

No. 30292

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**UNITED NATIONS  
(UNITED NATIONS DEVELOPMENT PROGRAMME)  
and  
DENMARK**

**Trust Fund Agreement for contribution to the UNDP general trust fund for assistance to the Republic of Mozambique on the demobilization programme. Signed at New York on 25 January 1993 and at Copenhagen on 22 February 1993**

*Authentic text: English.*

*Registered by the United States of America on 28 September 1993.*

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

**Accord relatif à un fonds d'affectation spéciale à titre de contribution au fonds général d'affectation du PNUD pour aider la République du Mozambique à réaliser son programme de démobilisation. Signé à New York le 25 janvier 1993 et à Copenhague le 22 février 1993**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 28 septembre 1993.*

TRUST FUND AGREEMENT<sup>1</sup> FOR CONTRIBUTION TO THE UNDP  
GENERAL TRUST FUND FOR ASSISTANCE TO THE RE-  
PUBLIC OF MOZAMBIQUE ON THE DEMOBILIZATION PRO-  
GRAMME BETWEEN THE UNITED NATIONS DEVELOPMENT  
PROGRAMME AND THE DANISH INTERNATIONAL DEVEL-  
OPMENT AGENCY (DANIDA)

WHEREAS the United Nations Development Programme (hereinafter referred to as the "UNDP") and the Government of the Republic of Mozambique have agreed to cooperate in the implementation of a project in Mozambique (hereinafter referred to as "the Project") which Project is summarized in Attachment A to this Agreement and is more fully described in a Project Document "Support to the Mozambican Demobilization Programme";<sup>2</sup>

WHEREAS the Danish International Development Agency (DANIDA) (hereinafter referred to as "the Donor") has informed the UNDP of its willingness to contribute funds (hereinafter referred to as "the contribution") to the UNDP for the Project on the basis of the aforementioned Project Document;

WHEREAS the UNDP is prepared, through a trust fund established by the Administrator under its financial regulations and rules, to receive and administer the contribution;

WHEREAS the Government of Mozambique has been duly informed of the contribution of the Donor to the Project and of the establishment of this trust fund;

WHEREAS the Government of Mozambique has been designated the Executing Agency for the Project (hereinafter referred to as the Executing Agency);

NOW THEREFORE, the UNDP and the Donor hereby agree as follows:

Article I

1. The UNDP shall establish a trust fund under the financial regulations and rules of the UNDP for the receipt and administration of the contribution.
2. The Donor shall, upon signature of the trust fund place at the disposal of the UNDP the contribution in the amount of three million Danish Kroners (3,000,000 Dkr.) the equivalent of which will be deposited into the UNDP Contributions Account No. 015-002284, Chemical Bank, United Nations Branch, New York, NY 10017.
3. The total Danish contribution to the trust fund including administrative fee shall not exceed Danish Kroner 3 million.
4. The above payments takes into account the requirement that contributions shall be paid in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.

<sup>1</sup> Came into force on 16 March 1993 upon deposit by the Danish International Development Agency of the first contribution-payment specified in article I (2), in accordance with article X.

<sup>2</sup> Not registered.

5. All financial accounts and statements shall be expressed in United States dollars.

6. The UNDP may agree to accept contribution-payments in a currency other than United States dollars provided such currency is fully-convertible or readily usable by UNDP and subject to the provisions of paragraph 6 below. Any change in the currency of contribution-payments shall be made only in agreement with the UNDP.

7. The value of a contribution-payment, if made in other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the contribution-payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, the UNDP shall inform the Donor with a view to determining whether any further financing could be provided by the Donor. Should such further financing not be available, the assistance to be provided pursuant to this Agreement may be reduced, suspended or terminated by the UNDP.

#### Article II

1. The trust fund shall be utilized by the UNDP for the purpose of meeting the costs of the Project as set out in the Project Document, as well as the costs of support services relating thereto as specified in the following paragraph.

