

No. 33655

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**UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION  
and  
ITALY**

**Agreement concerning the institutional arrangements for the  
International Centre for Science and High Technology.  
Signed at Vienna on 9 November 1993**

*Authentic text: English.*

*Registered by the United Nations Industrial Development Organization on  
10 April 1997.*

**Exchange of letters constituting an agreement on certain  
financial arrangements in connection with the above-  
mentioned Agreement. Vienna, 9 November 1993**

*Authentic text: English.*

*Registered by the United Nations Industrial Development Organization on  
10 April 1997.*

**Exchange of letters constituting an agreement amending the  
above-mentioned Agreement. Rome, 11 May 1995 and  
Vienna, 16 May 1995**

*Authentic text: English.*

*Registered by the United Nations Industrial Development Organization on  
10 April 1997.*

AGREEMENT<sup>1</sup> BETWEEN THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION AND THE GOVERNMENT OF ITALY CONCERNING THE INSTITUTIONAL ARRANGEMENTS FOR THE INTERNATIONAL CENTRE FOR SCIENCE AND HIGH TECHNOLOGY

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WHEREAS Article 2 (j) of the Constitution of the United Nations Industrial Development Organization<sup>2</sup> (hereinafter referred to as "UNIDO") provides that UNIDO shall promote, encourage and assist in the development, selection, adaptation, transfer and use of industrial technology, with due regard for the socio-economic conditions and the specific requirements of the industry concerned, with special reference to the transfer of technology from the industrialized to the developing countries as well as among the developing countries themselves;

WHEREAS the General Conference of UNIDO took note by GC.4/Res.14 that an international centre for science and high technology will be established as described in document GC.4/39 of the General Conference;

WHEREAS the Government of Italy (hereinafter referred to as "the Government") has welcomed the establishment of the International Centre for Science and High Technology (hereinafter referred to as "ICS") and has declared its readiness to provide UNIDO with financial, logistical and other support, including the necessary premises, for ICS;

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<sup>1</sup> Came into force on 30 April 1996 by notification, in accordance with article X.

<sup>2</sup> United Nations, *Treaty Series*, vol. 1401, p. 3.

WHEREAS the objective of ICS is to develop and strengthen the scientific and technological capabilities of developing countries in the creation and application of scientific knowledge;

WHEREAS the paucity of research capacities in developing countries can be overcome by providing scientists from developing countries with training and access to state-of-the-art equipment and facilities relevant to the development of science-based industry;

WHEREAS the beneficiaries of the activities of ICS will be scientists from developing countries and, through them, the technologists and industrialists in such countries;

WHEREAS it is expected that contributions from further donors interested in the activities of ICS will be received;

NOW THEREFORE the Government and UNIDO hereby agree as follows:

## ARTICLE I

### Legal Status

1. The International Centre for Science and High Technology is established within the legal framework of UNIDO as a scientific institution with autonomy as defined in the present Agreement.

2. The ICS will comprise three institutes:
- (a) The International Institute for Pure and Applied Chemistry;
  - (b) The International Institute for Earth, Environmental and Marine Sciences and Technologies, and
  - (c) The International Institute for High Technology and New Materials.
3. The headquarters of ICS, including facilities for the three institutes referred to in paragraph 2 above, will be located in Trieste, Italy, and facilities for the International Institute for Earth, Environmental and Marine Sciences and Technologies will also be established in Venice.

## ARTICLE II

### Objectives

The objectives of ICS will be the following:

- a) to further, for the benefit of developing countries, the utilization of applied science for peaceful aims, and the development of science-based technologies;
- b) to promote and stimulate high-level research with a direct involvement of developing countries' scientists, and

- c) to provide conditions and structures for the professional promotion of scientists and technicians of developing countries.

### ARTICLE III

#### Functions

To fulfill the objectives mentioned in Article II, ICS will carry out the following main functions: long-term and short-term training; research; conduct of workshops and scientific meetings; operation of a scheme of visiting scientists and associates; advisory services, cooperation with industry, cooperation with and affiliation of relevant national institutions, transfer of technologies.

### ARTICLE IV

#### Activities

The three institutes will carry out activities selected from one or more of the following subject areas:

- (a) The International Institute for Pure and Applied Chemistry: macromolecules, catalysis, reactivity, computer chemistry, synthesis, fine pharmaceuticals and interfacial phenomena.
- (b) The International Institute for Earth, Environmental and Marine Sciences and Technologies: recent advances in geophysics prospecting, earthquake prediction and

engineering, atmosphere and oceans, environmental aspects of climate, water pollution and marine research, including marine biotechnology and activities connected with mining, offshore engineering and coastal management.

