

**On approval of the Administrative agreement between the Government of the Republic of Kazakhstan and the United Nations Industrial Development Organization with regard to special purpose contributions to the Industrial Development Fund**

***Unofficial translation***

Decree of the Government of the Republic of Kazakhstan dated November 8, 2016 No. 679.

*Unofficial* *translation*

      The Government of the Republic of Kazakhstan HEREBY DECREES:

      1. To approve the attached Administrative agreement between the Government of the Republic of Kazakhstan and the United Nations Industrial Development Organization with regard to special purpose contributions to the Industrial Development Fund, done in Vienna on December 2, 2015.

      2. This decree shall come into force from the date of signing.

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| *Prime Minister* |
| *of the Republic of Kazakhstan* | *B. Sagintayev* |

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|  | Approved by the decree of the Government of the Republic of Kazakhstan dated November 8, 2016 no. 679 |

**Administrative agreement between the Government of the Republic of Kazakhstan and the United Nations Industrial Development Organization with regard to special purpose contributions to the Industrial Development Fund**

      (came into force on December 15, 2016 -  
Bulletin of International Treaties of the Republic of Kazakhstan 2017 no. 1, art. 6)

      Whereas, The Government of the Republic of Kazakhstan (hereinafter referred to as “the Donor”) and the United Nations Industrial Development Organization (hereinafter referred to as “UNIDO”), (hereinafter referred jointly as the “Parties”) have agreed to cooperate in the implementation of technical cooperation projects through the provision, by the Donor, of 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 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 the Donor and UNIDO have agreed as follows:

**Article 1**

      1. The Donor shall place at the disposal of UNIDO contributions to the IDF in fully convertible currency and shall deposit these contributions in the following UNIDO account in Euro:

      UniCredit Bank Austria AG

      UNIDO Euro Account No. 0029-05107/00

      IBAN AT791100000290510700

      Wagramerstrasse 5, A-1400 Vienna, Austria

      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. 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, created in accordance with the rule 106.1.5 of the Financial Regulations of UNIDO shall be subject exclusively to the internal and external auditing procedures conducted by correspondingly UNIDO Department of Internal Supervision Services and UNIDO External Auditor. An external audit shall be conducted in accordance with the procedures established in the UNIDO Financial Regulations, and an internal audit is conducted in accordance with the Charter of the Office of Internal Oversight Services 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 2**

      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.

      3. UNIDO programme support costs shall be reimbursable for all services provided by UNIDO for the development, formulation, implementation, management and evaluation of programmes and projects funded from sources other than the UNIDO regular budget.

**Article 3**

      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, determined by UNIDO subject to the Project Documents, agreed with the Donor.

      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 4**

      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, established by the Donor on the basis of a certain project.

**Article 5**

      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 6**

      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 7**

      On termination of this Arrangement, as specified in article 11, the funds shall continue to be held by UNIDO until all expenditures incurred by UNIDO have been satisfied from such funds. After the submission of the final financial report on the implementation of completed projects in accordance with article 5 (d) of this Agreement, the final balance of funds in the project account shall be transferred to the Donor's sub-account in the IDF.

**Article 8**

      1. This Arrangement may be supplemented or amended by signing relevant protocols between the Donor and UNIDO.

      2. All communications in writing required or permitted by this Arrangement shall be addressed as follows:

      For the Donor: Ministry for Investment and Development of the Republic of Kazakhstan

      32/1, Kabanbay batyr Avenue, 010000, Astana, Kazakhstan

      For UNIDO: Mr. Taizo Nishikawa

      Deputy to the Director General

      United Nations Industrial Development Organisation

      Wagramerstrasse 5

      P.O.Box 300

      A-1400 Vienna, Austria

**Article 9**

      This Arrangement shall enter into force from the date of receipt by UNIDO of a written notification of the Donor on the implementation of the domestic procedures necessary for its entry into force.

**Article 10**

      In cases of any disputes, disagreements or claims arising out of or relating to this Agreement or its violation, termination or invalidity (hereinafter - the "dispute"), the Parties will make every effort to promptly resolve such a dispute through direct negotiations. Any dispute that is not resolved within sixty (60) days from the date of notification of one of the Parties to the other Party about the nature of the dispute and the measures that must be taken to resolve it will be resolved through consultations between the Director General of UNIDO and the Minister for Investment and Development of the Republic Kazakhstan or their duly authorized representatives. Each Party will comprehensively and favorably consider any proposal of the other Party for the peaceful settlement of any issue not provided for by the provisions of this Agreement, or any disagreement regarding the interpretation or application of this Agreement.

**Article 11**

      1. This Agreement shall terminate upon the expiration of six months from the date of receipt by one of the Parties through diplomatic channels of a written notification of the other Party of its intention to terminate this Agreement.

      2. Upon termination of this Arrangement, unless the Parties hereto agree otherwise:

      а) Each Party shall take appropriate measures to ensure the completion of all ongoing projects; 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.

      Done at Vienna this 2 day of December 2015 in duplicate, in Kazakh, English and Russian languages. In the event of any discrepancies between the versions, the English version shall prevail.

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| For the Government of the Republic of Kazakhstan | For the United Nations Industrial Development Organization |

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