Supplemental Provisions to the Project Document: The Legal Context

General responsibilities of the Government, UNDP and the executing agency

1. All phase and aspects of UNDP assistance to this project shall be governed by and carried out in accordance with the relevant and applicable resolutions and decisions of the competent United Nations organs and in accordance with UNDP policies and procedures for such projects, and subject to the requirements under UNDP Monitoring, Evaluation and Reporting System.

2. The Government shall remain responsible for this UNDP-assisted development project and the realisation of its objectives as described in this Project Document.

3. Assistance under this project document being provided for the benefit of the Government and the people of (the particular country or territory), the Government shall bear all risks of operations in respect of this project.

4. The Government shall provide to the project the national counterpart personnel training facilities, land, buildings, equipment and other required services and facilities. It shall designate the Government Co-operating Agency named in the cover page of this document (hereinafter referred to as the “Co-operations Agency”), which shall be directly responsible for the implementation of the Government contribution to the project.

5. The UNDP undertakes to complement and supplement the Government participation and will provide through the Executing Agency the required expert services, training, equipment and other services within the funds available to the project.

6. Upon commencement of the project the Executing Agency shall assume the responsibility for project execution and shall have the status of an independent contractor for this purpose. However, that primary responsibility shall be exercised in consultation with UNDP and in agreement with the Co-operating Agency Arrangements to this effect shall be stipulated in the Project Document as well as for the transfer of this responsibility to the Government or to an entity designated by the Government during the execution of the project.

7. Part of the Government’s participation may take the form of cash contribution to UNDP. In such cases, the Executing Agency will provide the related services and facilities and will account annually to the UNDP and to the Government for expenditure incurred.

(a) Participation of the Government

8. The Government shall provide to the project the services, equipment and facilities in the quantities and at the time specified in the Project Document. Budgetary provision, either in kind or in cash, for the Government’s participation so specified shall be set forth in the Project Budgets.
9. The Co-Operating Agency shall, as appropriate and in consultation with the Executing Agency, assign a director for the project on a full-time basis. He shall carry out such responsibilities in the project as are assigned to him by the Co-operating Agency.

10. The estimated cost of items included in the Government contribution, as detailed in the Project Budget, shall be based on the best information available at the time of drafting the project proposal. It is understood that price fluctuations during the period of execution of the project may necessitate an adjustment of said contribution in monetary terms; the latter shall at all times be determined by the value of the services, equipment and facilities required for the proper execution of the project.

11. Within the given number of man-months of personnel services described in the project document, minor adjustments of individual assignments of project personnel provided by the Government, may be made in consultation with the Executive Agency, if this is found to be in the best interest of the project. UNDP shall be so informed in all instances where such minor adjustments involve financial implications.

12. The Government shall continue to pay the local salaries and appropriate allowances of national counterpart personnel during the period of their absence from the project while on UNDP fellowships.

13. The Government shall defray any customs duties and other charges related to the clearance of project equipment, its transportation, handling, storage and related expenses within the country. It shall be responsible for its installation and maintenance, insurance and replacement, if necessary, after delivery to the project site.

14. The Government shall make available to the project - subject to existing security provisions - any published and unpublished reports, maps, records and other data, which are considered necessary to the implementation of the project.

15. Patent rights, copyrights and other similar rights to any discoveries or work resulting from UNDP assistance in respect of this project shall belong to the UNDP. Unless otherwise agreed by the parties in each case, however, the Government shall have the right to use any such discoveries or work within the country free of royalty and any charge of similar nature.

16. The Government shall assist all project personnel in finding suitable housing accommodation at reasonable rents.

17. The services and facilities specified in the Project Document which are to be provided to the project by the Government by means of a contribution in cash shall be set forth in the project Budget. Payment of this amount shall be made to the UNDP in accordance with the Schedule of Payments by the Government.

18. Payment of the above mentioned contribution to the UNDP on or before the dates specified in the Schedule of Payments by the Government is a prerequisite to the commencement or continuation of project operations.

(b) Participation of the UNDP and the executing agency

19. The UNDP shall provide to the project through the Executing Agency the services, equipment and facilities described in the Project Document. Budgetary provision for the UNDP contribution as specified shall be set forth in the Project Budget.
20. The Executing Agency shall consult with the Government and UNDP on the candidature of the Project Manager\(^1\) who, under the direction of the Executing Agency, will be responsible in the country for the Executing Agency’s participation in the project. The Project Manager shall supervise the experts and other agency personnel assigned to the project, and the on-the-job training of national counterpart personnel. He shall be responsible for the management and efficient utilisation of all UNDP-financed inputs, including equipment provided to the project.

21. The Executing Agency, in consultation with the Government and UNDP, shall assign international staff and other personnel to the project as specified in the project document, select candidates for fellowships and determine standards for the training of national counterpart personnel.

22. Fellowships shall be administered in accordance with the fellowship regulations of the Executing Agency.

23. The Executing Agency may, in agreement with the Government and UNDP, execute part or all of the project by subcontract. The selection of subcontractors shall be made, after consultation with the Government and UNDP, in accordance with the Executing Agency’s procedures.

24. All material, equipment and supplies which are purchased from UNDP resources will be used exclusively for the execution of the project, and will remain the property of the UNDP in whose name it will be held by the Executing Agency. Equipment supplied by the UNDP shall be marked with the insignia of the UNDP and of the Executing Agency.

