK BY EXECUTING AGENCY

1. The Executing Agency agrees to carry out each project for which it accepts responsibility to serve in this capacity, in accordance with a Plan of Operation which shall be agreed to by the Special Fund, the Government and the Executing Agency.
2. The basis for the relationships between the Parties shall be the Agreement between the Special Fund and the Executing Agency and the applicable Agreement between the Special Fund and the Government, and the provisions of the Plan of Operation shall be interpreted and applied in the light of these agreements.

¹ Came into force on 25 May 1960, upon signature, in accordance with article XII.

² United Nations, *Official Records of the General Assembly, Thirteenth Session, Supplement No. 18 (A/4090)*, p. 11.

3. The Executing Agency shall commence execution of each project upon receipt of written authorization to do so from the Managing Director. If the Managing Director, after consultation with the Executing Agency, considers it to be necessary to suspend the execution of the project, he shall so notify the Executing Agency which shall thereupon suspend forthwith all further operations, after which discussion will be entered into as to future action.

Article II

CONCLUSION OF AGREEMENT WITH GOVERNMENTS

1. The Special Fund will enter into an Agreement with each Government at whose request a project is undertaken by the Executing Agency in terms substantially similar to those set forth in the Appendix¹ to this Agreement. Any substantial variation of these terms directly affecting the Executing Agency will be applicable to it only with its concurrence.

2. The Executing Agency may enter into an agreement with a Government consistent with the terms hereof concerning the execution of a project. Any such agreement shall be subject to provisions of the Agreement referred to in the preceding paragraph and shall require the prior concurrence of the Managing Director.

Article III

EXECUTING AGENCY'S STATUS IN CARRYING OUT PROJECTS

The Executing Agency shall have the status vis-à-vis the Special Fund of an independent contractor, and its personnel shall not be considered as staff members or agents of the Special Fund. Without restricting the generality of the preceding sentence, the Special Fund shall not be liable for the acts or omissions of the Executing Agency or of persons performing services on behalf of the Executing Agency. The Executing Agency shall not be liable for the acts or omissions of the Special Fund or of persons performing services on behalf of the Special Fund.

Article IV

INFORMATION REGARDING PROJECTS

1. The Managing Director of the Special Fund and the Government shall have the right to observe at any time the progress of any operations carried out by the Executing Agency under this Agreement, and the Executing Agency shall afford full facilities to the Managing Director and the Government for this purpose.

¹ For the text of this appendix, see United Nations, *Treaty Series*, Vol. 341, p. 366.

2. The Managing Director of the Special Fund shall have the right to be furnished with such written information on any project as he may require, including supporting documentation of the kind mentioned in Article VII below.
3. The Managing Director of the Special Fund shall supply to the Executing Agency all appropriate information becoming available to him in connexion with any operations carried out by the Executing Agency under this Agreement.

Article V

COSTS OF PROJECTS

1. The Executing Agency agrees to perform, without charge to the Special Fund, such part of each project as it may be in a position to undertake without any clearly identifiable additional expense to itself. The Special Fund agrees to provide funds for clearly identifiable additional costs on the basis of estimates determined in advance by mutual agreement.
2. Each Plan of Operation shall include :
 - (a) a project budget in which operations shall be shown chronologically in stages, with estimated obligations shown separately for each stage;
 - (b) if required, a budget of other expenses necessarily and reasonably estimated to be incurred by the Executing Agency in the executing of projects in an amount to be mutually agreed by the Special Fund and the Executing Agency after taking account of such facilities as the Executing Agency may be in a position to provide without charge.
3. The estimates to be included in the budgets referred to in paragraph 2 above shall cover all the cash expenditures to be made by the Executing Agency.

Article VI

MANNER OF PAYMENT

1. The Managing Director of the Special Fund shall notify to the Executing Agency earmarkings within the budgetary authorizations included in the Plan of Operation. Such earmarkings shall constitute the financial authority for the Executing Agency to incur obligations and expenditure in respect of a project in accordance with the Plan of Operation and the budgetary provisions contained therein.
2. In making the earmarkings, the Managing Director shall take account of the operational stages specified in the Plan of Operation and the extent to which the Plan of Operation requires the incurring of obligations going beyond any particular operational stage.

3. The earmarkings made by the Managing Director shall, so far as the Executing Agency is concerned, not be related to any particular category of income received by the Special Fund.

4. On the basis of plans of expenditure agreed between the Managing Director and the Executing Agency, the Managing Director shall arrange for cash remittances to the Executing Agency as required by the Executing Agency, for the purpose of covering cash disbursements arising out of obligations incurred within the limit of earmarkings notified by the Managing Director.

