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Nº 814

No. 814

**UNITED NATIONS
(UNITED NATIONS DEVELOPMENT PROGRAMME)
and
INTER-AMERICAN DEVELOPMENT BANK**

Standard Basic Agreement concerning the United Nations Development Programme technical co-operation activities for development (with annex and exchange of letters dated 18 August and 18 September 1978). Signed at Washington on 18 August 1978 and at New York on 18 September 1978

Authentic text: English.

Filed and recorded by the Secretariat on 18 September 1978.

**ORGANISATION DES NATIONS UNIES
(PROGRAMME DES NATIONS UNIES
POUR LE DÉVELOPPEMENT)
et
BANQUE INTERAMÉRICAINNE
DE DÉVELOPPEMENT**

Accord de base type concernant les activités du Programme des Nations Unies pour le développement en matière de coopération technique pour le développement (avec annexe et échange de lettres en date des 18 août et 18 septembre 1978). Signé à Washington le 18 août 1978 et à New York le 18 septembre 1978

Texte authentique : anglais.

Classé et inscrit au répertoire par le Secrétariat le 18 septembre 1978.

AGREEMENT¹ BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME AND THE INTER-AMERICAN DEVELOPMENT BANK

The United Nations Development Programme and the Inter-American Development Bank,

Considering that the General Assembly of the United Nations has established the United Nations Development Programme (hereinafter called UNDP) to support and supplement the national efforts of developing countries to accelerate their economic and social development,

Conscious of the readiness of the Inter-American Development Bank (hereinafter called the Executing Agency) to execute certain projects in co-operation with UNDP,

Determined to enhance the effectiveness of the UNDP as an instrument of international development co-operation with developing countries,

Have agreed as follows:

Article I. SCOPE OF THIS AGREEMENT

The Parties hereto hereby agree to join efforts and to maintain close and continuing working relationships in order to achieve the purposes of the United Nations Development Programme. The Executing Agency agrees to carry out such relevant activities as it (the Executing Agency) may accept at the request of UNDP. Those activities shall include the execution of specific UNDP technical co-operation activities with Governments. The relationship between the Parties in the execution of such UNDP co-operation activities shall be governed by this Agreement.

Article II. CONDITIONS OF CO-OPERATION ACTIVITIES

1. The basic conditions of execution of technical co-operation activities by the Executing Agency hereunder shall be those set forth in the relevant and applicable resolutions and decisions of the competent UNDP organs and in such Basic Agreements as the UNDP may enter into with recipient Governments. The particular conditions of and the specifications relating to each such activity shall be as set forth in such Project Documents or other similar instruments (hereinafter called Project Documents) as the UNDP, the recipient Government and the Executing Agency may conclude with respect to each technical co-operation activity.

2. The text of the Standard Basic Assistance Agreement with Governments in current use by UNDP is annexed to this Agreement. The UNDP shall consult with the Executing Agency on any substantial variation in that text which it may adopt for general use, and shall provide the Executing Agency with copies of individual signed Agreements.

¹ Came into force on 18 September 1978 by signature, in accordance with article XIV (1).

Article III. THE UNDP RESIDENT REPRESENTATIVE

The Parties recognize that the UNDP Resident Representative in a country has full responsibility and ultimate authority on behalf of the Administrator of the UNDP for all aspects of the UNDP programme in the country concerned. The Executing Agency further recognizes the Resident Representative as the central co-ordinating authority for all technical co-operation programmes of the United Nations system and agrees to consult him and to keep him fully informed on the planning and formulation of its technical co-operation activities and to provide him with reports on the execution of those activities. The term Resident Representative as used in this Agreement includes a regional representative, representative and officer-in-charge of a UNDP field office, and any other official performing the functions of a Resident Representative.

Article IV. PROJECT CO-OPERATION

The Parties hereto shall co-operate fully with one another and with the Government concerned in the execution of technical co-operation activities with a view to the realization of the objectives described in Project Documents. The Parties shall consult with one another with respect to any matters which might affect the successful completion of any such activity.

Article V. INFORMATION REGARDING PROJECTS

1. The Parties shall from time to time exchange views with one another and with the Government on the technical co-operation activities under this Agreement, including the progress and costs thereof and the benefits derived therefrom, and shall furnish one another with such information as the other Party may request in respect of such matters. The Executing Agency shall furnish the UNDP with periodic reports on the carrying out of such technical co-operation activities at such times and in such form as may be agreed by the Parties.

2. The UNDP and the Government may observe at any time the progress of any technical co-operation activities carried out by the Executing Agency under this Agreement, and the Executing Agency shall afford full facilities to the UNDP and the Government for this purpose.