- (c) The International Institute for High Technology and New Materials: computer science and microelectronics, lasers, fibre optics, communication physics, superconductivity, semiconductors, composite materials and energy conversion.

#### ARTICLE V

##### Financial Arrangements

1. To finance the activities of ICS, the Government agrees to pay for the first year a minimum sum of seven (7) billion Italian Lire to UNIDO as a special purpose contribution to the Industrial Development Fund. The level of the contribution shall be reviewed, every year, on the basis of the recommendations of the Steering Committee. At the beginning of each calendar year UNIDO shall write to the Government requesting the payment of the aforesaid amount and submitting all the relevant documentation and information.

2. UNIDO shall credit the contributions of the Government to a sub-account of the Industrial Development Fund, which is to be created for this purpose. Interest accruing thereon shall also be credited to this account.

The amounts credited to the account shall be utilized by UNIDO in conformity with the budget and this Agreement.

3. The Government may make further contributions to fulfill the initial needs of ICS. Other Governments as well as public and private bodies may participate in ICS funding.

4. The account shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules and directives of UNIDO.

5. UNIDO shall provide the Government with the following statements and reports in the format normally followed by UNIDO for official accounting and financial reporting:

- a) An annual financial statement showing income, expenditures, assets and liabilities as of 31 December of each year with respect to the funds provided by the Government;
- b) a final financial statement within six months of termination of the present Agreement.

In accordance with UNIDO's Financial Regulations and Rules the above financial statements will be expressed in United States dollars using the appropriate United Nations operational rate of exchange.

6. In the event of termination of this Agreement any balance of the funds in the account shall continue to be held by UNIDO until all expenditures incurred by UNIDO have been satisfied from such funds.

7. ICS shall be financed exclusively from voluntary contributions to be made to UNIDO for the purpose of ICS. Administrative and support costs incurred by UNIDO for the activities of ICS, referred to in Articles III and IV of the present Agreement, shall be reimbursed to UNIDO and charged to the account at a rate of five (5) per cent of all expenditures incurred on those activities. With the agreement of the Managing Director and after informing the Steering Committee, the account may also be charged with any unforeseen and identifiable administrative and support costs incurred by UNIDO and not provided for in the programme budget.

## ARTICLE VI

### Organization and Administration

The organization and the administration of ICS shall, under the authority of the Director-General of UNIDO, comprise the following organs: the Rector, the Managing Director and the ICS Secretariat, the Steering Committee and the International Scientific Committee.

1. The Rector of ICS shall be nominated by the Director-General of UNIDO after consultation with the Steering Committee, shall supervise all the scientific activity of ICS and shall be the President of the International Scientific Committee.

2. On the basis of a list of candidates submitted by the Steering Committee, the Managing Director of ICS shall be appointed by the Director-General of UNIDO, under whose authority he shall operate and shall be in charge of and



bear responsibility for the administration and management of ICS.

3. The Steering Committee will be composed, during the first application of the present statute, of two representatives of the Government, one of which will be a scientist, a representative of UNIDO and a representative of developing countries selected on the proposal of the Director-General on a rotating basis. Subsequently, on the proposal of the Director-General, the Committee shall coopt other members representing major donors. The Steering Committee will be convened for the first meeting by the Director-General and will establish rules of procedure for its own functioning, to be submitted for approval to the Director-General.

4. The International Scientific Committee shall reflect the relevant scientific disciplines and include an adequate number of qualified scientists and technologists from developing countries and from the host country. The composition of the Committee will be decided by the Director-General of UNIDO, taking into consideration the proposals of the Steering Committee, the Managing Director and the Rector. The Director-General of UNIDO or his representative will be entitled to participate in the work of the Committee. The Committee will be convened at least once a year. The Committee will review the programme and budget of ICS from the scientific point of view and will make comments and recommendations thereon.

5. The ICS Secretariat will service the Steering Committee and the International Scientific Committee. The Director-General of UNIDO shall, in accordance with the applicable Staff Regulations and Rules of UNIDO, appoint

the staff of the ICS Secretariat which initially will be composed of no more than 8 staff recruited internationally and of no more than 14 staff recruited locally. Thereafter, the Steering Committee will consider, when reviewing and adopting the programme and budget, the need for additional staff, as necessary.

