

No. 894

**UNITED NATIONS
(UNITED NATIONS CAPITAL DEVELOPMENT FUND)
and
TONGA**

**Basic Agreement. Signed at Nuku'alofa on 20 November
1981**

Authentic text: English.

Filed and recorded by the Secretariat on 20 November 1981.

**ORGANISATION DES NATIONS UNIES
(FONDS D'ÉQUIPEMENT DES NATIONS UNIES)
et
TONGA**

Accord de base. Signé à Nuku'alofa le 20 novembre 1981

Texte authentique : anglais.

Classé et inscrit au répertoire par le Secrétariat le 20 novembre 1981.

BASIC AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE KINGDOM OF TONGA AND THE UNITED NATIONS CAPITAL DEVELOPMENT FUND

Date: 20 November 1981

TABLE OF CONTENTS

<i>Article</i>	<i>Title</i>
Article I.	Scope of Basic Agreement
Article II.	Provision of Assistance
Article III.	Utilization of Assistance
Article IV.	Co-operation and Information
Article V.	Privileges, Immunities [and Facilities]
Article VI.	Suspension or Termination of Assistance
Article VII.	Settlement of Disputes
Article VIII.	Final Clauses

WHEREAS the United Nations Capital Development Fund (hereinafter referred to as the “UNCDF”) was established by the General Assembly of the United Nations to provide assistance to developing countries in the development of their economies by supplementing existing sources of capital assistance by means of grants and loans directed towards the achievement of the accelerated and self-sustained growth of the economies of those countries and oriented towards the diversification of their economies, with due regard to the need for industrial development as a basis for economic and social progress (hereinafter referred to as the UNCDF “Assistance”);

WHEREAS the Government of the Kingdom of Tonga (hereinafter referred to as the “Government”) may decide to request such Assistance from the UNCDF;

WHEREAS the UNCDF and the Government consider it useful at this time to record the general terms and conditions under which such Assistance could be provided by the UNCDF to the Government;

NOW, THEREFORE, the Government and the UNCDF (hereinafter referred to as the “Parties”) have entered into this Basic Agreement in a spirit of friendly co-operation.

Article I. SCOPE OF BASIC AGREEMENT

1. This Basic Agreement embodies the general terms and conditions under which the UNCDF could provide Assistance to the Government for its develop-

¹ Came into force on 20 November 1981 by signature, in accordance with article VIII (1).

ment activities, and shall apply to each project (hereinafter referred to as the "Project") for which the Assistance is provided.

2. The description of the Project and the specific terms and conditions for financing the Project, including the undertakings and responsibilities (with respect to carrying out the Project, furnishing of funds, supplies, equipment, services or other assistance) of the Government, the UNCDF, and such entity or entities which may be designated, shall be set forth in a project agreement or other instrument (hereinafter referred to as the "Project Agreement") to be signed by the Parties and, as may be appropriate, by an entity or entities designated in the Project Agreement.

[Article II]. PROVISION OF ASSISTANCE

1. Assistance shall be provided by the UNCDF only in response to a request submitted by the Government and approved by the UNCDF. The Assistance shall be made available to the Government in accordance with the applicable resolutions and decisions of the competent United Nations organs and UNCDF executive authorities, subject to the availability of the necessary funds to the UNCDF.

2. Requests for Assistance shall be presented by the Government to the UNCDF through the Resident Co-ordinator of the United Nations system for the Kingdom of Tonga, or the Resident Representative of the United Nations Development Programme (hereinafter referred to as the "UNDP") for the Kingdom of Tonga, or such other authority as may be designated by the UNCDF. Such requests shall be in the form and in accordance with procedures established by the UNCDF. The UNCDF and the appropriate authorities of the Government shall, however, normally communicate through the Resident Co-ordinator or Resident Representative in connexion with the provision of the Assistance. The Government shall provide the UNCDF with all appropriate facilities and relevant information to appraise the request, including an expression of its intent as regards budgetary, personnel or other support to the Project from its own resources.

3. On the UNCDF's approval of a request for Assistance and after a Project Agreement has been entered into, the UNCDF shall open on its books a separate project account (hereinafter referred to as the "Account") for the provision of such Assistance. Disbursement shall be made from the Account by the authorized person or entity specified in the Project Agreement and shall be administered in accordance with this Basic Agreement and the Project Agreement.

4. Disbursement from the Account shall be made in such currencies as the UNCDF may from time to time select and shall be in accordance with the schedule of disbursements set out in the Project Agreement. Whenever, it is necessary to determine the value of one currency in terms of another, such value shall be determined at the United Nations operational rate of exchange in effect on the date such determination is made.

5. The conditions precedent to disbursement from the Account and the date by which such conditions are to be satisfied shall be set forth in the Project Agreement. The UNCDF may, upon notification to the Government, declare the Assistance to be null and void if such conditions are not satisfied on or before the date set forth in the Project Agreement.