

No. 640

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

**Agreement concerning the execution of projects of the
Special Fund component of the United Nations Develop-
ment Programme (with appendix). Signed at New York,
on 16 July 1968**

Official text: English.

Filed and recorded by the Secretariat on 16 July 1968.

**PROGRAMME DES NATIONS UNIES
POUR LE DÉVELOPPEMENT (FONDS SPÉCIAL)
et
BANQUE INTERAMERICAINE DE DÉVELOPPEMENT**

**Accord relatif à l'exécution de projets du Fonds spécial du
Programme des Nations Unies pour le développement
(avec appendice). Signé à New York, le 16 juillet 1968**

Texte officiel anglais.

Classé et inscrit au répertoire par le Secrétariat le 16 juillet 1968.

No. 640. AGREEMENT¹ BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME AND THE INTER-AMERICAN DEVELOPMENT BANK CONCERNING THE EXECUTION OF PROJECTS OF THE SPECIAL FUND COMPONENT OF THE UNITED NATIONS DEVELOPMENT PROGRAMME. SIGNED AT NEW YORK, ON 16 JULY 1968

WHEREAS the United Nations Development Programme (hereinafter referred to as the UNDP), on the basis of resolutions 1240 (XIII)² and 2029 (XX)³ of the General Assembly, has agreed to provide certain Governments with assistance out of its Special Fund component in carrying out projects for the purpose of promoting social progress and better standards of life and advancing the economic, social and technical development of peoples;

WHEREAS the Administrator of the UNDP desires to obtain the services of the Inter-American Development Bank (hereinafter referred to as the Executing Agency) to execute certain projects;

WHEREAS the Executing Agency has agreed to co-operate with the UNDP on this basis;

NOW THEREFORE the Administrator of the UNDP (hereinafter referred to as the Administrator) and the Executing Agency have agreed as follows :

Article I

PERFORMANCE OF WORK BY EXECUTING AGENCY

1. This Agreement shall govern the relationship between the UNDP and the Executing Agency in the carrying out of any project assisted by the Special Fund component of the UNDP assigned by the UNDP to the Executing Agency and which the Executing Agency has agreed to undertake (hereinafter referred to as the "Project").
2. The Executing Agency agrees to carry out each Project in accordance with a Plan of Operation agreed upon by the UNDP, each Government concerned

¹ Came into force on 16 July 1968, upon signature, in accordance with article XII.

² United Nations, *Official Records of the General Assembly, Thirteenth Session, Supplement No. 18* (A/4090), p. 11.

³ United Nations, *Official Records of the General Assembly, Twentieth Session, Supplement No. 14* (A/6014), p. 20.

with such Project, and the Executing Agency. The terms of this Agreement shall apply to each Plan of Operation.

3. The Executing Agency shall commence execution of each Project as soon as practicable after receipt of written authorization to do so from the Administrator.

4. If the Administrator, after consultation with the Executing Agency, considers it necessary to suspend the execution of the Project, written notification shall be given to the parties to the Plan of Operation and pursuant to the procedure established in such Plan of Operation, further operation shall be suspended, after which discussion will be entered upon as to future action.

5. The Executing Agency, after consultation with the Administrator, and pursuant to the procedures established by the Plan of Operation for a Project, may terminate its participation in such Plan of Operation or withdraw as the Executing Agency for the Project, if it considers it necessary to do so.

Article II

CONCLUSION OF AGREEMENTS WITH GOVERNMENTS

1. The UNDP will enter into an agreement with each Government at whose request a Project is undertaken by the Executing Agency in terms substantially similar to those set forth in the Appendix to this Agreement. Any substantial variation of these terms directly affecting the Executing Agency will be applicable to it only with its concurrence.

2. The Executing Agency may enter into an agreement with a Government consistent with the terms hereof concerning the execution of a Project. Any such agreement shall be subject to provisions of the Agreement referred to in the preceding paragraph and such arrangements shall require the prior concurrence of the Administrator. This requirement of prior concurrence shall not apply to arrangements of an administrative nature made by the Executing Agency in the ordinary course of executing a Project.