## ARTICLE VII

### Programme and Budget

The programme and budget of ICS will be drawn up by the Managing Director, after consultation with the Rector and after having considered the recommendations of the International Scientific Committee. The programme and budget are then presented to the Steering Committee for review and adoption prior to their submission to the Director-General of UNIDO for his approval. The Director-General of UNIDO may require the Steering Committee to modify the programme and budget. The programme shall be for a five-year period and will be extended biennially according to the financial cycle of UNIDO with effect from the beginning of the calendar year. Payments will be made on a yearly basis.

## ARTICLE VIII

### Settlement of Disputes

Any dispute arising out of the interpretation or application of this Agreement, that is not settled by negotiation or as may otherwise be agreed, may at the request of either Party be submitted to an arbitral

tribunal for decision. The Director-General of UNIDO and the Government shall each designate one arbitrator, and the two arbitrators so designated shall elect a third, who shall be the chairman of the tribunal. If within thirty days of the request for arbitration, either Party has not designated an arbitrator, either Party may request the President of the International Court of Justice to appoint an arbitrator. The same procedure shall apply if within thirty days of the designation or appointment of the second arbitrator the third arbitrator has not been elected. A majority of the members of the arbitral tribunal shall constitute a quorum, and decisions shall be made by majority vote. The arbitral procedure shall be established by the tribunal, whose decisions, including all rulings concerning its constitution, procedure, jurisdiction and the division of the expenses of arbitration between the Parties, shall be binding on all parties to the dispute. The remuneration of the arbitrators shall be determined on the same basis as that of ad hoc judges of the International Court of Justice under Article 32(4) of its Statute.

## ARTICLE IX

### Supplemental Agreements

The Parties may enter into such supplemental agreements or arrangements as may be necessary and appropriate.

## ARTICLE X

### Entry into Force, Duration and Modifications

1. This Agreement and the related Agreement between the United Nations Industrial Development Organization and the Government of Italy concerning the Establishment of the Seat of the International Centre for Science and High Technology shall enter into force simultaneously and when the Parties inform each other by a written notification that all the necessary internal measures have been completed.
2. Consultations with regard to modifications of this Agreement shall be entered into at the request of UNIDO or the Government.
3. The present Agreement shall be concluded for an indefinite period on the understanding, however, that each Party shall have the right to terminate it upon giving twenty-four (24) months' notice in writing to the other Party. Upon termination of the present Agreement, the Agreement referred to in paragraph 1 above shall be suspended.
4. This Agreement shall cease to be in force:
  - (a) by mutual consent of UNIDO and the Government, and
  - (b) if ICS is transferred from the territory of Italy.

Done at *Vienna*, this *9* day of *November* 19*93*  
in duplicate in English.

For the United Nations  
Industrial Development Organization:



MAURICIO DE MARÍA Y CAMPOS  
Director-General

For the Government  
of Italy:



CORRADO TALIANI  
Ambassador  
Permanent Representative  
of Italy to UNIDO

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT<sup>1</sup> ON  
CERTAIN FINANCIAL ARRANGEMENTS IN CONNECTION  
WITH THE AGREEMENT OF 9 NOVEMBER 1993 BETWEEN  
THE UNITED NATIONS INDUSTRIAL DEVELOPMENT  
ORGANIZATION AND ITALY CONCERNING THE INSTITU-  
TIONAL ARRANGEMENTS FOR THE INTERNATIONAL CEN-  
TRE FOR SCIENCE AND HIGH TECHNOLOGY

I

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION  
VIENNA INTERNATIONAL CENTRE  
VIENNA, AUSTRIA

Vienna, 9 November 1993

Sir,

I have the honour to refer to the Agreement between UNIDO and the Government of Italy concerning the Institutional Arrangements for the International Centre for Science and High Technology<sup>2</sup> (ICS), which we have signed today.

In particular, I would like to refer to Article V of the agreement entitled "Financial Arrangements" and to our consultations in this connection.

Accordingly, I have the honour to propose that your Government and UNIDO agree on the following additional points:

- 1) the costs of two and one half general service posts at UNIDO's Headquarters shall be charged to the project;
- 2) the present Exchange of Letters shall constitute an integral part of the Agreement between UNIDO and the Government of Italy concerning the Institutional Arrangements for the International Centre for Science and High Technology (ICS).

<sup>1</sup> Came into force on 30 April 1996, in accordance with the provisions of the said letters.

<sup>2</sup> See p. 136 of this volume.

If the foregoing proposals are acceptable to your Government, I further have the honour to propose that this letter and your letter of confirmation on behalf of the Government of Italy shall constitute an agreement, which shall come into effect on the date of entry into force of the Agreement on the Institutional Arrangements for the International Centre for Science and High Technology.

