

STANDARD ADMINISTRATIVE ARRANGEMENT FOR
IDF SPECIAL PURPOSE CONTRIBUTIONS

ADMINISTRATIVE ARRANGEMENT
BETWEEN THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
AND THE [GOVERNMENT OF ...] [INSTITUTION] [ORGANIZATION] [ENTERPRISE]
WITH REGARD TO SPECIAL PURPOSE CONTRIBUTIONS
TO THE INDUSTRIAL DEVELOPMENT FUND

WHEREAS the United Nations Industrial Development Organization (hereinafter referred to as "UNIDO") and the (hereinafter referred to as "the Donor") have agreed to cooperate in the implementation of technical cooperation projects through the provision, by the Donor, of [annual/semi-annual] special-purpose contributions to the Industrial Development Fund (hereinafter referred to as the "IDF");

WHEREAS pursuant to Article 17 of the Constitution of UNIDO, the Director-General of UNIDO shall administer special-purpose contributions to the IDF in accordance with the general policy guidelines governing the operations of the Fund, that are established by the General Conference, or by the Industrial Development Board acting on behalf of the Conference, and in accordance with the financial regulations of the Organization;

WHEREAS UNIDO and the Donor have reached agreement on the priority criteria for project selection, which are listed in Annex I;

WHEREAS it has been agreed between UNIDO and the Donor that UNIDO shall be responsible, under the terms of this Arrangement and the UNIDO financial regulations and rules, for the management of the funds contributed by the Donor;

NOW THEREFORE, UNIDO and the Donor hereby have entered into the following Administrative Arrangement:

Article I

1. The Donor shall place at the disposal of UNIDO a [annual/semi-annual] contribution to the IDF in fully convertible currency and shall deposit this contribution in the UNIDO OPF Account Number 0422-01004/00, Creditanstalt-Bankverein, Schottengasse 6, A-1010 Vienna.

2. UNIDO shall establish a sub-account, in accordance with its financial regulations, rules and administrative instructions or directives, for the receipt and administration of the aforesaid funds, including interest accruing. Accordingly, personnel shall be engaged and administered; equipment, supplies and services purchased; and contracts entered into in accordance with such regulations, rules, and directives. Interest shall be credited to the sub-account for the Donor's special-purpose contributions in accordance with the financial regulations, rules and directives of UNIDO.

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

4. All financial accounts and statements shall be expressed in United States dollars and there shall be no accounting or reporting in other currencies. For the purpose of recording receipts and/or payments, all transactions shall be converted into United States dollars at the official United Nations accounting rate of exchange applicable on the date of receipt and/or payment.

Article II

1. Pursuant to Article 17 of UNIDO's Constitution, the selection of projects will be done by UNIDO and, when appropriate, the Donor, according to the priority criteria established by the Donor in Annex I and in accordance with the approved programme and the general policy guidelines governing the operations of the IDF established pursuant to Article 17 of UNIDO's Constitution.

2. The contributions of the Donor will also be charged with an amount of 13 (thirteen) per cent of all expenditures, which percentage shall be a charge for programme support costs incurred by UNIDO in the implementation of the individual projects financed under the Donor's Special-Purpose Contribution to the IDF.

Article III

1. UNIDO undertakes to provide to the Donor all the Project Documents approved by UNIDO under this Arrangement. UNIDO shall implement the projects in accordance with the Project Documents and appropriate legal arrangements to be concluded between UNIDO and the recipient Government.

2. The Donor undertakes to meet the actual costs of the services approved by UNIDO in accordance with this Arrangement and the Project Documents. UNIDO shall commence and continue to implement projects only upon receipt of a sufficient contribution.

3. If UNIDO considers that changes between the components and/or budget lines in a Project Document are necessary in order to meet the objectives of the project concerned, UNIDO may effect such changes provided the total amount of the project budget in the Project Document is not exceeded.

Article IV

Ownership of equipment, materials and supplies, financed from the funds contributed by the Donor shall vest in UNIDO. Unless otherwise provided in the respective Project Document, following operational completion of a project, ownership of equipment, materials and supplies necessary for operation of the project shall be transferred to the recipient Organization.

Article V

UNIDO shall provide the Donor with the following statements and reports prepared in accordance with UNIDO's accounting and reporting procedures and following UNIDO's normal format for reporting technical cooperation activities:

- (a) An annual financial statement on the overall status of the Donor's special-purpose contributions to the IDF, supported by delivery reports for each project financed from the sub-account;
- (b) An annual progress report on the implementation of the approved projects;
- (c) A final report including an assessment of the results achieved upon operational completion of the projects;
- (d) A final financial report on the implementation of the completed projects, within six months of the end of the year in which the final disbursement was made on account of the projects.

Article VI

UNIDO shall notify the Donor when the purposes for which the contributions were provided have been realized and the approved projects have been operationally completed.

Article VII

On termination of this Arrangement, as specified in Article IX, the funds shall continue to be held by UNIDO until all expenditures incurred by UNIDO have been satisfied from such funds.

Article VIII

1. This Arrangement may be supplemented or amended by an exchange of letters between the Donor and UNIDO.
2. All communications in writing required or permitted by this Arrangement shall be addressed as follows:

For the Donor: [name]
 [title]

For UNIDO: UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
 P.O.Box 300
 A-1400 Vienna, Austria

Article IX

1. This Arrangement shall enter into force upon its signature by both Parties and shall remain in effect, unless terminated by either Party upon six months' prior written notice.
2. Upon termination of this Arrangement, unless the Parties hereto agree otherwise
 - (a) ongoing and approved projects shall not be affected by the termination and UNIDO shall be entitled to continue withdrawals from the sub-account as if this

- Arrangement had not been terminated; and
- (b) any final balance in the sub-account shall be disposed of by UNIDO in consultation with the Donor, and UNIDO's responsibilities pursuant hereto shall be considered terminated

Article X

This Agreement shall enter into force upon signature.

Done at Vienna, this _____ day of _____ 200_ , in duplicate, in
[English] [French]

For the United Nations
Industrial Development
Organization :

For the [Donor]
_____:
