

No. 14442

**UNITED NATIONS
(UNITED NATIONS
CAPITAL DEVELOPMENT FUND)
and
UPPER VOLTA**

Grant Agreement – *Refrigeration equipment for the Union voltaïque des coopératives agricoles et maraîchères (UVOCAM) (with annexes). Signed at Ouagadougou on 28 October and 28 november 1975*

Authentic text: French.

Registered ex officio on 28 November 1975.

**ORGANISATION DES NATIONS UNIES
(FONDS D'ÉQUIPEMENT DES NATIONS UNIES)
et
HAUTE-VOLTA**

Accord de don – *Équipement de réfrigération pour l'Union voltaïque des coopératives agricoles et maraîchères (UVOCAM) [avec annexes]. Signé à Ouagadougou les 28 octobre et 28 novembre 1975*

Texte authentique : français.

Enregistré d'office le 28 novembre 1975.

[TRANSLATION — TRADUCTION]

GRANT AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE UPPER VOLTA (hereinafter called the Government) AND THE UNITED NATIONS CAPITAL DEVELOPMENT FUND (hereinafter called the UNCDF)*Project Number* — UPV/74/C35*Project Title* — Refrigeration equipment for the Union voltaïque des coopératives agricoles et maraîchères (UVOCAM)*Approved:*[ANTOINE DAKOURE]
For the Government
Date: 28 October 1975[JENS HØGEL]
For the UNCDF
Date: 28 November 1975*Article I.* THE GRANT

Section 1.01. The UNCDF agrees to make a grant (hereinafter called the Grant) available to the Government, upon the terms and conditions set forth or referred to in this Agreement, in the amount of ninety-one thousand United States dollars (\$US 91 000) as a financial contribution to the project (hereinafter called the Project) described in annex I to this Agreement.

Section 1.02. (a) The UNCDF shall open a grant account (hereinafter called the Grant Account) on its books in the name of the Government, and shall credit the Grant Account with the amount of the Grant.

(b) The table below sets forth the categories of items to be financed out of the proceeds of the Grant and the allocations of the amounts to each category.

<i>Categories</i>	<i>Amount of the Grant Allocated (in US dollars)</i>
(1) Construction	33,000
(2) Refrigerator truck	40,000
(3) 25% provision for inflation	<u>18,000</u>
TOTAL	91,000

(c) Disbursements shall be made from the Grant Account and the Project shall be administered in accordance with the conditions and provisions and by the organizations set forth or referred to in an Administration Agreement, which shall be agreed and signed by the UNCDF and the organizations executing the Project. A model Administration Agreement, marked annex II, is attached to this Agreement.

(d) Notwithstanding the provisions of paragraph *(c)* of this section, no disbursements shall be made in respect of:

(i) any expenditures prior to the date of this Agreement;

¹ Came into force on 28 November 1975 by signature, in accordance with section 6.01.

- (ii) payments for taxes and other charges imposed under the laws of the Government or laws in effect in its territories on goods or services, or on the importation, manufacture, procurement or supply thereof; and
- (iii) any expenditures except in cases where the prior conditions stipulated in paragraph (e) of this section are fulfilled.

(e) The prior conditions for any disbursement from the Grant Account are stipulated in annex III of this Agreement, it being agreed that the UNCDF may, by notice to the Government, declare this Agreement to be null and void if the prior conditions are not fulfilled by 31 December 1975.

Section 1.03. If the UNCDF has reasonably estimated that the amount of the Grant allocated to any category will be insufficient to finance the expenditures in that category, the UNCDF may, by notice to the Government, transfer to such category amounts then allocated to any other category as in the opinion of the UNCDF are not required to meet other expenditures.

Section 1.04. If the UNCDF has reasonably estimated that the purchase of any goods and services included in any category is inconsistent with the procedures set forth or referred to in this Agreement, any expenditures borne for the payment of such goods and services shall not be financed out of the proceeds of the Grant power or remedy to which it is entitled under the Grant Agreement and the UNCDF may, without prejudice to any other right, cancel, by notice to the Government, such portion of the Grant as in the reasonable opinion of the UNCDF represents the amount of the expenditures that would otherwise have been eligible for financing out of the proceeds of the Grant.

