

**AGREEMENT BETWEEN  
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA  
AND THE UNITED NATIONS DEVELOPMENT PROGRAMME  
CONCERNING THE CONTRIBUTION TO THE VOLUNTARY  
TRUST FUND FOR THE PROMOTION OF  
SOUTH-SOUTH COOPERATION**

*Whereas* the Government of the People's Republic of China (hereinafter referred to as "the Contributing Country"), in full recognition of the importance of further deepening South-South Cooperation through sponsoring and initiating technical and economic cooperation among developing countries (TCDC/ECDC) activities especially by developing countries themselves, has informed the United Nations Development Programme (hereinafter referred to as "the UNDP") of its willingness to contribute funds (hereinafter referred to as "the contribution") to the UNDP for the purposes of supporting South-South cooperation programmes to be proposed by the Contributing Country and endorsed by the UNDP;

*Whereas* the UNDP is prepared, through the Voluntary Trust Fund for the Promotion of South-South Cooperation (hereinafter referred to as "the trust fund") established, in accordance with General Assembly Resolution 50/119 of 5 December 1995, by its Administrator under its financial regulations and rules, to receive and administer the contribution;

*Whereas* it is understood that the trust funds shall be utilized to finance projects which the Contributing Country and the UNDP deem appropriate, taking into consideration the comparative advantages of the Contributing Country as a developing nation and, when necessary, in consultation with other developing country partners concerned;

*Whereas* the UNDP shall designate an executing agency for the implementation of each project financed from the trust fund (hereinafter referred to as "the Executing Agency") in close consultation with the Contributing Country. National Execution modality shall be applied to the extent possible to project(s) financed from the trust fund;

Now therefore, the UNDP and the Contributing Country hereby agree as follows:

**Article I**

1. The UNDP shall establish a trust fund under the financial regulations and rules of the UNDP for receipt and administration of the contribution.
2. The Contributing Country shall, in accordance with its relevant laws and regulations and subject to budgetary appropriation, effect an initial contribution to the UNDP in the amount of United States dollars One Hundred and Fifty Thousand (\$150,000), in the manner referred to in paragraph 3 of this Article. Additional contributions could be made under this agreement establishing the trust fund, in which case the specific amount of such

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contribution as well as schedule of payments in respect of such additional contribution will be communicated in writing by the Contributing Country to the UNDP.

3. The Contributing Country shall, in accordance with the schedule of payments set out below, deposit the contributions in the UNDP Contributions Account No. 015-002284, at the Chase Manhattan Bank, United Nations Branch, New York, NY 10017:

<u>Schedule of Payments</u>	<u>Date Payment due</u>	<u>Amount (US\$)</u>
Initial Payment:	December, 2000	US\$150,000

The above schedule of payments takes into account the requirement that contributions shall be paid in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.

4. All financial accounts and statements shall be expressed in United States dollars.
5. The UNDP may accept contribution-payments in a currency other than United States dollars provided such currency is fully convertible or readily usable by the UNDP and subject to the provisions of paragraph 6 of this Article. Any change in the currency of contribution-payments shall be made only in agreement with the UNDP.
6. The value of a contribution-payment other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the contribution-payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss of the value of the balance of funds is recorded, the UNDP shall inform the Contributing Country with a view to determining whether any further financing could be provided by the Contributing Country. Should such further financing not be available, the assistance to be provided pursuant to this Agreement may be reduced, suspended or terminated by the UNDP in consultation with the Contributing Country.

## Article II

1. The Contributing Country and UNDP shall, within three months after signature of this agreement, identify and formulate project(s) to be financed from the trust fund. The UNDP will seek collaboration between such project(s) and other activities such as those financed from the Special Unit for TCDC and from any other third-party where appropriate. This same procedure shall be applied to future project(s) in connection with future contributions by the Contributing Country to the trust fund referred to in Article I, paragraph 3 above.
2. The trust fund shall be utilized by the UNDP for the purpose of meeting the costs of the activities as set out in the relevant project documents as well as the costs of support services relating thereto as specified in the following paragraph.

3. The contributions shall include charges in accordance with decisions and directives of UNDP's Executive Board for reimbursement of support services provided by the Executing Agency, or if necessary, an implementing agency, and a three per cent (3%) charge for the administration of the funds by the UNDP, and a maximum of ten per cent (10%) charge for operational support cost relating to project execution or implementation by the executing agency.
4. Any interest income derived from contributions to the trust fund shall be credited to the trust fund in accordance with UNDP procedures.

