

AGREEMENT
BETWEEN
THE GOVERNMENT OF THE RUSSIAN FEDERATION
AND
THE UNITED NATIONS DEVELOPMENT PROGRAMME

The Government of the Russian Federation and the United Nations Development Programme (hereinafter called "the Parties");

WHEREAS the General Assembly of the United Nations has established the United Nations Development Programme (hereinafter called "the UNDP") to support and supplement the national efforts of recipient countries at solving the most important problems of their economic development and to promote social progress and better standard of life;

WHEREAS the Government of the Russian Federation (hereinafter called "the Government") wishes to request assistance from the UNDP for the benefit of its people;

WHEREAS the Government of the Russian Federation and the United Nations have concluded on 15 June 1993 the Agreement relating to the Establishment in the Russian Federation of a United Nations ~~Integrated~~ Office (hereinafter called "the Integrated Office Agreement"), which, in its Article XVIII, paragraph 1, inter alia, provides that the UNDP and other United Nations Agencies, Programmes and Funds may conclude with the Government supplemental agreements concerning conditions under which they shall co-operate with the Government in carrying out tasks and projects within their respective mandates; and

WHEREAS the Government of the Russian Federation and the United Nations Development Programme act in a spirit of friendly co-operation;

Have agreed as follows:

Article I
Scope of this Agreement

1. This Agreement embodies the basic conditions under which the UNDP and its Executing Agencies shall assist the Government in carrying out its development projects, and under which such UNDP-assisted projects shall be executed. It shall apply to all such UNDP assistance and to such Project Documents or other instruments (hereinafter called "Project Documents") as the Parties may conclude to define the particulars of such assistance and the respective responsibilities of the Parties and the Executing Agency concerned hereunder in more detail in regard to such projects.

2. Assistance shall be provided by the UNDP under this Agreement only in response to requests submitted by the Government and approved by the UNDP. Such assistance shall be made available to the Government, or to such entity as the Government may designate, and shall be furnished and received in accordance with the relevant and applicable resolutions and decisions of the competent governing bodies of the UNDP, and subject to the availability of the necessary funds to the UNDP.

Article II
Forms of Assistance

1. Assistance which may be made available by the UNDP to the Government under this Agreement may consist of:
 - (a) the services of advisory experts and consultants, consultant firms or organizations, selected by and responsible to, the UNDP or the Executing Agency concerned;

 - (b) the services of operational experts (OPAS) selected by the Executing Agency, to perform functions of an operational, executive or administrative character as civil servants of the Government or as employees of such entities as the Government may designate under Article I, paragraph 2, hereof;

 - (c) the services of members of the United Nations Volunteers (hereinafter called "volunteers");

 - (d) equipment and supplies not readily available in the Russian Federation;

 - (e) seminars, training programmes, demonstration projects, expert working groups and related activities;

(f) scholarships and fellowships, or similar arrangements under which candidates nominated by the Government and approved by the Executing Agency concerned may study or receive training; and

(g) any other form of assistance which may be agreed upon by the Government and the UNDP.

2. Requests for assistance shall be presented by the Government to the UNDP through the UNDP resident representative in the Russian Federation, referred to in sub-paragraph 4(a) of this Article, and in the form and in accordance with procedures established by the UNDP for such requests. The Government shall provide the UNDP with all appropriate facilities and relevant information to appraise the request, including an expression of its intent with respect to the follow-up of investment-oriented projects.

3. Assistance may be provided by the UNDP to the Government either directly, with such external assistance as it may deem appropriate, or through an Executing Agency, which shall have primary responsibility for carrying out UNDP assistance to the project and which shall have the status of an independent contractor for this purpose. Where assistance is provided by the UNDP directly to the Government, all references in this Agreement to an Executing Agency shall be construed to refer to the UNDP, unless clearly inappropriate from the context.

4. (a) The UNDP may maintain a permanent mission in the Russian Federation, as one of the components of the United Nations Integrated Office in the Russian Federation, headed by a resident representative, to represent the UNDP therein and be the principal channel of communication with the Government on all Programme matters. The resident representative shall have full responsibility and ultimate authority, on behalf of the UNDP Administrator, for the UNDP programme in all its aspects in the Russian Federation. The resident representative shall maintain liaison on behalf of the Programme with the appropriate organs of the Government, including the Government's coordinating agency for external assistance, and shall inform the Government of the policies, criteria and procedures of the UNDP and other relevant programmes of the United Nations. He shall assist the Government, as may be required, in the preparation of UNDP country programme and project requests, as well as proposals for country programme or project changes, assure proper coordination of all assistance rendered by the UNDP through various Executing Agencies or its own consultants, assist the Government, as may be required, in coordinating UNDP activities with national, bilateral and multilateral programmes within the Russian Federation, and carry out such other functions, in consultation with the Government, as may be entrusted to him by the Administrator or by an Executing Agency.