Section 1.05. The UNCDF may by notice to the Government terminate the right of the Government to withdraw from the Grant Account any amount not withdrawn by 31 December 1975, or by such other date as shall be agreed between the Government and the UNCDF.

Article II. GENERAL PROVISIONS CONCERNING THE EXECUTION OF THE PROJECT

Section 2.01. The Government shall carry out the Project or, if another organization is designated for this purpose in this Agreement or in the attached annex, cause the Project to be carried out by such organization with due diligence and efficiency and in conformity with appropriate administrative, technical and financial practices and shall provide, as needed, all funds, facilities, services and other resources required therefor.

Section 2.02. (a) Contracts for the goods and services required for the Project and to be financed out of the proceeds of the Grant shall be awarded under the procedures set forth in the Administration Agreement, marked annex II, attached to this Agreement.

(b) The UNCDF may in agreement with the Government take steps to ensure that, for the procurement of the goods and services needed for the Project, the Government is provided with aid that is compatible with the policy of the UNCDF.

Section 2.03. Except as the Government and the UNCDF shall otherwise decide, the Government shall cause all goods and services financed out of the proceeds of the Grant to be used exclusively for the Project.

Section 2.04. The Government undertakes to insure, or make adequate provisions for the insurance of the imported goods to be financed out of the proceeds of the Grant against all hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall

be payable in a currency freely usable by the Government to replace or repair such goods.

Section 2.05. The Government shall:

- (a) maintain records adequate to show the progress of the Project (including the cost thereof) and to identify the property and services financed out of the proceeds of the Grant, and to disclose the use thereof in the Project;
- (b) have such records audited every year and furnish to the UNCDF such records and the report of the audit thereof not later than six months after the end of the fiscal year of the Government;
- (c) enable the UNCDF's representatives to visit the facilities and construction sites included in, or relevant to, the Project, and to examine the property financed out of such proceeds and any relevant records and documents; and
- (d) furnish to the UNCDF all such information as the UNCDF may reasonably request concerning the Project, the expenditure of the proceeds of the Grant and the property and services financed out of such proceeds.

Section 2.06. Except as the Government and the UNCDF shall otherwise decide, the Government shall not create or permit to be created any encumbrance, mortgage, pledge, charge, or lien of priority of any kind on the goods financed out of the proceeds of the Grant, provided, however, that the foregoing provisions of this section shall not apply any lien created on property, at the time of purchase of such goods, solely as security for the payment of the purchase price of such property.

Article III. CO-OPERATION AND INFORMATION

Section 3.01. Co-operation and information. (a) The Government and the UNCDF shall co-operate fully to ensure that the purpose of the Grant will be accomplished. To that end, the Government and the UNCDF shall, at the request of any one of them:

- (i) exchange views through their representatives with regard to the progress of the Project, the benefits derived therefrom and the performance of their respective obligations under this Agreement and other matters relating to the purposes of the Grant; and
- (ii) furnish to the other Party all such information as it may reasonably request with regard to the progress of the Project, the benefits derived therefrom and the general status of the Grant.

(b) The Government and the UNCDF shall promptly inform each other of any condition which interferes with, or threatens to interfere with, the progress of the Project, the accomplishment of the purposes of the Grant, or the performance by any one of them of its obligations under this Agreement.

(c) After the completion of the Project, the Government shall make available to the UNCDF all such information as the UNCDF may reasonably request with regard to the benefits derived from the Project, including information necessary for the UNCDF to evaluate the Project or its assistance to the Government.

Article IV. SUSPENSION OR TERMINATION OF ASSISTANCE

Section 4.01. The UNCDF may by written notice to the Government suspend its assistance under this Agreement if in the judgement of the UNCDF any circumstance arises which interferes with or threatens to interfere with the successful completion of the Project or the accomplishment of its purposes. The UNCDF may, in the same or in a subsequent written notice, indicate the conditions under which it is prepared to resume its assistance under this Agreement. Any such suspension shall

continue until such conditions are accepted by the Government and the UNCDF shall have given written notice to the Government that it is prepared to resume its assistance under this Agreement.

