B. **IDF SPECIAL PURPOSE CONTRIBUTION AGREEMENT**

**AGREEMENT BETWEEN THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION AND THE [GOVERNMENT OF .....................] [INSTITUTION] [ORGANIZATION] [ENTERPRISE] WITH REGARD TO A SPECIAL PURPOSE CONTRIBUTION TO THE INDUSTRIAL DEVELOPMENT FUND**

WHEREAS the United Nations Industrial Development Organization (hereinafter "UNIDO") and the [Government of .....................] [Institution] [Organization] [Enterprise] (hereinafter "the Donor") have agreed to cooperate in the implementation of a Project in ............... entitled ".........................." (hereinafter "the Project"), which Project is more fully described in the Project Document dated ............... which has been signed by the [Government of (recipient country)] and [recipient Institution] [recipient Organization] [recipient Enterprise], and which is attached as Annex A hereto and made an integral part hereof;

WHEREAS the Donor has informed UNIDO of its willingness to make a special purpose contribution to the Industrial Development Fund (hereinafter "IDF") to meet the costs of the Project;

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

NOW THEREFORE. UNIDO and the Donor hereby agree as follows:

**Article I**

1. The Project shall be funded from the sub-account for the Donors’ special purpose contributions to the IDF. In order to meet the costs of the Project (including programme support costs) which are estimated at US$ ............... UNIDO is authorized to draw from that special purpose contribution, the amounts indicated in the schedule of payments set out in Annex B to this Agreement.

2. If there are insufficient funds in the sub-account for the Donor’s special purpose contributions to meet the costs of the Project, the Donor shall, in accordance with the schedule of payments set out in Annex B to this Agreement, deposit funds, in United States dollars or other convertible currency of unrestricted use to [enter relevant UNIDO account http://intranet.unido.org/intra/Financial_Services_%28PSM%29/FIN%29/Instructions/UNIDO_banking_details_for_contributions]¹, quoting project number ...............
3. In the performance of this Agreement UNIDO shall, under its applicable financial regulations and rules, establish a project-account within the sub-account for the Donor’s special purpose contribution to the IDF.

4. The project-account and the activities financed therefrom shall be administered by UNIDO in accordance with its applicable regulations, rules and administrative instructions or directives. Accordingly, personnel shall be engaged and administered; equipment, supplies and services purchased; and contracts entered into in accordance with the provisions of such regulations, rules, administrative instructions and directives. [As provided in the relevant provision of Annex A, procurement shall be from contractors or vendors in country/countries.] 1/

5. 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

The project-account shall be utilized by UNIDO for the purpose of meeting the actual costs of the Project at Annex A and to finance the programme support services provided by UNIDO in the implementation of the project. The costs of programme support services shall be calculated as 13 (thirteen) per cent of all expenditures from the project account.

Article III

1. UNIDO shall commence and continue to conduct operations under this Agreement upon receipt of a copy of this Agreement, signed by both Parties, and upon receipt of sufficient funds in the sub-account for the Donor’s special purpose contributions to the IDF to meet the Donor’s payment obligations as stipulated in Article 1.2 above.

2. The Donor undertakes to meet the actual costs of the services specified in the Project Document at Annex A and UNIDO undertakes not to make any commitments for services not specified in the Project Document without the approval, in writing, of the Donor.

3. If UNIDO considers that changes between components and/or additional services, not foreseen in the Project Document, are required, UNIDO will, if deemed necessary by the donor, submit a revised budget for approval by the Donor showing the required changes in inputs and/or adjusted financing that will be necessary.
I/ [optional clause].

Article IV

Ownership of equipment, materials, supplies and all other property, financed from the funds contributed by the Donor for the Project shall vest in UNIDO. Unless otherwise provided in the Project Document, following operational completion of the Project, ownership of equipment, of materials and supplies, as well as of other property necessary for operation of the Project, shall be transferred to the [Government of (recipient country)] [recipient Institution] [recipient Organization] [recipient Enterprise] or to an entity nominated by it.

Article V

Evaluation of the activities described in this Agreement shall be undertaken in accordance with the provisions contained in Annex A.

Article VI

The sub-account for the Donor's special purpose contributions and the projects financed therefrom will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules and administrative instructions and directives of UNIDO.

Article VII

In addition to any reports specified in Annex A, UNIDO shall provide the Donor with the following statements and reports in the format normally followed by UNIDO for accounting and financial reporting:

(a) An annual financial statement in respect of the sub-account for the Donor's special purpose contributions showing income, expenditures for the year and, assets and liabilities as of 31 December; the statement for the sub-account shall be supported by delivery reports (statement of allotments and expenditures) in respect of each project financed from the sub-account.

(b) A final financial statement within six months of termination or expiration of this Agreement.
**Article VIII**

UNIDO shall notify the Government when the activities for which the Project was established have been completed. The date of such notification shall be deemed to be the date of operational completion of the Project. This agreement shall continue in force for the purposes stated in Article X.

**Article IX**

This Agreement may be terminated by either party on 30 days written notice to the other party, subject to the continuance in force of Article X for the purposes stated therein.

**Article X**

On operational completion of the Project as specified in Article VIII, or termination of this Agreement as specified in Article IX, the project-account shall remain open until all expenditures incurred by UNIDO have been satisfied. Any balance due to UNIDO under Article III shall be charged by UNIDO to the sub-account for the Donor's special purpose contributions to the IDF, and the Donor will reimburse UNIDO for any negative balance in that account. Upon submission of a final financial statement in accordance with Article VII (b), any unimplemented balance in the project-account shall be disposed of as requested by the Donor.

**Article XI**

The following addresses are specified for the purpose of this Agreement:

(a) For the Donor:

________________________________________________________________________

name address

________________________________________________________________________
city, country


(b) For UNIDO:

P.O. Box 300
Vienna International Centre
A-1400 Vienna, Austria
cables: UNIDO Vienna
Article XII

This Agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in two copies in [English] [French], at [Vienna], on this.... day of........19...

For the United Nations
Industrial Development:

________________________
(Name and functional title)

For the [Government of

[Institution][Organization]
[Enterprise]:

________________________
(Name and functional title)