Article VI. CONDITIONS OF SERVICE FOR PROJECT STAFF; PROCUREMENT

1. With a view to securing the highest standards of efficiency, competence and integrity in the execution of technical co-operation activities, the UNDP shall develop conditions of service for project staff in consultation with appropriate organs of the UN system. The Executing Agency agrees to give sympathetic consideration to any such conditions of service recommended to it by the UNDP, and shall adopt such conditions of service with respect to personnel retained to work on UNDP-financed projects, to the maximum extent possible.

2. The Executing Agency agrees to observe the principles of international competitive bidding in the procurement of goods and contractual services for technical co-operation activities under this Agreement, to the maximum extent possible and appropriate under the principles which apply to UNDP activities and with due regard to the need to make the fullest possible use of various currencies available to UNDP, it being understood that such principles may include the system of two sealed envelopes for receiving proposals.

3. Experts, consultants and suppliers of goods and contractual services and in general all persons performing services for the Executing Agency as part of a UNDP technical co-operation activity shall in all cases meet appropriate standards of qualifications or acceptability.

Article VII. AGENCY STATUS AND ACCOUNTABILITY

In the execution of technical co-operation activities, the Executing Agency shall have the status of an independent contractor *vis-à-vis* the UNDP. The Executing Agency shall be accountable to the UNDP for its execution of such activities.

Article VIII. INTELLECTUAL PROPERTY

Patent rights, copyright rights, and other similar rights to any discoveries or work resulting from technical co-operation activities shall belong to the UNDP, it being understood that the recipient Government shall have the right to use any such discoveries or work within the country free of royalty or any charge of similar nature. The Executing Agency agrees to co-operate with UNDP in regard to such steps as the UNDP may decide to take in each case concerning such rights.

Article IX. COSTS OF CO-OPERATION ACTIVITIES

1. The UNDP undertakes to meet all costs directly incurred by the Executing Agency in the execution of technical co-operation activities, in the amounts set forth in project budgets forming part of Project Documents or otherwise agreed between the Parties. It further undertakes to provide the Executing Agency with advances of funds in such amounts and such currencies as will assist it in meeting current expenses on such activities.

2. The UNDP undertakes to share in such other costs, including undistributed costs of execution (including overhead) of technical co-operation activities, as the Executing Agency may incur in the provision of services to UNDP under this Agreement, as the Parties may agree in the respective Project Documents or otherwise.

Article X. CURRENCY AND RATES OF EXCHANGE

1. The Parties shall consult from time to time regarding the use of currencies available to them, with a view to the effective utilization of such currencies.

2. The UNDP may establish operational rates of exchange for transactions between itself and the Executing Agency under this Agreement. Such rates of exchange may be revised by the UNDP in accordance with its Financial Regulations. The Parties shall consult one another, if necessary, on such rates of exchange.

Article XI. FINANCIAL RECORDS AND ACCOUNTS

1. The Executing Agency shall maintain accounts, records and supporting documentation relating to technical co-operation activities under this Agreement, including funds received and disbursed by it, in accordance with its regulations and procedures, insofar as applicable.

2. The Executing Agency shall furnish to the UNDP periodic reports on the financial situation of such activities at such times and in such form as the UNDP may request.

3. The Executing Agency shall cause its External Auditor to examine and report on its (the Executing Agency's) accounts and records relating to technical co-operation activities under this Agreement, and shall make its External Auditor's reports available to the UNDP.

4. Without restricting the generality of the foregoing provisions, the Executing Agency shall, as soon as possible after the close of each financial year, submit to the UNDP audited statements of accounts showing the status of funds provided it by the UNDP to finance technical co-operation activities.

5. The Executing Agency shall close the accounts of each technical co-operation activity as soon as practicable but no later than twelve months after the completion of the work set out in the Project Document or termination of the activity. Provision shall be made for unliquidated obligations valid at the closing of the accounts.

Article XII. SUSPENSION OR TERMINATION OF ASSISTANCE

1. The Parties hereto recognize that the successful completion and accomplishment of the purposes of a technical co-operation activity are of paramount importance, and that the UNDP may find it necessary to terminate its co-operation, or to modify the arrangements for execution of a technical co-operation activity, should circumstances arise which jeopardize successful completion or the accomplishment of the purposes of such an activity. The provisions of this article shall apply to any such situations.

2. The UNDP shall consult with the Executing Agency if any circumstance arises which, in the judgement of the UNDP, interferes or threatens to interfere with the successful completion of a technical co-operation activity, or the accomplishment of its purposes. The Executing Agency shall promptly inform the UNDP of any such circumstance which might come to its (the Executing Agency's) attention. The Parties shall co-operate towards the rectification or elimination of the circumstance in question and shall exert all reasonable efforts to that end, including prompt corrective steps by the Executing Agency where such circumstances are attributable to it or within its responsibility or control.