Section 4.02. If any situation referred to in section 4.01 shall occur and continue for a period of thirty days after notice thereof shall have been given by the UNCDF to the Government, then at any time thereafter during the continuance thereof, the UNCDF may by written notice to the Government terminate its assistance under this Agreement and require that the Government reimburse to the UNCDF the amount of the grant disbursed from the Grant Account. The Government shall promptly reimburse such amount to the UNCDF upon receipt of such request.

Section 4.03. The provisions of this article shall be without prejudice to any other rights or remedies that the UNCDF may have in the circumstances, whether under the general principles of law, the laws in effect in the territories of the Government or other legislation.

Section 4.04. No delay in exercising, or omitting to exercise, any right or remedy of the UNCDF under this Agreement shall be construed as a waiver thereof.

Article V. INTERPRETATION AND SETTLEMENT OF DISPUTES

Section 5.01. The provisions of this Agreement shall be interpreted in keeping with the relevant resolutions and decisions of the appropriate organs of the United Nations and any relevant matter for which no provision is made in this Agreement shall be settled by the Parties thereto in keeping with the said resolutions and decisions, each Party giving full and sympathetic consideration to any proposal advanced by the other Party under this section.

Section 5.02. Any dispute between the UNCDF and the Government 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. Each Party shall appoint one arbitrator, and the two arbitrators so appointed shall appoint a third, who shall be the chairman of the arbitration tribunal. If within thirty days after the request for arbitration either Party has not appointed an arbitrator or if within fifteen days after the appointment of two arbitrators the third arbitrator has not been appointed, either Party may request the President of the International Court of Justice to appoint an arbitrator. The procedure of the arbitration shall be fixed by the arbitrators, and the expenses of the arbitration 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.

Article VI. DATE OF ENTRY INTO FORCE: TERMINATION

Section 6.01. This Agreement shall enter into force on the date of signature by the last Party.

Section 6.02. The obligations of the Parties under this Agreement shall terminate on a date three years after the date set forth in section 1.05 of this Agreement or three years after such other date as shall be agreed between the Government and the UNCDF in accordance with the provisions of the said section.

Article VII. REPRESENTATIVES OF THE PARTIES: ADDRESSES

Section 7.01. is designated as representative of the Government for the purpose of taking any action required or permitted to be taken under this Agreement on behalf of the Government.

Section 7.02. The UNCDF may by notice to the Government designate a person or persons as representative of the UNCDF for the purpose of receiving any documentation which is to be furnished to the UNCDF or of performing any act required or permitted to be performed by the UNCDF in accordance with the terms of this Agreement.

Section 7.03. The following addresses are specified for the purpose of transmitting any notice or request required or permitted to be given or made under this Agreement.

For the Government:

The Minister for Planning, Rural Development,
Environmental Affairs and Tourism
Ouagadougou
The Upper Volta

For the UNCDF:

United Nations Capital Development Fund
c/o Resident Representative of the United Nations
Development Programme
Ouagadougou
The Upper Volta

IN WITNESS WHEREOF the Parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names and on the respective dates written above.

A N N E X I

DESCRIPTION OF THE PROJECT

Since 1968 the Union voltaïque des coopératives agricoles et maraîchères (UVOCAM) has been assisted by agricultural co-operatives in the marketing of crops, the purchase of raw materials and the improvement of farming methods. UVOCAM has a cold storage depot at the Ouagadougou airport to facilitate the export of farm produce, for which there are excellent outlets in Europe during the winter and throughout the year in Togo, Ghana and the Ivory Coast. These exports rose from 80 tons to 650 tons between 1970 and 1973; for the current season, UVOCAM has sales contracts with European wholesalers amounting to a total of 1,130 tons.

UVOCAM is undercapitalized, its total capital of \$US 41,000 consisting of the reinvestment of the profits derived from the \$500 contributions subscribed when the Union was founded, by the co-operative societies belonging to it. The ratio between the total capital of UVOCAM and its total loans is very high (5:1). The loans consist mainly of a loan from the National Development Bank (BND) in the amount of \$193,000, guaranteed by the Government. In view of its financial situation, UVOCAM is unable to obtain capital other than for the short-term financing of harvests.