Accept, Sir, the assurances of my highest consideration.



MAURICIO DE MARÍA Y CAMPOS  
Director-General

His Excellency  
Mr. Corrado Taliani  
Ambassador  
Permanent Representative  
of Italy to UNIDO  
Vienna  
Austria

## II

PERMANENT MISSION OF ITALY  
TO THE INTERNATIONAL ORGANIZATIONS IN VIENNA

Vienna, 9th November 1993

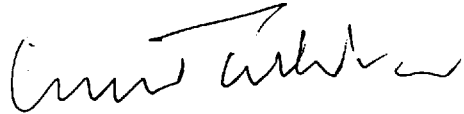
Sir,

I have the honour to acknowledge the receipt of your letter dated 9 November 1993, which reads as follows:

[See letter I]

I also have the honour to accept the foregoing proposals and to confirm that your letter and this reply shall be regarded as constituting an agreement between the Government of Italy and UNIDO.

Accept, Sir, the assurances of my highest consideration.



CORRADO TALIANI  
Permanent Representative of Italy to UNIDO

His Excellency  
Mr. Mauricio de María y Campos  
Director general  
UNIDO  
Vienna



EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT<sup>1</sup>  
AMENDING THE AGREEMENT OF 9 NOVEMBER 1993 BE-  
TWEEN THE UNITED NATIONS INDUSTRIAL DEVELOP-  
MENT ORGANIZATION AND ITALY ON CERTAIN FINANCIAL  
ARRANGEMENTS

I

IL SOTTOSEGRETARIO DI STATO<sup>2</sup> PER GLI AFFARI ESTERI

Mr. Director General,

Whereas the ratification of the Agreement between the Government of Italy (Hereinafter referred to as "the Government") and the United Nations Industrial Development Organization (hereinafter referred to as "UNIDO") Concerning the Institutional Arrangements for the International Centre for Science and High Technology, signed in Vienna on the 9th day of November 1993,<sup>2</sup> has been authorized by the Italian Parliament by Law n.51 of 15 February 1995;

Whereas the Government and UNIDO are determined to conclude as soon as possible the supplemental Agreement Concerning the Establishment of the Seat of the International Centre for Science and High Technology;

Whereas paragraph 2 of Article X of the Agreement between the Government and UNIDO Concerning the Institutional Arrangements for the International Centre for Science and High Technology reads as follows: "Consultations with regard to modifications of this Agreement shall be entered into at the request of UNIDO or the Government";

Now Therefore the Government and UNIDO hereby agree to amend paragraph 1 of Article X of the Agreement between the Government and UNIDO Concerning the Institutional Arrangements for the International Centre for Science and High Technology as follows:

"This Agreement shall enter into force when the Parties inform each other by a written notification that all the necessary internal measures have been completed".

<sup>1</sup> Came into force on 30 April 1996, in accordance with the provisions of the said letters.

<sup>2</sup> Under-Secretary of State for Foreign Affairs — Sous-Secrétaire d'Etat pour les affaires étrangères.

If you agree, Mr. Director General, the present note and your answer will constitute an amendment to the Agreement between the Government of Italy and the United Nations Industrial Development Organization Concerning the Amendment of Article X of the Agreement on the Institutional Arrangements for the International Centre for Science and Wigh Technology Which will enter into force after the fulfilment of the Italian internal procedures.

Please accept, dear Director General, the assurances of my highest consideration.

A handwritten signature in black ink, appearing to read "Walter Gardini". The signature is fluid and cursive, with a small superscript "1" to its upper right.

Roma, 11 maggio 1995<sup>2</sup>

Mr. Mauricio de María y Campos  
Director General  
UNIDO  
Vienna

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<sup>1</sup> Walter Gardini.

<sup>2</sup> Rome, 11 May 1995 — Rome, 11 mai 1995.

## II

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION  
VIENNA INTERNATIONAL CENTRE  
VIENNA, AUSTRIA  
UNIDO VIENNA

Vienna, 16 May 1995

Sir,

I have the honour to refer to your letter dated 11 May 1995 which reads as follows:

*[See letter I]*

I have the honour to confirm that the letter mentioned above and this letter will constitute an agreement between UNIDO and the Government of Italy.

Please accept, Sir, the assurances of my highest consideration.



MAURICIO DE MARÍA Y CAMPOS  
Director-General

His Excellency  
Mr. Walter Gardini  
Under-Secretary of State  
Ministry of Foreign Affairs  
Roma

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