

No. 23488

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**UNITED NATIONS  
and  
ITALY**

**Agreement concerning the creation of a trust fund for the strengthening of mutual technical co-operation activities in favour of developing countries. Signed at New York on 23 August 1985**

*Authentic text: English.*

*Registered ex officio on 23 August 1985.*

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**ORGANISATION DES NATIONS UNIES  
et  
ITALIE**

**Accord relatif à la création d'un fonds d'affectation spéciale pour le renforcement des activités de coopération technique mutuelles en faveur des pays en développement. Signé à New York le 23 août 1985**

*Texte authentique : anglais.*

*Enregistré d'office le 23 août 1985.*

# AGREEMENT<sup>1</sup> BETWEEN THE UNITED NATIONS AND ITALY CONCERNING THE CREATION OF A TRUST FUND FOR THE STRENGTHENING OF MUTUAL TECHNICAL CO-OPERATION ACTIVITIES IN FAVOUR OF DEVELOPING COUNTRIES

AGREEMENT between the GOVERNMENT OF ITALY [and] THE UNITED NATIONS.

Whereas the Government of Italy desires to assist developing nations to improve their present economic and social conditions;

Whereas the Government of Italy (hereinafter referred to as "The donor Government") desires to strengthen its co-operation with the United Nations by making funds available to the United Nations Department of Technical Co-operation for Development (hereinafter referred to as UN/DTCD) for the implementation of mutually agreed projects;

Whereas the principal aim of UN/DTCD, as the main operational arm in the Secretariat for technical co-operation activities of the United Nations, is to assist developing countries in strengthening their physical and institutional infrastructure for economic and social development. Such efforts are mainly in the areas of energy, water, mineral resources, transport, development planning, statistics, development administration, population and social development;

Whereas it has been agreed between the United Nations and the donor Government that UN/DTCD shall be responsible under the terms of this Agreement for the management of the funds contributed by the donor Government to meet the costs of these projects;

Now therefore the Government and the United Nations hereby agree as follows:

## *Article I*

1. The donor Government shall place at the disposal of UN/DTCD such amounts as are necessary to cover the costs to be incurred by UN/DTCD for the projects selected by mutual agreement in accordance with the procedures set out in Article V.

2. The donor Government shall deposit the aforesaid funds, in convertible currencies of unrestricted use, to an account to be opened with Banco di Roma, 100 Wall Street, New York, N.Y. 10005. The account number will be indicated subsequently in the project document(s).

3. UN/DTCD shall establish a separate trust fund for each project in accordance with the Rules of the United Nations for the receipt and administration of the aforesaid funds.

4. This Agreement and each trust fund and the activities financed therefrom shall be administered by UN/DTCD in accordance with the applicable United Nations regulations, rules and directives.

<sup>1</sup> Came into force on 23 August 1985 by signature in accordance with article XII.

5. All financial accounts and statements shall be expressed in United States dollars.

#### *Article II*

1. Each trust fund shall be charged with expenditures incurred by the UN/DTCD in the performance of activities under each project document.

2. Each trust fund will also be charged a certain percentage of the project costs incurred, in accordance with United Nations rules and regulations, for programme support services provided by UN/DTCD in the implementation of the project. The applicable percentage shall be established in the project document.

3. The trust fund will also be charged with an amount equivalent to one (1) per cent of the remuneration or net salary of persons engaged by UN/DTCD and whose engagement is financed by the trust fund, to provide a reserve for coverage of any claim for service-incurred death, injury or illness, under the applicable United Nations regulations and rules or contracts, which reserve cannot be refunded to the donor Government.

4. Any interest earned on each trust fund shall be placed at the disposal of the donor Government to be used for purposes decided upon by mutual agreement.

#### *Article III*

1. UN/DTCD shall commence and continue to conduct operations under this Agreement upon the receipt of contributions in accordance with Article I.

2. UN/DTCD will not make any commitments nor assume any liability in excess of the amounts deposited in accordance with Article I.2.

3. Any balance remaining unspent in a trust fund upon completion of a project can be applied to another project agreed for funding under the provisions of Article V if so agreed by the donor Government.

4. If unforeseen expenditures arise, UN/DTCD will submit a supplementary budget to the donor Government showing the further financing that will be necessary. If no such further financing is available, the assistance provided to the project under this Agreement may be reduced or, if necessary, terminated by UN/DTCD. In no event will UN/DTCD assume any liability in excess of the funds provided in the trust fund.