2. The trust fund shall be charged with an amount equivalent to 3 per cent of all project expenditures made from the trust fund, which amount shall, in accordance with UNDP regulations, rules and directives, be utilized by the UNDP in reimbursement for support services provided by the Executing Agency and any other support services required.

3. The abovementioned 3 per cent administrative fee could be deducted from any interest derived from the contribution to the trust fund before reimbursement hereof to DANIDA.

4. Any balance of interest income derived from the contribution to the trust fund shall be reimbursed to DANIDA, Ministry of Foreign Affairs, Copenhagen.

#### Article III

1. The trust fund shall be administered by the UNDP in accordance with UNDP regulations, rules and directives, applying its normal procedures for the execution of its projects.

2. Project management and expenditures shall be governed by the regulations, rules and directives of the UNDP and, where applicable, the regulations, rules and directives of the Executing Agency.

#### Article IV

1. The implementation of the responsibilities of the UNDP and of the Executing Agency pursuant to this Agreement and the project document shall be dependent on receipt by the UNDP of the contribution in accordance with Article I, paragraph 2 above.

2. The aggregate of the amounts budgeted for the Project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available under this Agreement.

3. If unforeseen increases in expenditures or commitments are expected or realized (whether due to inflationary factors, fluctuation in exchange rates or unforeseen contingencies) the UNDP shall submit to the Donor on a timely basis a supplementary estimate showing the further financing that will be necessary. The Donor shall use its best endeavours to obtain the additional funds required.

4. If the contribution-payments referred to in Article I, paragraph 2 above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 3 above is not forthcoming from the Donor or other sources, the assistance to be provided pursuant to this Agreement may be reduced, suspended or terminated by the UNDP.

#### Article V

Ownership of equipment, supplies and other property financed from the contribution shall vest in the UNDP. Matters relating to the transfer of ownership by the UNDP shall be determined in accordance with the relevant policies and procedures of the UNDP.

#### Article VI

The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of the UNDP.

#### Article VII

The UNDP shall provide the Donor on request with the following reports prepared in accordance with UNDP accounting and reporting procedures:

- (a) periodic progress reports;
- (b) an annual report which will provide information on receipts and expenditure during the previous year;
- (c) a final report within six months after the date of completion or termination of each project.

#### Article VIII

The UNDP shall notify the Donor when all activities relating to the purposes for which the trust fund was established have been completed.

Article IX

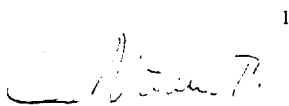
1. After consultations have taken place between the Donor, the UNDP and the recipient Government, and provided that the contribution-payments already received are sufficient to meet all commitments and liabilities incurred in the implementation of the Project, this Agreement may be terminated by the UNDP or by the Donor. The Agreement shall cease to be in force thirty days after either of the Parties may have given notice in writing to the other Party of its decision to terminate the Agreement.
2. If the unutilized contribution-payments are insufficient to meet such commitments and liabilities, the UNDP shall notify the Donor and consult with the Donor on the manner in which such commitments and liabilities may be satisfied.
3. Notwithstanding the completion of the project/termination of this Agreement, the UNDP shall continue to hold unutilized contribution-payments until all commitments and liabilities incurred in implementation of the Project have been satisfied and project activities brought to an orderly conclusion.
4. Any contribution-payments that remain unexpended after such commitments and liabilities have been satisfied shall be reimbursed to DANIDA.

Article X

This Agreement shall enter into force upon signature and deposit by the Donor of the first contribution-payment to be made in accordance with the schedule of payments set out in Article I, paragraph 2 of this Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

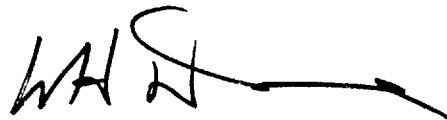
For the Donor:

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Ministry of Foreign Affairs  
DANIDA

*Date: 22.2.1993*

For the United Nations  
Development Programme:



WILLIAM H. DRAPER III  
Administrator

*25 January 1993*

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<sup>1</sup> Carsten Nilaus Pedersen.