5. The accounts of a project shall be closed as soon as practicable, but normally within twelve months after the completion of the programme of work set out in the Plan of Operation, and earmarkings not utilized shall then lapse. Provision shall be made for unliquidated obligations certified by the External Auditor of the Executing Agency as being valid at the closing of the accounts.

Article VII

RECORDS, ACCOUNTS, VOUCHERS

1. The Executing Agency shall maintain accounts, records and supporting documentation relating to operations under this Agreement in accordance with its financial regulations and rules in so far as applicable.

2. The Executing Agency shall furnish to the Special Fund annual reports on the financial situation of the operations under this Agreement, including the reports thereon of the Executing Agency's External Auditor, in accordance with the normal practice of the Executing Agency.

3. The Executing Agency shall also furnish to the Special Fund any additional reports at such times and in such form as may be agreed by the Managing Director and the Director-General.

4. Without restricting the generality of paragraph 3 above, the Executing Agency shall submit to the Managing Director of the Special Fund audited statements of accounts as soon as possible after the close of each financial period and as soon as practical after the completion of a project together with the External Auditor's reports thereon.

Article VIII

EXPENSES OF PREPARATION OF PROJECTS

1. The Managing Director will defray to the Executing Agency clearly identifiable additional expenses incurred by the Executing Agency with the prior consent of the Managing Director during the examination of requests from governments and the preparation of projects.

2. The Managing Director may authorize the incurring of expenses in respect of a project approved by the Governing Council but for which a Plan of Operation has not yet been agreed.

Article IX

CURRENCY AND RATES OF EXCHANGE

1. The Managing Director and the Executing Agency shall consult each other regarding the use of currencies available to the Special Fund, with a view to the effective utilization of such currencies.

2. Operational rates of exchange for transactions between the Special Fund and the Executing Agency may be established and revised from time to time, on the advice of the United Nations Controller, by the Managing Director in consultation with the Executing Agency.

Article X

REVISION OF FINANCIAL ARRANGEMENTS

Without prejudice to obligations already incurred by the Executing Agency, the Managing Director of the Special Fund may, in agreement with the Government and the Executing Agency, adjust the main categories of expenditure within a Project Budget (viz. experts, fellowships, equipment) within the total approved therefor by the Governing Council of the Special Fund and may otherwise revise the financial arrangements for a project. Within the total budget approved for each project by the Governing Council, the Executing Agency may in accordance with operational necessity adjust any main category of expenditure by a percentage to be agreed upon by exchange of letters. Subject to the foregoing limitation, the Executing Agency may make any necessary detailed adjustments.

Article XI

IMMUNITIES OF SUBCONTRACTOR

In the event that the Executing Agency retains the services of any firm or organization to assist it in the execution of any project, the privileges and immunities to which such firm or organization and its personnel may be entitled under any agreement between the Special Fund and a Government may be waived by the Director-General of the Executing Agency where in his opinion the immunity would impede the course of justice and can be waived without prejudice to the successful completion of the project concerned or to the interests of the Special Fund or the Executing Agency; the Executive Head of the Execut-

ing Agency will waive such immunity in any case in which the Managing Director of the Special Fund so requests. Before requesting the Executing Agency to waive immunity, the Managing Director shall give sympathetic consideration to any views which the Executing Agency may have with respect to the desirability of such a waiver.

Article XII

GENERAL PROVISIONS

1. This Agreement shall enter into force upon signature, and shall continue in force until terminated under paragraph 3 below.
2. This Agreement may be modified by written agreement between the Parties hereto. Any relevant matter for which no provision is made in this Agreement shall be settled by the Parties in keeping with the relevant resolutions and decisions of the appropriate organs of the United Nations and of the Executing Agency. Each Party shall give full and sympathetic consideration to any proposal advanced by the other Party under this paragraph.
3. This Agreement may be terminated by either Party by written notice to the other and shall terminate sixty days after receipt of such notice.
4. The provisions of Articles IV through VII inclusive and of Articles IX through XI inclusive, of this Agreement shall survive its expiration or termination to the extent necessary to permit an orderly settlement of accounts between the Parties and, if appropriate, with the Government.

IN WITNESS WHEREOF the undersigned, duly appointed representatives of the Special Fund and of the Executing Agency, respectively, have on behalf of the Parties signed the present Agreement on the dates and at the places indicated below their respective signatures.

For the Special Fund :
(Signed) Paul G. HOFFMAN
Managing Director
Special Fund
New York, N. Y., 25 May 1960

For the Executing Agency :
(Signed) M. G. CANDAU
Director-General
World Health Organization
Geneva, 24 May 1960