

No. 14835

---

**UNITED NATIONS  
(UNITED NATIONS ECONOMIC COMMISSION  
FOR AFRICA)  
and  
UNITED STATES OF AMERICA**

**Basic Agreement governing grants by the United States of America to the United Nations Trust Fund for Africa (with attachment). Signed at Washington on 17 June 1976**

*Authentic text: English.*

*Registered ex officio on 17 June 1976.*

---

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

**et  
ÉTATS-UNIS D'AMÉRIQUE**

**Accord de base régissant des dons des États-Unis d'Amérique au Fonds d'affectation spéciale des Nations Unies pour l'Afrique (avec annexe). Signé à Washington le 17 juin 1976**

*Texte authentique : anglais.*

*Enregistré d'office le 17 juin 1976.*

**BASIC AGREEMENT<sup>1</sup> GOVERNING GRANTS BY THE UNITED STATES OF AMERICA TO THE UNITED NATIONS (UNITED NATIONS TRUST FUND FOR AFRICA)**

---

This Agreement is made and entered into on the 17th day of June 1976 by and between the United States of America, acting through the Agency for International Development (hereinafter referred to as "AID") and the United Nations, acting through the United Nations Economic Commission for Africa (hereinafter referred to as "ECA").

Witnesseth that:

Whereas, AID and ECA are mutually interested in assisting Africans in their efforts to accelerate economic and social progress throughout the continent of Africa;

Whereas, ECA has identified areas of assistance which are compatible with the above concerns, particularly for programs which will benefit the majority of people in African countries;

Whereas, AID desires to assist ECA in implementing such activities through contributions to the United Nations Trust Fund for Africa (hereinafter referred to as "the Fund").

Now therefore, the parties to this Agreement hereby agree as follows:

*Article I. PURPOSE OF AGREEMENT*

A. The purpose of this Basic Agreement is to set forth agreed upon provisions that will apply to future grants made by AID for the benefit of ECA during the term and within the scope of this Agreement. Such grants will be made pursuant to Grant Agreements entered into expressly hereunder by and between AID and ECA.

B. It is AID's intention to provide to ECA, for purposes and within the scope of this Agreement over a period of three years from the date hereof, subject to the availability of funds and other considerations exclusively within the discretion of AID, grants totalling up to One Million Five Hundred Thousand Dollars (\$1,500,000). All such grants, as available, shall be considered to be contributions to the Fund and shall be administered in accordance with the financial regulations and rules of the United Nations. It is understood that AID undertakes no obligation, however, to enter into any such Grant Agreements, and ECA undertakes no obligation to enter into such Grant Agreements.

*Article II. TERM OF BASIC AGREEMENT*

A. This Agreement is effective June 17, 1976. It expires on June 16, 1979.

B. During the term of this Agreement, Grant Agreements entered into hereunder shall incorporate by reference and be subject to the provisions of this Basic Agreement, except as parties hereto may otherwise agree in writing.

*Article III. DISCONTINUANCE OF BASIC AGREEMENT*

This Agreement may be discontinued from future application upon thirty (30) days' written notice by either party. Discontinuance of this Agreement will not

---

<sup>1</sup> Came into force on 17 June 1976, in accordance with article II (A).

affect the completion of performance under any Grant Agreement entered into hereunder before the effective date of such discontinuance.

*Article IV. SCOPE OF GRANT PROGRAMS AND ACTIVITIES*

Grant Agreements entered into under this Basic Agreement will be limited to provision of assistance for programs and activities within one or more of the following described areas:

1. Efforts which improve directly the economic and/or social well-being of rural populations, particularly as related to rural development, agriculture and health;
2. Pilot projects and studies which enhance the prospects of utilizing non-conventional sources of energy and intermediate technology in rural areas;
3. Activities which tend to enhance the role of women, particularly rural women, in economic and social development;
4. Efforts which stimulate cooperation among African countries and organizations which are considering implementation of regional efforts directed at developing rural areas;
5. Activities which provide training and/or refresher courses for selected ECA personnel who are or will be involved in implementing joint ECA/AID activities.

*Article V. PROCEDURE APPLICABLE TO GRANTS  
AND GRANT AGREEMENTS HEREUNDER*

A. Each Grant Agreement entered into hereunder will describe the specific program or activity for which assistance is provided and will specify the amount of assistance provided, the use of AID funds and the period of availability for disbursement of funds made available. Each Agreement will also include any conditions precedent to disbursement and special conditions as may be appropriate.

