No. 923

UNITED NATIONS
(UNITED NATIONS DEVELOPMENT PROGRAMME)
and
INTERNATIONAL FINANCE CORPORATION

Agreement for a Paraguay Tung Tree Replanting Project (with attachment). Signed at Washington on 13 April 1984 and at New York on 25 April 1984

Authentic text: English.

Filed and recorded by the Secretariat on 25 April 1984.

ORGANISATION DES NATIONS UNIES
(PROGRAMME DES NATIONS UNIES POUR LE DÉVELOPPEMENT)
et
SOCIÉTÉ FINANCIÈRE INTERNATIONALE

Accord pour un projet de reboisement (abrasins) au Paraguay (avec pièce jointe). Signé à Washington le 13 avril 1984 et à New York le 25 avril 1984

Texte authentique : anglais.

Classé et inscrit au répertoire par le Secrétariat le 25 avril 1984.

AGREEMENT[1] BETWEEN UNITED NATIONS DEVELOPMENT PROGRAMME AND INTERNATIONAL FINANCE CORPORATION FOR TUNG TREE REPLANTING PROJECT

Dated April 25, 1984

Agreement Number UNDP 3
(Paraguay)

This Agreement, entered into by and between the UNITED NATIONS DEVELOPMENT PROGRAMME (hereinafter called "UNDP") and INTERNATIONAL FINANCE CORPORATION, an affiliate of the World Bank (hereinafter called "IFC"),

WITNESSETH:

WHEREAS, UNDP and the Government of Paraguay have signed a Project Document whereby the Government has requested that certain funds from Paraguay's UNDP Indicative Planning Figure be used to finance the pre-investment feasibility study referred to herein; and

WHEREAS, IFC is willing and able to undertake the foregoing study, on the terms and conditions specified herein.

NOW, THEREFORE, UNDP and IFC agree as follows:

1. IFC, in connection with its consideration of financing the Tung Tree Replanting Project in Paraguay (hereinafter referred to as the "Investment Project"), will undertake the investment feasibility study (hereinafter referred to as the "Study") which is described in Attachment A. The purpose of the Study is to provide data necessary to assist IFC in making a prompt decision on whether or not to finance the Investment Project.

2. UNDP will make available from its Project No. PAR/83/003 (hereinafter referred to as the "PAR/83/003 Project") an amount of up to thirty-eight thousand five hundred U.S. dollars (US$38,500) for the purpose of financing the costs of the Study incurred by IFC. The obligation of UNDP to finance the costs of the Study is limited to the dollar amount referred to in this paragraph.

3. The Study will be conducted by IFC or by consultants engaged by IFC, which will be solely responsible as an independent contractor for all aspects of the Study. Consultants will be engaged in accordance with IFC's financial regulations, rules, practices and procedures, to the extent they are appropriate. Where such sources do not provide the required guidance, UNDP regulations, rules and directives shall apply. If requested by IFC, other arrangements for engaging consultants by UNDP's Office for Projects Execution will be as agreed between UNDP and IFC.

4. The Study is expected to be completed within three months of its commencement. If the Study does not commence within ninety (90) days after the date of this Agreement, UNDP may, after consultation with IFC, terminate or suspend its commitment to finance the Study without any financial liability on the part of UNDP or the PAR/83/003 Project.

[1] Came into force on 25 April 1984 by signature, in accordance with paragraph 8 (*e*).

5. In order to facilitate the administration of the financing of the Study, IFC will provide the following information to UNDP:

(*a*) Written notice of the date and manner of commencement of the Study, including a copy of any consultant's agreement;

(*b*) Relevant information on the status and progress of the Study, as requested by UNDP;

(*c*) Written notice of the date of completion of the Study;

(*d*) A copy of the final report resulting from the Study;

(*e*) Written notice of IFC's decision whether or not to proceed to finance the Investment Project; and

(*f*) If IFC proceeds to finance the Investment Project, written notice of IFC's receipt from the proposed borrower of the first request for disbursement of funds with respect to the Investment Project, and the anticipated date of such disbursement.

