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**UNITED NATIONS
(UNITED NATIONS ECONOMIC COMMISSION
FOR LATIN AMERICA)**

and

INTER-AMERICAN DEVELOPMENT BANK

**Agreement for nonreimbursable technical cooperation.
Signed at Santiago on 11 October 1974**

Authentic text: English.

Filed and recorded by the Secretariat on 11 October 1974.

**ORGANISATION DES NATIONS UNIES
(COMMISSION ÉCONOMIQUE DES NATIONS UNIES
POUR L'AMÉRIQUE LATINE)**

et

BANQUE INTERAMÉRICAINNE DE DÉVELOPPEMENT

**Accord relatif à une contribution financière non rem-
boursable au titre de la coopération technique. Signé à
Santiago le 11 octobre 1974**

Texte authentique : anglais.

Classé et inscrit au répertoire par le Secrétariat le 11 octobre 1974.

AGREEMENT¹ FOR NONREIMBURSABLE TECHNICAL COOPERATION

ATN/SF-1329-SS

AGREEMENT made and entered into this 11th of October, 1974, by and between the UNITED NATIONS, acting through its Economic Commission for Latin America (hereinafter referred to as "ECLA"), and the INTER-AMERICAN DEVELOPMENT BANK (hereinafter referred to as the "Bank"), on the granting of nonreimbursable funds of the Bank for purposes of technical cooperation (hereinafter referred to as the "Contribution").

Article I. OBJECTIVES

Section 1.01. *Purpose of the Contribution.* (a) The Contribution, the terms and conditions whereof are set forth herein, is made for the purpose of assisting in the financing of the expenses to be incurred in accomplishing the initial phase of a research program in the field of scientific and technological development in Latin America (hereinafter called the "Program"), to be carried out for the benefit of the member countries of the Bank and the ECLA.

(b) For purposes of this Agreement, the initial phase of the Program is understood to mean the first three years of its execution as of the date on which the expert takes up his duties, who pursuant to section 2.02 (a) (i), will act as Director of the Program.

Section 1.02. *Description of the Program.* (a) The main objective of the Program shall be the execution of a series of economic research studies and the diffusion of its results, which will allow the definition of criteria of technological development policies useful to channel investment and necessary to ensure the better utilization of funds granted by the Bank or other loan and technical assistance financing organizations in this field.

(b) During the initial phase, the Program will concentrate its activities in the aspects of absorption, adaptation and generation of appropriate industrial technologies in respect whereof there is a notable lack of information and analysis in Latin America, and which are of priority interest taking into consideration the economic and social development objectives of the member countries of the Bank and the ECLA.

(c) It is anticipated that among the main topics of research in the initial phase of the Program will be the following ones:

- (i) Choice of techniques and appropriate technology in relation with employment and other socio-economic objectives (microeconomic analysis).
- (ii) Transfer and adaptation of technology. Study of cases at an industrial subsector and enterprise level.
- (iii) Native technological development. Study of cases.
- (iv) Native scientific development. Study of cases.
- (v) Methodology for evaluating investment projects in the field of scientific and technological development.

¹ Came into force on 11 October 1974 by signature.

- (vi) Problems of technological forecasting in the region and the methodology for the assessment of its scientific and technological development needs as these relate, for example, to the demand for energy and the use of natural resources.
- (vii) Analysis of the requirements of scientific and technological manpower for the future scientific and technological development of Latin America, in accordance with different projection perspectives.

Article II. ACCOMPLISHMENT OF THE PROGRAM

Section 2.01. *Executing agencies.* (a) The activities of the initial phase of the Program will be carried out jointly by ECLA and the Bank, and will be based at the offices of the ECLA in Argentina.

(b) The Bank and the ECLA will jointly approve the final formulation of the activities to be carried out through the Program in the initial phase, as well as the outline of each one of the studies to be accomplished, on the basis of the work plan proposed by the Director of the Program, it being understood that in selecting the subjects of research account will be taken of the work done in that connection by other specialized organizations and every effort will be made to avoid duplications and encourage specialization.

Section 2.02. *Researchers and experts.* (a) In order to accomplish the activities of the initial phase of the Program a team of researchers and experts will be organized which will comprise:

- (i) one highly qualified international researcher, who will act as Director of the Program, providing his services for a term of three years;
- (ii) five highly qualified international researchers, who will act as principal researchers of the Program and provide their services for a term of three years each;
- (iii) several specialized researchers, who will provide their services over the short term, for a total of 18 man/months;
- (iv) local technical staff, for a total of 216 man/months.

(b) The researchers and technicians referred to in the above paragraph will be selected by mutual agreement between the Bank and the ECLA, it being understood that the Bank will undertake to contract the researcher who will act as Director of the Program, as well as three of the principal researchers. The other researchers and technicians will be engaged and/or assigned, as the case may be, by the ECLA, and will be subject to United Nations performance evaluation under authority of the Executive Secretary of ECLA.

