

No. 12952

**UNITED NATIONS
(UNITED NATIONS CAPITAL DEVELOPMENT FUND)
and
BOLIVIA**

**Agreement concerning assistance from the United Nations
Capital Development Fund. Signed at La Paz on 13 December 1973**

Authentic texts: English and Spanish.

Registered ex officio on 1 January 1974.

**ORGANISATION DES NATIONS UNIES
(FONDS D'ÉQUIPEMENT DES NATIONS UNIES)
et
BOLIVIE**

**Accord relatif à une assistance du Fonds d'équipement des
Nations Unies. Signé à La Paz le 13 décembre 1973**

Textes authentiques : anglais et espagnol.

Enregistré d'office le 1^{er} janvier 1974.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF BOLIVIA AND THE UNITED NATIONS CAPITAL DEVELOPMENT FUND

Whereas the Government of Bolivia (hereinafter called "the Government") has requested the United Nations Capital Development Fund (hereinafter referred to as "The UNCDF") to provide it with assistance in the form of 60 deep well turbine pumps and the diesel engines necessary to drive them (hereinafter called "the equipment");

Whereas the UNCDF has agreed to provide the Government with such assistance in the form of a grant out of a contribution of such equipment in kind by the Government of Pakistan;

Now therefore the Parties hereto have entered into this Agreement in a spirit of friendly cooperation.

Article I. TRANSFER OF EQUIPMENT

1. Title to and ownership of and all corresponding rights to and responsibilities for the equipment to be provided by the UNCDF to the Government shall, subject to the provisions of this Agreement, pass and be transferred and conveyed to the Government as of the time of arrival of the equipment at the geographical boundaries of Bolivia along such route as may be selected by the UNCDF for the most economical and effective delivery of such equipment to La Paz.

2. The equipment shall be transferred to the Government "as is", and without any warranty or guarantee, expressed or implied, by the UNCDF as to their condition. The UNCDF shall not be responsible or liable in any way either to the Government or to third parties for the condition of the equipment, whether at the time of its delivery or subsequent thereto. However, the UNCDF shall assist the Government in any reasonable representations it may wish to make to the Government of Pakistan or to the manufacturers of the equipment on any matter relating to the condition of the equipment.

Article II. USE AND CARE OF EQUIPMENT

1. The Government shall use the equipment in direct connection with the work developed, being developed or projected by the following UNDP-assisted projects in Bolivia: "Groundwater Development in the Altiplano" (BOL/68/514), "Investigation and Demonstration of Groundwater Resources in the Cochabamba Area" (BOL/73/008, at present in the negotiating stage), and "Feasibility Study and Demonstration of Agro-Industrial Development in the Abapó-Izozog Region" (BOL/69/516).

The Government shall accord the equipment all care necessary and appropriate to maintain it in good repair and in safe condition and for its use for such purposes. The Government shall furnish UNCDF with such information as it may request concerning the use of such equipment, and shall provide the UNCDF with such facilities as the latter may request to inspect the equipment and to observe their utilization and maintenance.

¹ Came into force on 13 December 1973 by signature, in accordance with article V (1).

2. The Government shall insure the equipment with good and reputable insurers against such risks of loss as may be prudent and reasonable in the light of the use for which the equipment is intended. Such insurance shall be in such amounts as may be necessary to ensure the replacement of the equipment or such repair as may be necessary to restore it to original operating condition. Copies of the relevant insurance policies and any renewals or replacements thereof shall be provided by the Government to the UNCDF. Unless the UNCDF shall agree otherwise, any and all proceeds of such insurance shall, in the event of damage to or loss of the equipment or any items thereof, be applied to their replacement or repair.

Article III. LIABILITY TO THIRD PARTIES

The UNCDF assistance under this Agreement being provided for the benefit of the Government, the latter shall bear all risks of use of the equipment. The Government shall be responsible for dealing with any claims which may be brought by third parties against the UNCDF, its officials or other persons performing services on its behalf and shall hold it harmless in respect of claims or liabilities arising from the use of such equipment. The foregoing provision shall not apply where the Parties are agreed that a claim or liability arises from the gross negligence or wilful misconduct of such officials of UNCDF or other persons performing services on its behalf.

Article IV. SETTLEMENT OF DISPUTES

Any dispute between the Government and the UNCDF arising out of or relating to this Agreement which is not settled by negotiation or other agreed mode of settlement shall be submitted to arbitration at the request of either Party. The provisions on arbitration in article IX of the Agreement between the Special Fund and the Government signed on 9 February 1970^{1,2} shall apply *mutatis mutandis* to such arbitration.

Article V. GENERAL PROVISIONS

1. This Agreement shall come into force upon signature.

2. 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. Each Party shall give full and sympathetic consideration to any proposal advanced by the other Party under this paragraph.

IN WITNESS WHEREOF the undersigned, duly appointed representatives of the UNCDF and of the Government, respectively, have on behalf of the Parties signed the present Agreement on the thirteenth day of the month of December of 1973, in the English and Spanish languages in five copies.

For the Government
of Bolivia:
[Signed]

Gral. ALBERTO GUZMÁN S.
Minister of Foreign Relations

For the United Nations
Capital Development Fund:
[Signed]

JUAN PASCOE S.
UNDP Resident Representative

¹ Should read 9 February 1960—Devrait se lire 9 février 1960.

² United Nations, *Treaty Series*, vol. 351, p. 203.