3. The UNDP may at any time after occurrence of the circumstance in question and appropriate consultations suspend execution of the technical co-operation activity concerned by written notice to the Executing Agency and the Government, without prejudice to the initiation or continuation of any of the measures envisaged in the preceding paragraph. The UNDP may indicate to the Executing Agency and the Government the conditions under which it is prepared to authorize a resumption of execution of the technical co-operation activity concerned.

4. If the cause of suspension is not rectified or eliminated within fourteen days after the UNDP shall have given notice of suspension to the Government and/or the Executing Agency, the UNDP may, by written notice at any time thereafter during the continuation thereof,

(a) Terminate the technical co-operation activity concerned, or

(b) Terminate the Executing Agency's execution of such activity and take over its execution or entrust it to another Executing Agency, with effect on the date specified in the written notice from UNDP.

5. (a) In the event of any termination under the preceding paragraph, the UNDP shall reimburse the Executing Agency for all costs it may incur or may have incurred (and for which provision has been made in the Project Document) to execute the technical co-operation activity concerned up to the effective date of the termination, including:

- (1) Such proportion of the Executing Agency's overhead costs allowable for the activity (if any) as the amount expended on such activity by the Executing Agency (counted to the effective date of termination) bears to the entire UNDP allocation on the activity (as determined in the Project Document); and
- (2) Reasonable costs of winding up its execution of the technical co-operation activity; reimbursements to the Executing Agency under this provision when added to amounts previously remitted to it by the UNDP in respect of the activity shall not exceed the total UNDP allocation for such activity.

(b) In the event of transfer of the Executing Agency's responsibilities for execution of a technical co-operation activity either to the UNDP or to another Executing Agency, the Executing Agency shall co-operate with the UNDP in the orderly transfer of such responsibilities.

6. The Executing Agency may withdraw from execution of any UNDP technical co-operation activity if it deems that conditions have developed which compromise or prevent the Executing Agency's successful accomplishment of its role under the project. In the event of the Executing Agency's withdrawal from execution under this paragraph, and unless the Parties agree otherwise, the UNDP shall reimburse the Executing Agency for costs it may have incurred or may reasonably incur (and for which provision has been made in the Project Document) to execute the technical co-operation activities concerned up to the effective date of the withdrawal. The Parties shall consult as to the amounts to be paid in connection with such withdrawal.

Article XIII. WAIVER OF IMMUNITIES

In the event that the Executing Agency retains the services of operational experts or consultant firms or organizations to assist it in the execution of a technical co-operation activity under this Agreement, the privileges and immunities to which any such operational expert or firm or organization and its personnel may be entitled under any agreement between the UNDP and a Government may be waived by the Executing Agency where, in its opinion, the immunity would impede the course of justice and can be waived without prejudice to the successful completion of the activity concerned or to the interests of the UNDP or the Executing Agency; the Executing Agency shall give sympathetic consideration to the waiver of such immunity in any case in which the UNDP so requests. Nothing in this provision shall be construed to affect any rights of waiver of such immunities which the UNDP may have under relevant Agreement(s) between the UNDP and recipient Governments and/or under general principles of law.

Article XIV. GENERAL PROVISIONS

1. This Agreement shall enter into force upon signature, and shall continue in force until terminated under paragraph 3 below.

2. This Agreement may be modified by written agreement between the Parties hereto. Any relevant matter for which no provision is made in this Agreement, or any controversy between the Parties, shall be settled in a manner mutually agreeable to the Parties. The Executing Agency shall give careful consideration to the relevant resolutions and decisions of the appropriate organs of the United Nations. Each Party shall also give full and sympathetic consideration to any proposal advanced by the other under this paragraph.

3. This Agreement may be terminated by either Party by written notice to the other and shall terminate sixty days after receipt of such notice, provided that termination shall become effective with respect to on-going technical co-operation activities only with the concurrence of both Parties.

4. The provisions of this Agreement shall survive its expiration or termination to the extent necessary to permit an orderly settlement of accounts between the Parties and, if appropriate, with each Government concerned.

IN WITNESS WHEREOF, the undersigned, duly appointed representatives of the UNDP and of the Executing Agency, respectively, have on behalf of the Parties signed the present Agreement in two copies on the dates and at the places indicated below their respective signatures.

For the United Nations
Development Programme:

[Signed]

BRADFORD MORSE
Administrator

Date: 18 September 1978

Place: New York City

For the Inter-American
Development Bank:

[Signed]

ANTONIO ORTIZ MENA
President

Date: Aug. 18, 1978

Place: Washington, D.C.

A N N E X

AGREEMENT BETWEEN AND THE UNITED NATIONS
DEVELOPMENT PROGRAMME

WHEREAS the General Assembly of the United Nations has established the United Nations Development Programme (hereinafter called the UNDP) to support and supplement the national efforts of developing countries at solving the most important problems of their economic development and to promote social progress and better standards of life, and

WHEREAS the Government of wishes to request assistance from the UNDP for the benefit of its people,

NOW, THEREFORE, the Government and the UNDP (hereinafter called the Parties) have entered into this Agreement in a spirit of friendly co-operation.

Article I. SCOPE OF THIS AGREEMENT

1. This Agreement embodies the basic conditions under which the UNDP and its Executing Agencies shall assist the Government in carrying out its development projects, and under which such UNDP-assisted projects shall be executed. It shall apply to all such UNDP assistance and to such Project Documents or other instruments (hereinafter called Project Documents) as the Parties may conclude to define the particulars of such assistance and the respective responsibilities of the Parties and the Executing Agency hereunder in more detail in regard to such projects.

2. Assistance shall be provided by the UNDP under this Agreement only in response to requests submitted by the Government and approved by the UNDP. Such assistance shall be made available to the Government, or to such entity as the Government may designate, and shall be furnished and received in accordance with the relevant and applicable resolutions and decisions of the competent UNDP organs, and subject to the availability of the necessary funds to the UNDP.

Article II. FORMS OF ASSISTANCE

1. Assistance which may be made available by the UNDP to the Government under this Agreement may consist of:

- (a) The services of advisory experts and consultants, including consultant firms or organizations, selected by and responsible to, the UNDP or the Executing Agency concerned;
- (b) The services of operational experts selected by the Executing Agency, to perform functions of an operational, executive or administrative character as civil servants of the Government or as employees of such entities as the Government may designate under article I, paragraph 2, hereof;
- (c) The services of members of the United Nations Volunteers (hereinafter called volunteers);
- (d) Equipment and supplies not readily available in (hereinafter called the country);
- (e) Seminars, training programmes, demonstration projects, expert working groups and related activities;
- (f) Scholarships and fellowships, or similar arrangements under which candidates nominated by the Government and approved by the Executing Agency concerned may study or receive training; and
- (g) Any other form of assistance which may be agreed upon by the Government and the UNDP.

2. Requests for assistance shall be presented by the Government to the UNDP through the UNDP resident representative in the country (referred to in paragraph 4 (a) of this article), and in the form and in accordance with procedures established by the UNDP for such requests. The Government shall provide the UNDP with all appropriate facilities and relevant information to appraise the request, including an expression of its intent with respect to the follow-up of investment-oriented projects.

3. Assistance may be provided by the UNDP to the Government either directly, with such external assistance as it may deem appropriate, or through an Executing Agency, which shall have primary responsibility for carrying out UNDP assistance to the project and which shall have the status of an independent contractor for this purpose. Where assistance is provided by the UNDP directly to the Government, all references in this Agreement to an Executing Agency shall be construed to refer to the UNDP, unless clearly inappropriate from the context.

4. (a) The UNDP may maintain a permanent mission, headed by a resident representative, in the country to represent the UNDP therein and be the principal channel of communication with the Government on all Programme matters. The resident representative shall have full responsibility and ultimate authority, on behalf of the UNDP Administrator, for the UNDP programme in all its aspects in the country, and shall be team leader in regard to such representatives of other United Nations organizations as may be posted in the country, taking into account their professional competence and their relations with appropriate organs of the Government. The resident representative shall maintain liaison on behalf of the Programme with the appropriate organs of the Government, including the Government's co-ordinating agency for external assistance, and shall inform the Government of the policies, criteria and procedures of the UNDP and other relevant programmes of the United Nations. He shall assist the Government, as may be required, in the preparation of UNDP country programme and project requests, as well as proposals for country programme or project changes, assure proper co-ordination of all assistance rendered by the UNDP through various Executing Agencies or its own consultants, assist the Government, as may be required, in co-ordinating UNDP activities with national, bilateral and multilateral programmes within the country, and carry out such other functions as may be entrusted to him by the Administrator or by an Executing Agency.

(b) The UNDP mission in the country shall have such other staff as the UNDP may deem appropriate to its proper functioning. The UNDP shall notify the Government from time to time of the names of the members, and of the families of the members, of the mission, and of changes in the status of such persons.