25. Arrangements may be made, if necessary, for a temporary transfer of custody of equipment to local authorities during the life of the project, without prejudice to the final transfer.

26. Prior to completion of UNDP assistance to the project, the Government, the UNDP and the Executing Agency shall consult as to the disposition of all project equipment provided by the UNDP. Title to such equipment shall normally be transferred to the Government, or to an entity nominated by the Government, when it is required for continued operation of the project or for activities following directly therefrom. The UNDP may, however, at its discretion, retain title to part or all of such equipment.

27. At an agreed time after the completion of UNDP assistance to the project, the Government and the UNDP, and if necessary the Executing Agency, shall review the activities continuing from or consequent upon the project with a view to evaluating its results.

28. UNDP may release information relating to any investment oriented project to potential investors, unless and until the Government has requested the UNDP in writing to restrict the release of information relating to such project.

(c) Rights, Facilities, Privileges and Immunities

29. In accordance with the Agreement concluded by the United Nations (UNDP) and the Government concerning the provision of assistance by UNDP, the personnel of UNDP and other United Nations Organisation associated with the project shall be accorded rights, facilities, privileges and immunities specified in said Agreement.

\(^1\) May also be designated Project Co-ordinator or Chief Technical Adviser, as appropriate
30. The Government shall grant UN volunteers, if such services are requested by the Government, the same rights, facilities, privileges and immunities as are granted to the personnel of UNDP.

31. The Executing Agency’s contractors and their personnel (except nationals of the host country employed locally) shall:

(a) Be immune from legal process in respect of all acts performed by them in their official capacity in the execution of the project;
(b) Be immune from national service obligations;
(c) Be immune together with their spouses and relatives dependent on them from immigration restrictions;
(d) Be accorded the privileges of bringing into the country reasonable amounts of foreign currency for the purposes of the project or for personal use of such personnel, and of withdrawing any such amounts brought into the country, or in accordance with the relevant foreign exchange regulations, such amounts as may be earned therein by such personnel in the execution of the project; and
(e) Be accorded together with their spouses and relatives dependent on them the same repatriation facilities in the event of international crisis as diplomatic envoys.

32. All personnel of the Executing Agency’s contractors shall enjoy inviolability for all papers and documents relating to the project.

33. The Government shall either exempt from or bear the cost of any taxes, duties, fees or levies which it may impose on any firm or organisation which may be retained by the Executing Agency and on the personnel of any such firm or organisation, except for nationals of the host country employed locally, in respect of:

(a) The salaries or wages earned by such personnel in the execution of the project;
(b) Any equipment of the project or which, after having been brought into the country, may be subsequently withdrawn therefrom;
(c) Any substantial quantities of equipment, materials and supplies obtained locally for the execution of the project, such as, for example, petrol and spare parts for the operation and maintenance of equipment mentioned under (b), above, with the provision that the types and approximate quantities to be exempted and relevant procedures to be followed shall be agreed upon with the Government and, as appropriate, recorded in the Project Document; and
(d) As in the case of concessions currently granted to UNDP and Executing Agency’s personnel, any property brought, including one privately owned automobile per employee, by the firm or organisation or its personnel for their personal use or consumption or which after having been brought into the country, may subsequently be withdrawn therefrom upon departure of such personnel.

34. The Government shall ensure

(a) Prompt clearance of experts and other persons performing services in respect of this project; and
(b) The prompt release from customs of:
   (i) Equipment, materials and supplies required in connection with this project; and
   (ii) Property belonging to and intended for the personal use or consumption of the personnel of the UNDP, its Executing Agencies, or other persons performing
services on their behalf in respect of this project, except for locally recruited personnel.

35. The privileges and immunities referred to in the paragraph above, to which firm or organisation and its personnel may be entitled, may be waived by the Executing agency where, in its opinion or in the opinion of the UNDP, the immunity would impede the course of justice and can be waived without prejudice to the successful completion of the project or to the interest of the UNDP or the Executing Agency.

36. The Executing Agency shall provide the Government through the Resident Representative with the list of the personnel to whom the privileges and immunities enumerated above shall apply.

37. Nothing in this Project Document or Annex shall be construed to limit the rights, facilities, privileges or immunities conferred in any other instrument upon any person, natural or juridical, referred to hereunder.

(d) **Suspension or termination of assistance**

38.

(a) The UNDP may be written notice to the Government and to the Executing Agency concerned to suspend its assistance to any project if in the judgement of the UNDP any circumstance arises which interferes with or threatens to integration of the successful completion of the project or the accomplishment of its purpose UNDP may, in the same or subsequent written notice, indicate the under which it is prepared to resume its assistance to the project. Any such suspension shall continue until such time as such conditions are accepted by the Government and as the UNDP shall give written notice to the Government and the Executing Agency that is prepared to resume its assistance.

(b) If any situation referred to in paragraph 1, above, shall continue for a period of fourteen days after notice thereof and of suspension shall have been given by the UNDP to the Government and the Executing Agency, then at any time thereafter during the continuance thereof, the UNDP may be written notice to the Government and the Executing Agency terminate the project.

(c) The provisions of this paragraph shall be without prejudice to any other rights or remedies the UNDP may have in the circumstances, whether under general principles of law or otherwise.