The proceeds of the Grant will be used by UVOCAM to complete the construction of its cold storage depot, which was originally financed with funds provided by BND. The first storey will be completed and a drainage system will be installed around the foundations of the depot. In addition, the proceeds of the Grant will be used for the purchase of a refrigerator truck needed for the operation of the depot and for the transport of goods to markets in Togo, Ghana and the Ivory Coast.

Although the amount of the Grant is not reimbursable to the UNCDF, UVOCAM will establish a revolving fund for the expansion of its capital by crediting to the fund payments amortizing the amount of the Grant. The payments will be spread over eight years, including a one-year grace period, and will bear an interest rate of 7.5 per cent *per annum*.

ANNEX II

ADMINISTRATION AGREEMENT

Reference is made to the Grant Agreement dated between the Government of the Republic of the Upper Volta (the Government) and the United Nations Capital Development Fund (UNCDF) concerning the financing by the UNCDF of the purchase of a refrigerator truck by the Union voltaïque des coopératives agricoles et maraichères (UVOCAM) and of the work needed to complete the construction of the cold storage depot owned by UVOCAM at the Ouagadougou airport. The purpose of this Administration Agreement is to stipulate the conditions for implementing the Grant Agreement by specifying the respective responsibilities of UVOCAM, the administrator of UNDP project UPV/72/044* and the UNDP Resident Representative (RESREP).

A. *Responsibilities of the RESREP*

The *pro forma* invoices relating to any disbursement from the Grant Account, certified by the Administrator of UNDP project UPV/72/044 and by the Director of UVOCAM, shall be submitted to the RESREP, who will ensure that the payments are made.

B. *Responsibilities of the Administrator of UNDP project UPV/72/044*

The administrator shall be responsible for certifying, together with the Director of UVOCAM, any expenditure from the proceeds of the Grant, and to that end he shall sign the *pro forma* invoices and the final invoices, together with the evidence of payment, which shall be submitted to the RESREP as soon as payment has been made.

C. *Responsibilities of UVOCAM*

1. UVOCAM shall be responsible for the following components of the Project:

- (a) direction of the construction programme needed to complete its cold storage depot at the Ouagadougou airport, including the work needed to complete the first storey and the installation of the drainage system around the foundations of the depot;
- (b) the duty-free purchase of a refrigerator truck, using the procurement procedures and methods normally applied by UVOCAM;
- (c) the establishment of a revolving fund for the expansion of its capital out of payments amortizing the amount of the Grant, such payments to be spread over eight years, including a one-year grace period, and bearing an interest rate of 7.5 per cent *per annum*. The use of the said revolving fund shall be determined in agreement with the UNCDF.

2. UVOCAM shall provide the RESREP with the following documentation:

- (a) a construction programme;
- (b) a purchasing programme;
- (c) within 30 days after the end of every six months, a record of the work completed during the preceding six months;
- (d) within 30 days after the end of every six months, a record of every purchase made during the preceding six months;
- (e) within 30 days after the end of each calendar year (after expiry of the one-year grace period), the detailed certified records of every sum credited to the revolving fund in respect of amortization and interest during the preceding year;
- (f) the Certificates of Conformity, based on the attached model, relating to each purchase made by UVOCAM out of the proceeds of the Grant.

Approved:

The Government of the Republic of the Upper Volta

[ANTOINE DAKOURE]
For the Government

Date: 28 October 1975

* In November 1975, the UNDP project UPV/72/007 became UPV/72/044.

United Nations Capital Development Fund

[JENS HØGEL]
For the UNCDF*Date:* 28 November 1975

Union voltaïque des coopératives agricoles et maraîchères

[JANVIER SAOURA]
For UVOCAM*Date:* 1 December 1975

[MARIO LAURE]

For the Administrator of Project UPV/72/044

Date: 1 December 1975*CERTIFICATE OF CONFORMITY*

I, the undersigned (insert the title of the signer), of the Union voltaïque des coopératives agricoles et maraîchères (UVOCAM), hereby certify that the purchase made by UVOCAM, the invoices for which are attached hereto, using funds provided by the United Nations Capital Development Fund, was in strict conformity with the procurement rules and methods normally applied by UVOCAM .

.....
(Signature)