Article III. EXECUTION OF PROJECTS

1. The Government shall remain responsible for its UNDP-assisted development projects and the realization of their objectives as described in the relevant Project Documents, and shall carry out such parts of such projects as may be stipulated in the provisions of this Agreement and such Project Documents. The UNDP undertakes to complement and supplement the Government's participation in such projects through assistance to the Government in pursuance of this Agreement and the Work Plans forming part of such Project Documents, and through assistance to the Government in fulfilling its intent with respect to investment follow-up. The Government shall inform UNDP of the Government Cooperating Agency directly responsible for the Government's participation in each UNDP-assisted project. Without prejudice to the Government's overall responsibility for its projects, the Parties may agree that an Executing Agency shall assume primary responsibility for execution of a project in consultation and agreement with the Cooperating Agency, and any arrangements to this effect shall be stipulated in the project Work Plan forming part of the Project Document together with arrangements, if any, for transfer of such responsibility, in the course of project execution, to the Government or to an entity designated by the Government.

2. Compliance by the Government with any prior obligations agreed to be necessary or appropriate for UNDP assistance to a particular project shall be a condition of performance by the UNDP and the Executing Agency of their responsibilities with respect to that project. Should provision of such assistance be commenced before such prior obligations have been met, it may be terminated or suspended without notice and at the discretion of the UNDP.

3. Any agreement between the Government and an Executing Agency concerning the execution of a UNDP-assisted project or between the Government and an operational expert shall be subject to the provisions of this Agreement.

4. The Cooperating Agency shall as appropriate and in consultation with the Executing Agency assign a full-time director for each project who shall perform such functions as are assigned to him by the Cooperating Agency. The Executing Agency shall as appropriate and in consultation with the Government appoint a Chief Technical

Adviser or Project Coordinator responsible to the Executing Agency to oversee the Executing Agency's participation in the project at the project level. He shall supervise and coordinate activities of experts and other Executing Agency personnel and be responsible for the on-the-job training of national Government counterparts. He shall be responsible for the management and efficient utilization of all UNDP-financed inputs, including equipment provided to the project.

5. In the performance of their duties, advisory experts, consultants and volunteers shall act in close consultation with the Government and with persons or bodies designated by the Government, and shall comply with such instructions from the Government as may be appropriate to the nature of their duties and the assistance to be given and as may be mutually agreed upon between the UNDP and the Executing Agency concerned and the Government. Operational experts shall be solely responsible to, and be under the exclusive direction of, the Government or the entity to which they are assigned, but shall not be required to perform any functions incompatible with their international status or with the purposes of the UNDP or of the Executing Agency. The Government undertakes that the commencing date of each operational expert in its service shall coincide with the effective date of his contract with the Executing Agency concerned.

6. Recipients of fellowships shall be selected by the Executing Agency. Such fellowships shall be administered in accordance with the fellowship policies and practices of the Executing Agency.

7. Technical and other equipment, materials, supplies and other property financed or provided by the UNDP shall belong to the UNDP unless and until such time as ownership thereof is transferred, on terms and conditions mutually agreed upon between the Government and the UNDP, to the Government or to an entity nominated by it.

8. Patent rights, copyright rights, and other similar rights to any discoveries or work resulting from UNDP assistance under this Agreement shall belong to the UNDP. Unless otherwise agreed by the Parties in each case, however, the Government shall have the right to use any such discoveries or work within the country free of royalty or any charge of similar nature.

Article IV. INFORMATION CONCERNING PROJECTS

1. The Government shall furnish the UNDP with such relevant reports, maps, accounts, records, statements, documents and other information as it may request concerning any UNDP-assisted project, its execution or its continued feasibility and soundness, or concerning the compliance by the Government with its responsibilities under this Agreement or Project Documents.

2. The UNDP undertakes that the Government shall be kept currently informed of the progress of its assistance activities under this Agreement. Either Party shall have the right, at any time, to observe the progress of operations on UNDP-assisted projects.

3. The Government shall, subsequent to the completion of a UNDP-assisted project, make available to the UNDP at its request information as to benefits derived from and activities undertaken to further the purposes of that project, including information necessary or appropriate to its evaluation or to evaluation of UNDP assistance, and shall consult with and permit observation by the UNDP for this purpose.

4. Any information or material which the Government is required to provide to the UNDP under this article shall be made available by the Government to an Executing Agency at the request of the Executing Agency concerned.

5. The Parties shall consult each other regarding the publication, as appropriate, of any information relating to any UNDP-assisted project or to benefits derived therefrom. However, any information relating to any investment-oriented project may be released by the UNDP to potential investors, unless and until the Government has requested the UNDP in writing to restrict the release of information relating to such project.

Article V. PARTICIPATION AND CONTRIBUTION OF GOVERNMENT
IN EXECUTION OF PROJECT

1. In fulfilment of the Government's responsibility to participate and co-operate in the execution of the projects assisted by the UNDP under this Agreement, it shall contribute the following in kind to the extent detailed in relevant Project Documents:

- (a) Local counterpart professional and other services, including national counterparts to operational experts;
- (b) Land, buildings, and training and other facilities available or produced within the country; and
- (c) Equipment, materials and supplies available or produced within the country.