Article III

EXECUTING AGENCY'S STATUS IN CARRYING OUT PROJECTS

The Executing Agency shall have the status vis-à-vis the UNDP of an independent contractor, and its personnel shall not be considered as staff members or agents of the UNDP. Without restricting the generality of the preceding sentence, the UNDP shall not be liable for the acts or omissions of the Executing Agency or of persons performing services on behalf of the Executing Agency. The Executing Agency shall not be liable for the acts or omissions of the UNDP or of persons performing services on behalf of the UNDP.

Article IV

INFORMATION REGARDING PROJECTS

1. The Administrator and the Government shall have the right to observe at any time the progress of any Project carried out by the Executing Agency under this Agreement, and the Executing Agency shall afford full facilities to the Administrator and the Government for this purpose.
2. The Administrator shall have the right to be furnished with such written information on any Project as he may require, including supporting documentation of the kind mentioned in Article VII below.
3. The Administrator shall supply to the Executing Agency all appropriate information becoming available to him in connection with any operations carried out by the Executing Agency under this Agreement.

Article V

COSTS OF PROJECTS

1. The Executing Agency agrees to perform, without charge to the UNDP, such part of each Project as it may be in a position to undertake without any clearly identifiable additional expense to itself.
2. Each Plan of Operation shall include :
 - (a) a Project budget in which operations shall be shown chronologically in stages, with estimates of anticipated obligations and cash disbursements shown separately for each stage;
 - (b) if required, a budget of other expenses necessarily and reasonably estimated to be incurred by the Executing Agency in the execution of the Project in an amount to be mutually agreed by the UNDP and the Executing Agency after taking account of such facilities as the Executing Agency may be in a position to provide without charge.
3. The estimates to be included in the budgets referred to in the preceding paragraph shall cover all the cash expenditures to be made by the Executing Agency in the execution of the Project.

Article VI

MANNER OF PAYMENT

1. The Administrator shall notify the Executing Agency of earmarkings within the budgetary authorizations included in the Plan of Operation. Such earmarkings shall constitute the financial authority for the Executing Agency to incur obligations and expenditures in respect of a Project in accordance with the Plan of Operations and the budgetary provisions contained therein.

2. In making the earmarkings, the Administrator shall take account of the operational stages specified in the Plan of Operation and the extent to which the Plan of Operation requires the incurring of obligations going beyond any particular operational stage.
3. The earmarkings made by the Administrator shall, so far as the Executing Agency is concerned, not be related to any particular category of income received by the UNDP.
4. The Administrator shall arrange for cash remittances to the Executing Agency as required by the Executing Agency for the purpose of covering cash disbursements arising out of obligations incurred within the limit of earmarkings notified by the Administrator.
5. The accounts of a Project shall be closed as soon as practicable, but normally within twelve months after the completion of the programme of work set out in the Plan of Operation, and earmarkings not utilized shall then lapse. In agreement with the Administrator, provision shall be made for unliquidated obligations valid at the closing of the accounts.

Article VII

RECORDS, ACCOUNTS AND VOUCHERS

1. The Executing Agency shall maintain accounts, records and supporting documentation relating to operations under this Agreement in accordance with its financial regulations and rules, insofar as applicable.
2. The Executing Agency shall furnish to the UNDP periodical reports on the financial situation of the operations at such times and in such form as may be agreed by the Administrator and the appropriate official of the Executing Agency.
3. The External Auditor of the Executing Agency shall examine and report upon the Executing Agency's accounts and records relating to operations under this Agreement, and the Executing Agency shall authorize the auditing firm to make such information available to the UNDP.
4. Without restricting the generality of paragraph 3 above, the Executing Agency shall submit to the Administrator audited statements of accounts as soon as possible after the close of each financial period and as soon as practical after completion of a project, together with the External Auditor's reports thereon.

Article VIII

EXPENSES OF PREPARATION OF PROJECTS

1. The Administrator will defray to the Executing Agency clearly identifiable additional expenses incurred by the Executing Agency with the prior consent