6. (*a*) UNDP will account separately for the amount referred to in paragraph 2 required to finance the Study and will make disbursements to IFC from the PAR/83/003 Project in accordance with the following schedule:

(i) Fifty per cent (50%) of the maximum amount specified in paragraph 2 upon receipt of notice from IFC that the Study has commenced, as contemplated by paragraph 5 (*a*); and

(ii) The remaining amount within one month after the submission of the Study's final report and evidence satisfactory to UNDP of expenditures incurred and duly certified by IFC.

(*b*) Disbursement to IFC by UNDP, on behalf of the PAR/83/003 Project, will be made into an account designated by IFC.

7. (*a*) If IFC notifies UNDP, pursuant to paragraph 5 (*e*), that it intends to proceed with financing the Investment Project, IFC will pay to the PAR/83/003 Project, by means of the deposit to a bank account specified by UNDP, in U.S. dollars, an amount equal to all amounts previously paid from the PAR/83/003 Project pursuant to paragraph 6, concurrently with IFC's first disbursement of funds for the Investment Project. However, if such disbursement of funds shall not have occurred within twenty-four (24) months from the date of this Agreement, IFC will consult with UNDP from time to time as necessary to keep UNDP fully informed of the reasons for the delay in disbursement and the efforts being made to resolve any existing problems.

(*b*) If IFC notifies UNDP that it does not intend to proceed with financing the Investment Project, whether pursuant to paragraph 5 (*e*) or, after an initial positive notification, upon the failure to implement an appropriate agreement, IFC will specify, to the extent requested by UNDP, the reasons for IFC's adverse decision. In any such case, IFC shall have no obligation to make the payment referred to in (*a*) above, unless IFC subsequently finances the Investment Project. Should any other financial institution or agency subsequently use the Study in deciding to finance the Investment Project, IFC will endeavor to assist the PAR/83/003 Project in recovering the costs of the Study from such institution or agency.

(*c*) If IFC does not elect to finance the Investment Project, IFC will not take any action that will interfere with the further use of the Study by UNDP, the Government of Paraguay or the PAR/83/003 Project.

8. (*a*) This Agreement or any date referred to herein may be modified only by written agreement between the Parties hereto. Any relevant matter for which no provision is made in this Agreement, and any controversy between the Parties hereto, shall be settled in keeping with the relevant agreement between IFC ind UNDP or the relevant resolutions and decisions of the appropriate organs of the United Nations, as may be necessary in the particular case. Each Party will also give full and sympathetic consideration to any proposal advanced by the other under this sub-paragraph.

(*b*) Nothing in or relating to this Agreement or the Study shall be deemed a waiver of any of the privileges and immunities of the UNDP, the United Nations (including its subsidiary organs), or IFC. It is understood that performance hereunder shall be subject to the confidentiality requirements of all Parties.

(*c*) This Agreement may be terminated by either Party by written notice to the other, provided that such termination shall become effective with respect to ongoing activities only with the concurrence of both Parties.

(*d*) This Agreement shall survive its expiration or termination to the extent necessary to permit an orderly settlement of accounts between the Parties.

(*e*) This Agreement shall enter into force upon signature by the Parties.

IN WITNESS WHEREOF the authorized representatives of the Parties hereto have signed this Agreement in New York, New York, on the dates indicated beneath their respective signatures.

International Finance Corporation:

By: [*Signed*]
Name: M. V. DEHEJIA
Title: Vice President

Date: April 13, 1984

United Nations Development Programme:

By: [*Signed*]
Name: MICHAEL GUCOVSKY
Title: Deputy Assistant Administrator, Regional Bureau for Latin America
Date: April 25, 1984

ATTACHMENT A

REQUEST FOR FINANCIAL SUPPORT FROM THE UNDP AND FAO FOR A FEASIBILITY STUDY

PARAGUAY: TUNG TREES REPLANTING PROJECT WITH COOPERATIVA COLONIAS UNIDAS (UNICOOP)

Project Profile

Description

The scope covers reforestation of 10,000 to 15,000 hectares owned by several members of UNICOOP with high-yielding varieties of tung trees. The fruit from the plantation is to be processed by UNICOOP's oil extraction mills. The appropriate project size and the replanting schedule is to be suggested/determined by the consultants, based on UNICOOP's financing capabilities, market and processing constraints.