2. Whenever the provision of equipment forms part of UNDP assistance to the Government, the latter shall meet charges relating to customs clearance of such equipment, its transportation from the port of entry to the project site together with any incidental handling or storage and related expenses, its insurance after delivery to the project site, and its installation and maintenance.

3. The Government shall also meet the salaries of trainees and recipients of fellowships during the period of their fellowships.

4. If so provided in the Project Document, the Government shall pay, or arrange to have paid, to the UNDP or an Executing Agency the sums required, to the extent specified in the Project Budget of the Project Document, for the provision of any of the items enumerated in paragraph 1 of this article, whereupon the Executing Agency shall obtain the necessary items and account annually to the UNDP for any expenditures out of payments made under this provision.

5. Moneys payable to the UNDP under the preceding paragraph shall be paid to an account designated for this purpose by the Secretary-General of the United Nations and shall be administered in accordance with the applicable financial regulations of the UNDP.

6. The cost of items constituting the Government's contribution to the project and any sums payable by the Government in pursuance of this article, as detailed in Project Budgets, shall be considered as estimates based on the best information available at the time of preparation of such Project Budgets. Such sums shall be subject to adjustment whenever necessary to reflect the actual cost of any such items purchased thereafter.

7. The Government shall as appropriate display suitable signs at each project identifying it as one assisted by the UNDP and the Executing Agency.

Article VI. ASSESSED PROGRAMME COSTS AND OTHER ITEMS
PAYABLE IN LOCAL CURRENCY

1. In addition to the contribution referred to in article V above, the Government shall assist the UNDP in providing it with assistance by paying or arranging to pay for the following local costs or facilities, in the amounts specified in the relevant Project Document or otherwise determined by the UNDP in pursuance of relevant decisions of its governing bodies:

- (a) The local living costs of advisory experts and consultants assigned to projects in the country;
- (b) Local administrative and clerical services, including necessary local secretarial help, interpreter-translators, and related assistance;
- (c) Transportation of personnel within the country; and
- (d) Postage and telecommunications for official purposes.

2. The Government shall also pay each operational expert directly the salary, allowances and other related emoluments which would be payable to one of its nationals if appointed to the post involved. It shall grant an operational expert the same annual and sick leave as the Executing Agency concerned grants its own officials, and shall make any arrangement necessary to permit him to take home leave to which he is entitled under the terms of his service with the Executing Agency concerned. Should his service with the Government be terminated by it under circumstances which give rise to an obligation on the part of an Executing Agency to pay him an indemnity under its contract with him, the Government shall contribute to the cost thereof the amount of separation indemnity which would be payable to a national civil servant or comparable employee of like rank whose service is terminated in the same circumstances.

3. The Government undertakes to furnish in kind the following local services and facilities:

- (a) The necessary office space and other premises;
- (b) Such medical facilities and services for international personnel as may be available to national civil servants;
- (c) Simple but adequately furnished accommodation to volunteers; and
- (d) Assistance in finding suitable housing accommodation for international personnel, and the provision of such housing to operational experts under the same conditions as to national civil servants of comparable rank.

4. The Government shall also contribute towards the expenses of maintaining the UNDP mission in the country by paying annually to the UNDP a lump sum mutually agreed between the Parties to cover the following expenditures:

- (a) An appropriate office with equipment and supplies, adequate to serve as local headquarters for the UNDP in the country;
- (b) Appropriate local secretarial and clerical help, interpreters, translators and related assistance;
- (c) Transportation of the resident representative and his staff for official purposes within the country;
- (d) Postage and telecommunications for official purposes; and
- (e) Subsistence for the resident representative and his staff while in official travel status within the country.

5. The Government shall have the option of providing in kind the facilities referred to in paragraph 4 above, with the exception of items (b) and (e).

6. Moneys payable under the provisions of this article, other than under paragraph 2, shall be paid by the Government and administered by the UNDP in accordance with article V, paragraph 5.

Article VII. RELATION TO ASSISTANCE FROM OTHER SOURCES

In the event that assistance towards the execution of a project is obtained by either Party from other sources, the Parties shall consult each other and the Executing Agency with a view to effective co-ordination and utilization of assistance received by the Government from all sources. The obligations of the Government hereunder shall not be modified by any arrangements it may enter into with other entities co-operating with it in the execution of a project.

Article VIII. USE OF ASSISTANCE

The Government shall exert its best efforts to make the most effective use of the assistance provided by the UNDP and shall use such assistance for the purpose for which

it is intended. Without restricting the generality of the foregoing, the Government shall take such steps to this end as are specified in the Project Document.