Section 2.03. *Director of the Program.* (a) The Director of the Program will be in charge of preparing the work plan for the initial phase of the Program, which is to be submitted to the Bank and to the ECLA pursuant to section 2.01 (b).

(b) The Director of the Program will likewise submit to the Bank as well as to the ECLA: (i) a quarterly report on the organization of the Program and on the status of research in progress; (ii) an annual report on research in progress; and (iii) a final report on the activities accomplished in the initial phase of the Program, which report is to be submitted along with each one of the studies.

Section 2.04. *Advisory Committee.* In order to assist the Director of the Program in formulating the work plan to which section 2.03 (a) refers, the ECLA and the Bank will by mutual agreement organize an Advisory Committee which will include representatives of both the Bank and ECLA as well as other organizations interested in the subject. The said Advisory Committee will meet at such places and times as may be necessary in keeping with the development of the Program, and its

Members will be selected so as to enable them to make a personal contribution to the discussion of the subjects included in the Program.

Section 2.05. *Publications.* The Director of the Program will submit to the Bank and the ECLA the list of documents he shall deem advisable to publish and will identify the media wherein it would be advisable to diffuse them. The ECLA and the Bank, as soon as the list of publications is agreed upon, will determine the order of their publication. These will be joint publications and will be published to conform to the prevailing standards of both organizations.

Article III. COST AND DISBURSEMENTS

Section 3.01. *The amount of the Bank's Contribution.* (a) The Contribution will amount up to the equivalent of US\$624,000 (six hundred and twenty four thousand United States of America dollars), to be disbursed from the Fund for Special Operations of the Bank, according to the following budget estimate (hereinafter called the "Budget"):

	<i>(Equivalent in US\$)</i>
(i) Fees of the Director of the Program — 36 months at the rate of US\$ 2,500 equivalent monthly	90,000
(ii) Fees of three principal researchers (108 months at the rate of US\$ 2,250 equivalent monthly)	243,000
(iii) Fees of local technical staff (108 man/months at the rate of US\$ 750 monthly)	81,000
(iv) Travel fares, transportation of personal effects, installation expenses, leave, insurance, allowance, etc., of the Director of the Program and the researchers referred to in (i) and (ii) above	160,000
(v) <i>Per diem</i> expenses during travel	20,000
(vi) Publications	20,000
(vii) Contingencies in the above items	<u>10,000</u>
TOTAL	<u><u>624,000</u></u>

(b) It is agreed that the amount equivalent to US\$624,000 (six hundred and twenty four thousand United States of America dollars) represents only the maximum amount that may be used in financing the items of the Budget and that any part of that amount not used in said financing will be cancelled.

Section 3.02 *Contribution of the ECLA.* (a) The ECLA undertakes to provide, from its own resources or from resources provided by sources other than the Bank, an amount not less than the equivalent of US\$503,000 (five hundred and three thousand United States of America dollars) for the purpose of completing the amount equivalent to US\$1,127,000 (one million one hundred and twenty seven thousand United States of America dollars), which is the estimated total cost of the activities to be carried out in the initial phase of the Program.

(b) The researchers and other staff referred to in this section shall be engaged and/or assigned, as the case may be, by ECLA. The contribution of ECLA will be used to cover the following estimated expenses:

	<i>(Equivalent in US\$)</i>
(i) Fees of two principal researchers (72 months at the rate of US \$ 2,250 equivalent monthly)	162,000
(ii) Fees and other benefits of two researchers of the ECLA (24 man/months)	60,000
(iii) Fees of specialized researchers (18 man/months at the rate of US \$ 2,000 equivalent monthly)	36,000
(iv) Fees of local technical personnel (108 months at the rate of US \$ 750 equivalent monthly)	81,000
(v) Travel fares, transportation of personal effects, installation expenses, leave, insurance, allowances, etc., of the researchers stated in items (i) and (iii) above, as appropriate	80,000
(vi) <i>Per diem</i> during travel	10,000
(vii) Office space, secretarial services, computing services, communications and other administrative expenses . .	54,000
(viii) Publications	10,000
(ix) Contingencies	10,000
Total	<u>503,000</u>

Section 3.03. *Utilization of the Bank's Contribution.* *a)* Of the total of the Contribution, the Bank will disburse to the ECLA, through the offices of ECLA in Argentina, the amount of items (iii), (v) and (vi) of the Budget, that is, as much as the equivalent of US \$ 121,000 (one hundred and twenty one thousand United States of America dollars), as the ECLA requests and justifies, to the satisfaction of the Bank, payment of the expenses corresponding to these items. Before the first disbursement of that amount, the ECLA shall submit to the Bank a justified application in writing wherein it shall inform the name of the person or persons who may represent it in all acts relating to this Agreement.

