

No. 26357

**UNITED NATIONS DEVELOPMENT PROGRAMME
and
YUGOSLAVIA**

**Basic Agreement concerning assistance by the United Nations
Development Programme to the Government of Yugosla-
via. Signed at Belgrade on 24 March 1988**

Authentic texts: English and Serbo-Croatian.

Registered ex officio on 19 December 1988.

**PROGRAMME DES NATIONS UNIES
POUR LE DÉVELOPPEMENT
et
YOUGOSLAVIE**

**Accord de base relatif à une assistance du Programme des
Nations Unies pour le développement au Gouvernement
yougoslave. Signé à Belgrade le 24 mars 1988**

Textes authentiques : anglais et serbo-croate.

Enregistré d'office le 19 décembre 1988.

AGREEMENT¹ BETWEEN THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA 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 Federal Executive Council of the Assembly of Socialist Federal Republic of Yugoslavia (hereinafter the FEC) wishes to request assistance from the UNDP for the benefit of its people;

Now, therefore, the FEC and the UNDP (hereinafter called the Parties) have entered into this Agreement in a spirit of friendly cooperation.

Article I. SCOPE OF THIS AGREEMENT

1. This Agreement embodies the basic conditions under which the UNDP and its Executing Agencies shall assist the FEC through the competent authorities 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 and other Documents (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 FEC through the competent authority and approved by the UNDP. Such assistance shall be made available to the FEC, or to such entity as the FEC 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 FEC through the competent authority 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) Equipment and supplies not readily available in the Socialist Federal Republic of Yugoslavia (hereinafter called the country);
- (c) Seminars, training programmes, demonstration projects, expert working groups and related activities;

¹ Came into force provisionally on 24 March 1988 by signature, in accordance with article XIII (1), and definitively on 19 December 1988, i.e., upon receipt by the United Nations Development Programme of the notification from the Government of Yugoslavia of its ratification, in accordance with article XIII (1).

- (d) Scholarships and fellowships, or similar arrangements under which candidates nominated by the FEC and approved by the Executing Agency concerned may study or receive training; and
- (e) Any other form of assistance which may be agreed upon by FEC and the UNDP.

2. Requests for assistance shall be presented by the FEC 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 FEC through the competent authorities 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 FEC 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 FEC, 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 FEC through the competent authority 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 designated by the FEC. The resident representative shall maintain liaison on behalf of the Programme with the appropriate organs of the FEC; including the coordinating organ for external assistance provided for by this Agreement, and shall inform the FEC of the policies, criteria and procedures of the UNDP and other relevant programmes of the United Nations. He shall assist the FEC through the competent authorities, 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 coordination of all assistance rendered by the UNDP through various Executing Agencies or its own consultants, assist the FEC through the competent authority as may be required, in coordinating 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 FEC through the competent authority 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 PROJECT

1. The FEC, through the competent authorities, 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 participation of the FEC or the relevant organizations in such projects through assistance to the FEC or relevant organizations in Yugoslavia in pursuance of this Agreement and the Work Plans forming part of such Project Documents, and through assistance to the FEC, through the competent authority, in fulfilling its intent with respect to investment follow-up. The FEC shall inform UNDP of the Cooperating Agency directly responsible for the FEC's participation in each UNDP-assisted project. Without prejudice to the FEC'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 FEC or to an entity designated by the FEC.

2. Compliance by the FEC 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 FEC, through the competent authority, and an Executing Agency concerning the execution of a UNDP-assisted project 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 FEC or the competent organ for cooperation 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 Yugoslav 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 and consultants shall act in close consultation with the FEC and with persons or bodies designated by the FEC, and shall comply with such instructions from the FEC 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 FEC.

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 FEC and the UNDP, to the FEC 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 FEC 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 FEC shall through the competent Cooperating Agency furnish the UNDP with such relevant reports, maps, accounts, records, statements, documents and other information as UNDP may request concerning any UNDP-assisted project, its execution or its continued feasibility and soundness, or concerning the compliance by the FEC or the competent organization with its responsibilities under this Agreement or Project Documents.

2. The UNDP undertakes that the FEC 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 FEC shall, through the competent authority, 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 FEC is required to provide to the UNDP under this Article shall be made available by the FEC through the competent authority 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 FEC has requested the UNDP in writing to restrict the release of information relating to such project.

Article V. PARTICIPATION AND CONTRIBUTION OF THE FEDERAL EXECUTIVE COUNCIL IN EXECUTION OF PROJECT

1. In fulfillment of the FEC's responsibility to participate and cooperate 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;
- (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 FEC or the relevant organization 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 FEC through the organization responsible for the realization of the project 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 organization designated by the FEC for the execution of the project 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 contribution of the FEC or the organization designated by the FEC for the execution of the project and any sums payable by the organization in question 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 FEC shall as appropriate through the competent authority 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 FEC or the organization designated for the execution of the project shall assist the UNDP 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 FEC or the organization designated to execute the project 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) Assistance in finding suitable housing accommodation for international experts.