Article IX. PRIVILEGES AND IMMUNITIES

1. The Government shall apply to the United Nations and its organs, including the UNDP and UN subsidiary organs acting as UNDP Executing Agencies, their property, funds and assets, and to their officials, including the resident representative and other members of the UNDP mission in the country, the provisions of the Convention on the Privileges and Immunities of the United Nations.¹

2. The Government shall apply to each Specialized Agency acting as an Executing Agency, its property, funds and assets, and to its officials, the provisions of the Convention on the Privileges and Immunities of the Specialized Agencies,² including any annex to the Convention applicable to such Specialized Agency. In case the International Atomic Energy Agency (the IAEA) acts as an Executing Agency, the Government shall apply to its property, funds and assets, and to its officials and experts, the Agreement on the Privileges and Immunities of the IAEA.³

3. Members of the UNDP mission in the country shall be granted such additional privileges and immunities as may be necessary for the effective exercise by the mission of its functions.

4. (a) Except as the Parties may otherwise agree in Project Documents relating to specific projects, the Government shall grant all persons, other than Government nationals employed locally, performing services on behalf of the UNDP, a Specialized Agency or the IAEA who are not covered by paragraphs 1 and 2 above the same privileges and immunities as officials of the United Nations, the Specialized Agency concerned or the IAEA under sections 18, 19 or 18 respectively of the Conventions on the Privileges and Immunities of the United Nations or of the Specialized Agencies, or of the Agreement on the Privileges and Immunities of the IAEA.

(b) For purposes of the instruments on privileges and immunities referred to in the preceding parts of this article:

- (1) All papers and documents relating to a project in the possession or under the control of the persons referred to in sub-paragraph 4 (a) above shall be deemed to be documents belonging to the United Nations, the Specialized Agency concerned, or the IAEA, as the case may be; and
- (2) Equipment, materials and supplies brought into or purchased or leased by those persons within the country for purposes of a project shall be deemed to be property of the United Nations, the Specialized Agency concerned, or the IAEA, as the case may be.

5. The expression "persons performing services" as used in articles IX, X and XIII of this Agreement includes operational experts, volunteers, consultants, and juridical as well as natural persons and their employees. It includes governmental or non-governmental organizations or firms which UNDP may retain, whether as an Executing Agency or otherwise, to execute or to assist in the execution of UNDP assistance to a project, and their employees. Nothing in this Agreement shall be construed to limit the privileges, immunities or facilities conferred upon such organizations or firms or their employees in any other instrument.

¹ United Nations, *Treaty Series*, vol. 1, p. 15, and vol. 90, p. 327 (corrigendum to vol. 1, p. 18).

² *Ibid.*, vol. 33, p. 261. For the final and revised texts of annexes published subsequently, see vol. 71, p. 318; vol. 79, p. 326; vol. 117, p. 386; vol. 275, p. 298; vol. 314, p. 308; vol. 323, p. 364; vol. 327, p. 326; vol. 371, p. 266; vol. 423, p. 284; vol. 559, p. 348, and vol. 645, p. 340.

³ *Ibid.*, vol. 374, p. 147.

Article X. FACILITIES FOR EXECUTION OF UNDP ASSISTANCE

1. The Government shall take any measures which may be necessary to exempt the UNDP, its Executing Agencies, their experts and other persons performing services on their behalf from regulations or other legal provisions which may interfere with operations under this Agreement, and shall grant them such other facilities as may be necessary for the speedy and efficient execution of UNDP assistance. It shall, in particular, grant them the following rights and facilities:

- (a) Prompt clearance of experts and other persons performing services on behalf of the UNDP or an Executing Agency;
- (b) Prompt issuance without cost of necessary visas, licenses or permits;
- (c) Access to the site of work and all necessary rights of way;
- (d) Free movement within or to or from the country, to the extent necessary for proper execution of UNDP assistance;
- (e) The most favourable legal rate of exchange;
- (f) Any permits necessary for the importation of equipment, materials and supplies, and for their subsequent exportation;
- (g) Any permits necessary for importation of property belonging to and intended for the personal use or consumption of officials of the UNDP, its Executing Agencies, or other persons performing services on their behalf, and for the subsequent exportation of such property; and
- (h) Prompt release from customs of the items mentioned in sub-paragraphs (f) and (g) above.

2. Assistance under this Agreement being provided for the benefit of the Government and people of, the Government shall bear all risks of operations arising under this Agreement. It shall be responsible for dealing with claims which may be brought by third parties against the UNDP or an Executing Agency, their officials or other persons performing services on their behalf, and shall hold them harmless in respect of claims or liabilities arising from operations under this Agreement. The foregoing provision shall not apply where the Parties and the Executing Agency are agreed that a claim or liability arises from the gross negligence or wilful misconduct of the above-mentioned individuals.