#### *Article IV*

Ownership of equipment, supplies and other property financed from these trust funds shall vest in the United Nations. Upon completion of the project, the disposition of the equipment shall be determined in accordance with the provisions of the applicable project document between the United Nations and the recipient Government.

#### *Article V*

1. Both parties shall co-operate closely for the purpose set forth in this Agreement. To that end they shall regularly consult with each other and shall make available to each other all such information and assistance as may reasonably be requested.

2. UN/DTCD shall have the primary responsibility for selecting and processing the project requests to be considered for funding in the context of this Agreement.

3. Consultations shall take place periodically and at an early preparatory stage with regard to such project requests as UN/DTCD considers suitable for funding under this Agreement. Where appropriate, UN/DTCD and the donor Government may agree to dispatch joint project preparatory missions.

4. UN/DTCD shall submit to the donor Government detailed proposals for the projects to be funded under this Agreement. Such proposals shall be prepared by UN/DTCD on the basis of the results of exploratory missions undertaken either singly by UN/DTCD or jointly with the donor Government. The donor Government shall review these project proposals and comment on them. If the proposals are found suitable for funding by the donor Government it shall inform UN/DTCD accordingly. UN/DTCD will then finalize the proposed implementation arrangements of the projects and agree with the donor Government on an appropriate budget.

5. As soon as agreement on project implementation has been reached with UN/DTCD and donor Government, the UN/DTCD shall enter into detailed negotiations with the recipient Governments and prepare a draft project document, which will include appropriate budget estimates. The project document shall also contain a provision to the effect that UN/DTCD's obligations specified shall be subject: (a) to the Convention on the Privileges and Immunities of the United Nations,<sup>1</sup> (b) UN financial rules and regulations and (c) to the receipt of the necessary contributions from the donor Government.

6. The draft project document shall be submitted to the donor Government for consideration and approval. When approved by the donor Government UN/DTCD shall finalize and sign the project document together with the recipient Government. The donor Government's prior approval shall be sought, if the final version is to contain substantive changes of the draft project document previously approved by the donor Government. A signed copy of the project document shall be forwarded to the donor Government. The donor Government shall either sign the project document or send a letter confirming (a) its agreement to the project document and (b) that the trust fund be established in accordance with this present Agreement.

7. UN/DTCD shall be free to delegate or sub-contract its responsibilities for the whole or any part of the project in accordance with the rules and procedures of the United Nations. If the donor Government wishes to suggest the involvement of Italian experts, concerns, institutions or sub-contractors which are particularly qualified to supply the services or equipment required, UN/DTCD will give such suggestions from the donor Government every consideration.

#### *Article VI*

Evaluation of the activities financed under each trust fund, including joint evaluation by UN/DTCD, donor Government and recipient Government, shall be undertaken in accordance with the provisions contained in the project document.

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<sup>1</sup> United Nations, *Treaty Series*, vol. 1, p. 15, and vol. 90, p. 327 (corrigendum to vol. 1, p. 18).

*Article VII*

Each fund shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules and directives of the United Nations.

*Article VIII*

UN/DTCD shall provide the donor Government with the following statements and reports for each project prepared in accordance with the United Nations accounting and reporting procedures:

- (a) Bi-annual progress reports;
- (b) An annual financial statement showing income, expenditures, assets and liabilities as of 31 December each year with respect to the funds provided by the donor Government;
- (c) A final report and a final financial statement.

*Article IX*

UN/DTCD shall notify the donor Government when, in its opinion, the purposes for which each trust fund was established have been realized.

*Article X*

This Agreement may be terminated by either party on six months' written notice to the other party, subject to the continuance in force of Article XI for the purposes there stated.

*Article XI*

If this Agreement is terminated, the funds will continue to be held by UN/DTCD until all expenditures and commitments incurred by UN/DTCD have been satisfied from such funds. Thereafter, any surplus remaining in the trust funds shall be used for a purpose determined by UN/DTCD in consultation with the donor Government.

*Article XII*

This Agreement shall enter into force upon signature.

*Article XIII*

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in two copies this [23rd] day of [August] 1985.

[Signed]

For the Government of Italy

FERDINANDO SALLEO  
Director General

Department for Development  
Cooperation

[Signed]

For the United Nations

XIE QIMEI  
Under-Secretary-General

Department of Technical Co-operation  
for Development