(b) At the request of the ECLA, the Bank may establish a revolving fund, to be drawn from the amount indicated in paragraph *(a)* above, which shall not exceed US \$ 20,000 equivalent (twenty thousand United States of America dollars), which the ECLA will use to cover the expenses indicated in said paragraph *(a)*. Before establishment of said Revolving Fund the requirements set forth in the above paragraph shall be met.

(c) The Bank may replenish all or part of this Revolving Fund if the ECLA so requests and submits to the Bank, to the latter's satisfaction, a detailed list of the expenses made against the Fund and a justification of the application.

(d) The balance of the Contribution, that is, up to the equivalent of US \$ 503,000 (five hundred and three thousand United States of America dollars) will be used by the Bank directly to pay, pursuant to its own standards and procedures, the items (i), (ii), (iv) and (vii) of the Budget.

(e) The Contribution may be disbursed or utilized only within a period of 48 months from the date of this Agreement. The Agreement shall be considered canceled with respect to any part not disbursed or utilized within said period, unless the parties have agreed expressly to extend the period.

(f) The Bank may at any time suspend disbursements or the utilization of the Contribution if any circumstance has arisen which conflicts with its technical cooperation policy or may render the attainment of the proposed purposes unlikely.

Section 3.04. *Currencies for disbursement.* (a) The Bank shall make disbursement of the amount set forth in section 3.03 (a) in United States of America dollars, in Argentine pesos or in other currencies which form part of the Fund for Special Operations of the Bank, in accordance with the currencies that the ECLA shall use in making payments corresponding to items (iii), (v) and (vi) of the Budget. It is agreed that the total amount of the compensation of the local technical staff referred to in item (iii) of the Budget shall be paid in Argentine pesos, and that the *per diem* expenses referred to in item (v) of said budget shall be paid in the currency of the country in which the respective expert or researcher is rendering his services.

(b) In computing the United States of America dollar equivalent of other currencies in which disbursement of the Contribution may be made, the Bank shall proceed in accordance with its established policy guidelines governing transactions with the country of the respective currency.

Section 3.05. *Use of the Bank's Contribution.* The amount set forth in section 3.03 (a) may be used only for the payment of goods and services originating in the territory of the United States of America or of Argentina. However, the Bank may authorize the contracting of services and the procurement of goods originating in other of its member countries, provided such contracting or procurement shall prove to be more advantageous for the Program.

Article IV. OTHER CONDITIONS

Section 4.01. *Unit responsible on behalf of the Bank.* For the purposes of this Agreement, the unit responsible on behalf of the Bank shall be the Technical Assistance Division.

Section 4.02. *Field supervision.* Without prejudice to the supervision carried out by the ECLA of Program activities, the Bank may undertake field supervision of the Program, through the office of its representative in Argentina and/or such officials as it may designate for the purpose.

Section 4.03. *Justification of expenses.* The ECLA shall present to the Bank, to the satisfaction of the last-named and not later than 60 (sixty) days from the date of the last disbursement of the amount referred to in section 3.03 (a), a justification, governed by the United Nations auditing procedures, of all expenses incurred and chargeable to said amount and to the contribution by ECLA for the accomplishment of the Program.

Section 4.04. *Limitation of obligations of the Bank.* It is agreed that the granting of the Contribution by the Bank does not imply any obligation on its part to finance, either partly or totally, any project or program that may, directly or indirectly, result from the accomplishment of the initial phase of the Program.

Section 4.05. *Continuation of the Program.* The ECLA and the Bank shall make such arrangements as they may deem necessary to keep other interested organizations informed as to the progress of the Program, in order that these may continue with the execution thereof, should it be desirable.

Section 4.06. *Settlement of disputes.* Any dispute between the United Nations and the Bank arising out of or relating to this Agreement which cannot be settled by negotiation or other agreed mode of settlement shall be submitted to arbitration at the request of either Party. Each Party shall appoint one arbitrator, and

the two arbitrators so appointed shall appoint the third, who shall be the chairman. The procedure of the arbitration shall be fixed by the arbitrators, and the expenses of the arbitrators shall be borne by the Parties as assessed by the arbitrators. The arbitral award shall contain a statement of the reasons on which it is based and shall be accepted by the Parties as the final adjudication of the dispute.

IN WITNESS WHEREOF, this Agreement has been signed on behalf of the United Nations and the Bank by their respective duly authorized representatives in two equally valid copies as of the day and year first above written.

United Nations Economic Commission for Latin America:

[Signed]

ENRIQUE V. IGLESIAS

Executive Secretary

Inter-American Development Bank:

[Signed]

ANTONIO ORTÍZ MENA

President