Article XI. SUSPENSION OR TERMINATION OF ASSISTANCE

1. The UNDP may by written notice to the Government and to the Executing Agency concerned suspend its assistance to any project if in the judgement of the UNDP any circumstance arises which interferes with or threatens to interfere with the successful completion of the project or the accomplishment of its purposes. The UNDP may, in the same or a subsequent written notice, indicate the conditions under which it is prepared to resume its assistance to the project. Any such suspension shall continue until such time as such conditions are accepted by the Government and as the UNDP shall give written notice to the Government and the Executing Agency that it is prepared to resume its assistance.

2. If any situation referred to in paragraph 1 of this article shall continue for a period of fourteen days after notice thereof and of suspension shall have been given by the UNDP to the Government and the Executing Agency, then at any time thereafter during the continuance thereof, the UNDP may by written notice to the Government and the Executing Agency terminate its assistance to the project.

3. The provisions of this article shall be without prejudice to any other rights or remedies the UNDP may have in the circumstances, whether under general principles of law or otherwise.

Article XII. SETTLEMENT OF DISPUTES

1. Any dispute between the UNDP 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. If within thirty days of the request for arbitration either Party has not appointed an arbitrator or if within fifteen days of 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.

2. Any dispute between the Government and an operational expert arising out of or relating to the conditions of his service with the Government may be referred to the Executing Agency providing the operational expert by either the Government or the operational expert involved, and the Executing Agency concerned shall use its good offices to assist them in arriving at a settlement. If the dispute cannot be settled in accordance with the preceding sentence or by other agreed mode of settlement, the matter shall at the request of either Party be submitted to arbitration following the same provisions as are laid down in paragraph 1 of this article, except that the arbitrator not appointed by either Party or by the arbitrators of the Parties shall be appointed by the Secretary-General of the Permanent Court of Arbitration.

Article XIII. GENERAL PROVISIONS

1. This Agreement shall [enter into force upon signature, and] [be subject to ratification by the Government, and shall come into force upon receipt by UNDP of notification from the Government of its ratification. Pending such ratification, it shall be given provisional effect by the Parties. It shall] continue in force until terminated under paragraph 3 below. Upon the entry into force of this Agreement, it shall supersede existing Agreements concerning the provision of assistance to the Government out of UNDP resources and concerning the UNDP office in the country, and it shall apply to all assistance provided to the Government and to the UNDP office established in the country under the provisions of the Agreements now superseded.

2. This Agreement may be modified by written agreement between the Parties hereto. 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.

3. This Agreement may be terminated by either Party by written notice to the other and shall terminate sixty days after receipt of such notice.

4. The obligations assumed by the Parties under articles IV (concerning project information) and VIII (concerning the use of assistance) hereof shall survive the expiration or termination of this Agreement. The obligations assumed by the Government under articles IX (concerning privileges and immunities), X (concerning facilities for project execution) and XII (concerning settlement of disputes) hereof shall survive the expiration or termination of this Agreement to the extent necessary to permit orderly withdrawal of personnel, funds and property of the UNDP and of any Executing Agency, or of any persons performing services on their behalf under this Agreement.

IN WITNESS WHEREOF the undersigned, duly appointed representatives of the United Nations Development Programme and of the Government, respectively, have on behalf of the Parties signed the present Agreement in the English and languages in two copies at this day of

For the United Nations
Development Programme:

For the Government
of

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EXCHANGE OF LETTERS

I

INTER-AMERICAN DEVELOPMENT BANK
WASHINGTON, D.C.

August 18, 1978

Dear Mr. Morse:

I refer to the new Agreement for cooperation between this Bank and the United Nations Development Programme which we are signing today.

This is to confirm our understanding that the scope of the activities of the Bank under said Agreement, until we agree otherwise, shall relate to the identification and preparation of projects for investment.

Sincerely yours,

[Signed]

ANTONIO ORTIZ MENA

Mr. Bradford Morse
Administrator
United Nations Development Programme
New York

II

UNITED NATIONS
DEVELOPMENT PROGRAMME

PROGRAMME DES NATIONS UNIES
POUR LE DÉVELOPPEMENT

NEW YORK

18 September 1978

Reference: LEG 503 IADB

Dear Mr. Ortiz Mena,

I wish to acknowledge receipt of your letter of 18 August 1978 which reads as follows:

[See letter I]

I wish to inform you that the UNDP has taken note of the contents of your letter and confirms the understanding reflected in it.

Yours sincerely,

[Signed]

BRADFORD MORSE
Administrator

Mr. Antonio Ortiz Mena
President
Inter-American Development Bank
Washington, D.C.