### **Article III**

1. The trust fund shall be administered by the UNDP in accordance with UNDP regulations, rules and directives, applying its normal procedures for the execution of its projects.
2. Project management and expenditures shall be governed by the regulations, rules and directives of the UNDP and, where applicable, the regulations, rules and directives of the Executing Agency.

### **Article IV**

1. The implementation of the responsibilities of the UNDP and of the Executing Agency pursuant to this agreement and the relevant project documents shall be dependent on receipt by the UNDP of the contribution in accordance with the schedule of payments set out in Article I, paragraph 3 above.
2. The aggregate of the amounts budgeted for the projects utilizing the contributions made by the Contributing Country to the trust fund, together with the estimated costs of reimbursement of related administrative and operational support costs, shall not exceed the total resources available under this agreement.
3. If unforeseen increases in expenditures or commitments are expected or realized (whether due to inflationary factors, fluctuation in exchange rates or unforeseen contingencies) the UNDP shall submit to the Contributing Country on a timely basis a supplementary estimate showing the further financing that will be necessary.
4. If the contribution-payments referred to in Article I, paragraph 3 above are not received in accordance with the payment schedule, or if the additional financing required in accordance with Article I, paragraph 3 above is not forthcoming from the Contributing Country or other sources, the assistance to be provided pursuant to this agreement may be reduced, suspended or terminated by the UNDP.

### **Article V**

Ownership of equipment, supplies and other property financed from the contribution shall be vested in the UNDP. Matters relating to the transfer of

ownership by the UNDP shall be determined in accordance with the relevant policies and procedures of the UNDP.

#### **Article VI**

The UNDP shall provide the Contributing Country on request with the following reports prepared in accordance with UNDP accounting and reporting procedures:

- a. semi-annual progress report on projects activities;
- b. an annual report which will provide information on income and expenditures during the previous years;
- c. a final report within six months after the date of completion or termination of each project.

#### **Article VII**

The UNDP shall notify the Contributing Country when all activities relating to the purposes for which the trust fund was established have been completed.

#### **Article VIII**

1. Notwithstanding the completion of the projects financed from the trust fund, the UNDP shall continue to hold unutilized contribution-payments until all commitments and liabilities incurred in implementation of the projects have been satisfied and project activities brought to an orderly conclusion.
2. If the unutilized contribution-payments prove insufficient to meet such commitments and liabilities, the UNDP shall notify the Contributing Country and consult with the Contributing Country on the manner in which such commitments and liabilities may be satisfied.
3. Any contribution-payments that remain unexpected after such commitments and liabilities have been satisfied shall be disposed by the UNDP in consultation with the Contributing Country.

#### **Article IX**

1. After consultations have taken place between the Contributing Country, the UNDP and, when necessary, the recipient Government(s), this Agreement may be terminated by the UNDP or by the Contributing Country. The Agreement shall cease to be in force thirty days after either of the Parties may have given notice in writing to the other Party of its decision to terminate the Agreement.
2. Notwithstanding termination of this agreement, the UNDP shall continue to hold unutilized contribution-payments until all commitments and liabilities incurred in implementation of the projects have been satisfied and project activities brought to an orderly conclusion.

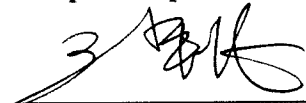
3. If the unutilized contribution-payments are insufficient to meet such commitments and liabilities, the UNDP shall notify the Contributing Country and consult with the Contributing Country on the manner in which such commitments and liabilities may be satisfied.
4. Any contribution-payments that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by the UNDP in consultation with the Contributing Country.

#### Article X

This agreement shall enter into force upon signature and deposit by the Contributing Country of the first contribution-payment to be made in accordance with the schedule of payments set out in Article I, paragraph 3 of this Agreement.

In witness thereof, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

For the Government of the  
People's Republic of China



Wang Ying-fan  
Ambassador Extraordinary and  
Plenipotentiary  
Permanent Representative  
Permanent Mission of the  
People's Republic of China  
to the United Nations

Date Feb. 20, 2000

For the United Nations  
Development Programme



Zéphirin Diabré  
Associate Administrator  
United Nations Development Programme

Date Dec 21st, 2000