B. Except as the parties may otherwise agree in writing, the provisions of this Basic Agreement shall apply to and shall be incorporated in all Grant Agreements entered into within the scope and during the term of this Basic Agreement, as provided in Article II, B.

C. Each Grant Agreement shall be entered into only after receipt by AID of written Activity Proposals and supporting cost estimates. Activity Proposals shall include the following, together with such other information as AID may reasonably request:

1. Name and location of the activity;
2. Purpose of activity — what is to be achieved each year for the life of the activity;
3. Line item budget for the life of the activity; and
4. Description of the contribution to be made by ECA and/or other donors.

Except as AID may otherwise agree, budget items (No. 3 above) which may be provided through AID assistance hereunder will be limited to the following:

1. *Technicians' Costs*: Consists of either short-term (under 12 months) or long-term (over 12 months) consultants or advisors. In this connection, AID will assist the United Nations to identify and recruit qualified persons. In no case will technicians' services be provided to fill ECA vacancies which normally would be filled by staff members of the United Nations;
2. *Participant Training Costs*: Consists of short or long-term training for selected ECA personnel. Regarding participants to be trained in the U.S., AID will provide placement and monitoring services;

3. *Other Costs*: Consists of the costs of workshops, conferences and seminars, including travel and transportation; administrative services and expendible supplies.

D. Subject to United Nations procedures regarding trust funds, ECA is authorized to submit Activity Proposals and to enter into Grant Agreements under and pursuant to the provisions of this Basic Agreement.

E. ECA agrees to make, or to cause to be made by other donors, a contribution to the Fund with respect to each specific program or activity financed by AID through contributions to the Fund under a Grant Agreement. It is agreed that this requirement shall not apply to any program or activity administered directly by AID. Prior to the first disbursement by AID with respect to each such program or activity, ECA shall advise AID that a contribution which will be used for such program or activity has been made and credited to the Fund.

#### *Article VI. CONSULTATION AND COORDINATION*

A. The parties to this Basic Agreement shall consult with each other at the request of either party concerning the operation of the Agreement or concerning the operation of Grant Agreements and the programs or activities funded thereunder.

B. The United Nations, as appropriate, shall provide all necessary liaison with U.N. member states to effect the degree of cooperation required to achieve the purposes of this Basic Agreement and implementing Grant Agreements.

#### *Article VII. DISBURSEMENT OF FUNDS*

A. Funds for all participant training in the United States and related costs will be disbursed by AID pursuant to subobligating Project Implementation Orders/Participants (PIO/Ps) prepared by AID/Washington. Such funds will therefore not be reflected in United Nations accounts.

B. Funds other than for participant training in the United States and related costs will be disbursed by means of advances to be deposited in the Chemical Bank, U.N. Branch, New York, New York, to the credit of the United Nations Trust Fund for Africa.

C. Procedures governing advances to be made by establishment of a Federal Reserve Letter of Credit and drawdowns of funds thereunder are set forth in Attachment A, which is incorporated by reference and made part of this Agreement.

D. Funds may be disbursed upon such other terms and conditions as may be mutually agreed upon in writing by and between the parties to the Agreement in accordance with the Grant Agreements made thereunder.

#### *Article VIII. PROCUREMENT*

Except as otherwise provided herein, ECA procurement of goods and services financed with AID funds shall be made in accordance with applicable United Nations procedures and shall be subject to mutual agreement between AID and ECA.

#### *Article IX. SPECIAL PROVISIONS*

A. This Basic Agreement shall be amended only by the parties hereto. Any such amendment may be signed only by the authorized representatives of the parties.

B. Except as AID may otherwise agree in writing, any goods or property financed by AID shall be applied to the programs and activities described in the Grant Agreements entered into hereunder until the completion of such programs and activities, and thereafter shall be used for purposes consistent with the objectives of this Basic Agreement.

C. ECA shall submit annually to AID a narrative report describing the progress to date in each of the programs and activities for which AID funds are provided, including support from other sources. The first such report shall be submitted six months after the effective date of the first Grant Agreement hereunder.

D. Each of the parties hereto shall have the right at all reasonable times to observe operations carried out under individual Grant Agreements.

