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**UNITED NATIONS
(UNITED NATIONS DEVELOPMENT PROGRAMME)
and
ASIAN DEVELOPMENT BANK**

Memorandum of Agreement regarding arrangements for deferred remittance by the United Nations Development Programme of funds to cover expenditures on projects to be incurred by the Asian Development Bank as Executing Agency for the United Nations Development Programme. Signed at Manila on 16 July 1976

Authentic text: English.

Filed and recorded by the Secretariat on 16 July 1976.

**ORGANISATION DES NATIONS UNIES
(PROGRAMME DES NATIONS UNIES
POUR LE DÉVELOPPEMENT)**

et

BANQUE ASIATIQUE DE DÉVELOPPEMENT

Mémorandum d'accord concernant l'échelonnement des paiements dus par le Programme des Nations Unies pour le développement pour couvrir les dépenses engagées par la Banque asiatique de développement au titre des projets en sa qualité d'Agent d'exécution pour le Programme des Nations Unies pour le développement. Signé à Manille le 16 juillet 1976

Texte authentique : anglais.

Classé et inscrit au répertoire par le Secrétariat le 16 juillet 1976.

MEMORANDUM OF AGREEMENT¹ BETWEEN UNITED NATIONS DEVELOPMENT PROGRAMME AND ASIAN DEVELOPMENT BANK

The United Nations Development Programme (UNDP) and the Asian Development Bank (ADB) hereby agree to the following arrangements for deferred remittance by the UNDP of funds to cover expenditures on projects to be incurred by the ADB as Executing Agency for the UNDP (such arrangements being hereinafter referred to as the Deferred Remittance Arrangements).

A. *Eligible Projects*

1. The Deferred Remittance Arrangements set out in this Memorandum shall apply only to those projects for which the ADB acts as Executing Agency for the UNDP. The individual projects to be covered by the Deferred Remittance Arrangements (such projects being hereinafter referred to as Eligible Projects) shall be selected from time to time by mutual agreements between the UNDP and the ADB. The Eligible Projects may include not only ongoing UNDP projects but also such new projects as the UNDP and the ADB shall have agreed to undertake with the latter acting as Executing Agency therefor.

B. *Eligible Expenditures*

2. The Deferred Remittance Arrangements shall apply only to the expenditures which are described below and which are incurred by the ADB during the remainder of Calendar Year 1976 (such expenditures being hereinafter referred to as Eligible Expenditures):

- (a) costs of Eligible Projects which the UNDP has agreed to finance under the relevant Project Document; and
- (b) overhead allowance for Executing Agency with respect to Eligible Projects.

3. The total amount of Eligible Expenditures shall not exceed the equivalent of one million U.S. dollars (US\$1,000,000) on the books of the ADB.

C. *Advances by ADB*

4. Subject to the foregoing provisions of this Memorandum, the ADB shall, on behalf of the UNDP:

- (a) disburse from its own resources the amounts required to meet costs incurred in 1976 on Eligible Projects referred to in paragraph 2(a) above; and
- (b) defer requests for the payments to which the ADB is entitled from the UNDP as overhead allowance for Executing Agency with respect to the amounts disbursed pursuant to sub-paragraph (a) of this paragraph.

D. *Deferred Remittance Account*

5. The amounts which the ADB has disbursed pursuant to paragraph 4(a) above and the amounts remittance of which has been deferred pursuant to paragraph 4(b) above shall be charged to, and held in, a special ADB account for the amounts due from the UNDP to ADB under this Agreement (such account being hereinafter referred to as the Deferred Remittance Account).

6. The ADB shall notify the UNDP each month of (i) the amounts and currencies which have been disbursed by the ADB during the month pursuant to paragraph 4(a) above, and the accumulated totals of such amounts and currencies; (ii) the amounts

¹ Came into force on 16 July 1976 by signature.

remittance of which has been deferred during the month pursuant to paragraph 4(b) above, and the accumulated totals of such amounts; and (iii) the total amount held in the Deferred Remittance Account.

7. The UNDP shall promptly send to the ADB acknowledgment of each notice given by the ADB pursuant to paragraph 6 above.

8. The UNDP shall promptly confirm to the ADB's External Auditors the amounts receivable by the ADB from the UNDP at the end of 1976 under the Deferred Remittance Arrangements if such a request is made by the External Auditors.

E. *Reimbursement by UNDP*

9. The amounts held by the ADB in the Deferred Remittance Account referred to in paragraph 5 above shall be reimbursed by the UNDP to the ADB in accordance with the following schedule:

- (i) not less than ten per cent (10%) on or before 31 January 1977;
- (ii) not less than ten per cent (10%) on or before 28 February 1977;
- (iii) not less than ten per cent (10%) on or before 31 March 1977;
- (iv) not less than twenty per cent (20%) on or before 30 April 1977;
- (v) not less than twenty-five per cent (25%) on or before 31 May 1977; and
- (vi) the remaining balance, in full, not later than 30 June 1977.

10. Unless otherwise agreed between the UNDP and the ADB, reimbursement by the UNDP to the ADB of

- (a) costs of Eligible Projects (as referred to in paragraphs 2(a) and 4(a) above) shall be made in the same currencies and amounts thereof as those used by the ADB in making disbursements; and
- (b) overhead allowance for Executing Agency (as referred to in paragraphs 2(b) and 4(b) above) shall be made in such convertible currency or currencies as the UNDP may select after consultation and agreement with the ADB.

11. Subject to the overall requirements of paragraph 10 above, the currency composition of individual payments under the schedule set out in paragraph 9 above shall be determined by the UNDP after consultation and agreement with the ADB.

12. Reimbursements under the provisions of paragraph 9 above shall be in addition to, and without effect on, any advances or payments which the ADB shall be entitled to receive from the UNDP for disbursements, expenses, overheads, etc., made or incurred in 1977.

13. All existing procedures, provisions and instructions not inconsistent with this Agreement and applicable to Eligible Projects to be carried out by the ADB shall remain in force.

14. UNDP may periodically notify the ADB of the accumulated currencies which it may hold in excess of its current needs. If the ADB is able to disburse any such accumulated currency for any Eligible Project it will notify the UNDP to this effect. Upon receipt of such notification, UNDP may transfer to the ADB the amount(s) needed from the relevant accumulated currency/currencies, receiving an appropriate credit therefor.

15. The UNDP agrees that adequate funds will be made available to meet the reimbursement schedule set out in paragraph 9 above. Without prejudice to the foregoing sentence, if any of the amounts advanced by the ADB pursuant to paragraph 4 above has not been provided for in the 1976 Country Indicative Planning Figures (IPFs) of the recipient countries concerned, the amounts which have not been so provided for shall, subject to any relevant decisions and instructions of the competent organs of UNDP and

with the agreement of the country concerned, be the first charge against the 1977 IPF of such recipient country.

[Signed]

DONALD BERGSTROM
United Nations
Development Programme
Dated: 16 July 1976

[Signed]

C. S. KRISHNA MOORTHY
Asian Development Bank
Dated: 16 July 1976