3. The FEC shall through the competent authority 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.

4. The FEC, through the competent authority, shall have the option of providing in kind the facilities referred to in paragraph 3 above, with the exception of items (b) and (e).

5. Monies payable under the provisions of this Article, other than under paragraph 2, shall be paid by the FEC through the designated Cooperating Agency 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 coordination and utilization of assistance received by the FEC from all sources. The obligations of the FEC 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 FEC shall through the competent authority 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 FEC shall through the competent authority take such steps to this end as are specified in the Project Document.

Article IX. PRIVILEGES AND IMMUNITIES

1. The FEC shall through the competent authority grant 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 privileges and immunities provided in the Convention on the Privileges and Immunities of the United Nations.¹

2. The FEC shall through the competent authority grant to each Specialized Agency acting as an Executing Agency, its property, funds and assets, and to its officials, the privileges and immunities provided in the Convention on the Privileges

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

and Immunities of the Specialized Agencies,¹ 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 FEC shall grant to the IAEA, its property, funds and assets, and to its officials and experts, the privileges and immunities provided in the Agreement on the Privileges and Immunities of the IAEA.²

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 FEC shall grant through the competent authority all persons, accepted to work on the project other than Government nationals employed locally, performing services on behalf of the UNDP, Specialized Agency or the IAEA who are not covered by paragraphs 1 and 2 above such privileges and immunities, as may be necessary for the effective exercise of their functions, in the light of Sections 18, 19 or 18 respectively of the Convention 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 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.

Article X. FACILITIES FOR EXECUTION OF UNDP ASSISTANCE

1. The FEC shall take measures through the competent authority so that regulations or other legal provisions will be applied to UNDP, its Executing Agencies, their experts and other persons performing services on their behalf, in such manner as to facilitate operations under this Agreement. The FEC shall also make such other

¹ United Nations, *Treaty Series*, 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; vol. 645, p. 340; vol. 1057, p. 320, and vol. 1060, p. 337.

² *Ibid.*, vol. 374, p. 147.

provisions 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. The FEC shall through the competent authority 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 upon prior consultation with the FEC through the competent authority by written notice to the FEC and to the Executing Agency concerned suspend its assistance to any project if in the judgment 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 FEC and as the UNDP shall give written notice to the FEC 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 FEC or the cooperating agency and the Executing Agency, then at any time thereafter during the continuance thereof, the UNDP may by written notice to the FEC, through the competent authority, 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 FEC 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.

Article XIII. GENERAL PROVISIONS

1. This Agreement shall come into force upon receipt by UNDP of notification from the Socialist Federal Republic of Yugoslavia of its ratification in accordance with constitutional provisions. Pending such ratification, it shall be given provisional effect by the Parties upon signature. 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 FEC out of UNDP resources and concerning the UNDP office in the country,¹ and it shall apply to all assistance provided to the FEC 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 Article 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 FEC 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.

¹ See "Special Agreement between the United Nations, the International Labour Organisation, the Food and Agriculture Organization of the United Nations, the United Nations Educational, Scientific and Cultural Organization, the International Civil Aviation Organization and the World Health Organization and the Government of the Federal People's Republic of Yugoslavia concerning technical assistance", United Nations, *Treaty Series*, vol. 173, p. 2; "Revised Standard Agreement between the United Nations, the International Labour Organisation, the Food and Agriculture Organization of the United Nations, the United Nations Educational, Scientific and Cultural Organization, the International Civil Aviation Organization, the World Health Organization, the World Meteorological Organization, the International Telecommunication Union and the Government of the Federal People's Republic of Yugoslavia concerning Technical Assistance", United Nations, *Treaty Series*, vol. 253, p. 12; and "Agreement between the Government of the Federal People's Republic of Yugoslavia and the United Nations Special Fund concerning assistance from the Special Fund", United Nations, *Treaty Series*, vol. 344, p. 159.

IN WITNESS WHEREOF the undersigned, duly appointed representatives of the United Nations Development Programme and of the Federal Executive Council, respectively, have on behalf of the Parties signed the present Agreement in the English and Serbo-Croatian languages in two copies at Belgrade this 24 day of March 1988.

For the United Nations
Development Programme:

[Signed]

MR. ROLAND REIFENRATH
Resident Representative
of the United Nations Development
Programme in Yugoslavia

For the Federal Executive Council
of the Socialist Federal Republic
of Yugoslavia:

[Signed]

DR. MARIJAN STRBAŠIĆ
Director
Federal Administration
for International Scientific,
Educational-Cultural and Technical
Cooperation