E. Financial records, including documentation to support entries on accounting records and to substantiate charges for programs and activities for which AID funds are provided, shall be kept in accordance with United Nations accounting regulations and rules and shall follow generally accepted accounting principles. All such financial records shall be maintained, and be required to be maintained, for at least three years after final disbursement of funds under each Grant Agreement. ECA shall submit semi-annually a financial statement on the expenditures incurred under Grant Agreements made hereunder to the authorized representative of AID or to the Comptroller General of the United States. Such statements shall also include the contributions in cash or in kind to ECA and other donors to the activities financed under Grant Agreements.

F. If the use of any funds provided by AID under any Grant Agreement results in the accrual of interest income to the U.N. or ECA, or to any other person or organization to whom such funds may be made available in carrying out the purposes of any such Grant Agreement, ECA shall pay to AID, in United States dollars, an amount equal to the interest so earned.

G. If any AID funds disbursed under any Grant Agreement are not used, applied, or accounted for in accordance with the terms of said Grant Agreement, ECA agrees to refund to AID, within thirty (30) days after receipt of a request therefor, the amount thereof, provided that AID's request is made not later than five (5) years after final disbursement under each Grant Agreement.

H. Either party may terminate any Grant Agreement by giving the other party thirty (30) days written notice of intention to terminate it. Any such termination shall terminate any obligations of the parties to make contributions pursuant to the Grant Agreement, except for payments either party is committed to make pursuant to non-cancellable commitments entered into with third parties prior to such termination. It is expressly understood that all other obligations of the parties shall remain in force after such termination.

I. No portion of the funds granted by AID under any Grant Agreement shall be disbursed after three (3) years from the effective date of each such Grant Agreement, unless such date is extended by AID in writing, and any funds granted thereunder by AID which remain undisbursed on that date shall revert to AID.

J. AID shall disburse funds pursuant to individual Grant Agreements hereunder only in accordance with applicable laws and regulations of the United States Government.

K. ECA agrees to execute an assignment to AID, upon request, of any cause of action which may accrue to ECA in connection with or arising out of a contractor's performance or breach of performance of any contract financed in whole or in part out of funds provided by AID under any Grant Agreement hereunder.

L. No member of or delegate to the United States Congress or U.S. resident commissioner shall be admitted to any share or part of any Grant Agreement hereunder or to any benefit that may arise therefrom.

IN WITNESS WHEREOF, the United States of America and the United Nations, acting through the United Nations Economic Commission for Africa, have caused this Agreement to be executed.

For the United Nations:  
*Sgd. by:* ADEBAYO ADEDEJI  
*Title:* Executive Secretary  
 Economic Commission  
 for Africa  
*Date:* June 17, 1976

For the United States of America:  
*Sgd. by:* W. HAVEN NORTH  
*Title:* Acting Assistant Administrator  
 Agency for International  
 Development  
*Date:* June 17, 1976

## A T T A C H M E N T A

### PAYMENT PROVISIONS

#### *FEDERAL RESERVE LETTER OF CREDIT FOR ADVANCE PAYMENT*

A. After the first payment voucher (Form TUS 5401) has been processed, succeeding payment vouchers shall be presented as near as possible to the time of expenditure and will call for those amounts necessary to meet the current needs of the Grantee in carrying out the purposes of the Grant Agreements.

B. In preparing the payment voucher, the Grantee shall assign a voucher number in numerical sequence beginning with 1 and continuing in sequence on all subsequent payment vouchers submitted under the Federal Reserve Letter of Credit. The current status of the pertinent Federal Reserve Letter of Credit funds shall be presented on the reverse side of the last two copies of the Form TUS 5401 in the following format:

Total available under Federal Reserve Letter of Credit:	\$ . . . . .
Amount drawn down to date:	\$ . . . . .
Amount of current drawing:	\$ . . . . .
Amount remaining:	\$ . . . . .

C. A report of expenditures shall be prepared and submitted semiannually to AID in two copies indicating how the money was spent for purposes of the Grant Agreements.

D. Simultaneously with submission of the report of expenditures, the Grantee shall submit to AID a status report on the Federal Reserve Letter of Credit for the same period.

E. The Secretary-General, or the Executive Head of other United Nations organizations, shall appoint the professional staff under the respective Staff Regulations of the organizations concerned. Nothing in the Basic Agreement, nor in the Special Provisions, shall be interpreted as infringing the right of the Secretary-General or the Executive Heads to make appointments or to terminate them under the applicable Staff Regulations.