(b) The UNDP mission in the Russian Federation shall have such other staff as the UNDP may deem appropriate to its proper functioning. The UNDP shall notify the Government from time to time of the names of the members, and of the families of the members, of the mission, and of changes in the status of such persons.

Article III Execution of Projects

1. The Government shall remain responsible for those of its development projects to which the UNDP provides technical assistance and the realization of their objectives as described in the relevant Project Documents, and shall carry out such parts of such projects as may be stipulated in the provisions of this Agreement and such Project Documents. The UNDP undertakes to complement and supplement the Government's participation in such projects through assistance to the Government in pursuance of this Agreement and the Work Plans forming part of such Project Documents, and through assistance to the Government in fulfilling its intent with respect to investment follow-up. The Government shall inform the UNDP of the Government Cooperating Agency directly responsible for the Government's participation in each UNDP-assisted project. Without prejudice to the Government's overall responsibility for its projects, the Parties may agree that an Executing Agency shall assume primary responsibility for execution of a project in consultation and agreement with the Cooperating Agency, and any arrangements to this effect shall be stipulated in the project Work Plan forming part of the Project Document together with arrangements, if any, for transfer of such responsibility, in the course of project execution, to the Government or to an entity designated by the Government.
2. Compliance by the Government with any prior obligations agreed to be necessary or appropriate for UNDP assistance to a particular project shall be a condition of performance by the UNDP and the Executing Agency of their responsibilities with respect to that project. Should provision of such assistance be commenced before such prior obligations have been met, it may be terminated or suspended without notice and at the discretion of the UNDP.
3. Any agreement between the Government and an Executing Agency concerning the execution of a UNDP-assisted project or between the designated competent authority of the Government and an operational expert shall be subject to the provisions of this Agreement.
4. The Cooperating Agency shall as appropriate and in consultation with the Executing Agency assign a full-time director for each project who shall perform such functions as are assigned to him by the Cooperating Agency. The Executing

Agency shall as appropriate and in consultation with the Government appoint a Chief Technical Adviser or Project Coordinator responsible to the Executing Agency to oversee the Executing Agency's participation in the project at the project level. He shall supervise and coordinate activities of experts and other Executing Agency personnel and be responsible for the on-the-job training of national government counterparts. He shall be responsible for the management and efficient utilization of all UNDP-financed inputs, including equipment provided to the project.

5. In the performance of their duties, advisory experts, consultants and volunteers shall act in close consultation with the Government and with persons or bodies designated by the Government, and shall comply with such instructions from the Government as may be appropriate to the nature of their duties and the assistance to be given and as may be mutually agreed upon between the UNDP, the Executing Agency concerned and the Government. Operational experts shall be solely responsible to, and be under the exclusive direction of, the Government or the entity to which they are assigned, but shall not be required to perform any functions incompatible with their international status or with the purposes of the UNDP or of the Executing Agency. The Government undertakes that the commencing date of each operational expert in its service shall coincide with the effective date of his contract with the Executing Agency concerned.

6. Recipients of fellowships shall be selected by the Executing Agency. Such fellowships shall be administered in accordance with the fellowship policies and practices of the Executing Agency.

7. Technical and other equipment, materials, supplies and other property financed or provided by the UNDP shall belong to the UNDP unless and until such time as ownership thereof is transferred, on terms and conditions mutually agreed upon between the Government and the UNDP, to the Government or to an entity nominated by it.

8. Patent rights, copyright rights, and other similar rights to any discoveries or work resulting from UNDP assistance under this Agreement 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 Russian Federation free of royalty or any charge of similar nature.

Article IV Information concerning Projects

1. The Government shall furnish the UNDP with such relevant reports, maps, accounts, records, statements, documents and other information as it may request concerning any UNDP-assisted project, its execution or its continued feasibility and

soundness, or concerning the compliance by the Government with its responsibilities under this Agreement or Project Documents.

2. The UNDP undertakes that the Government shall be kept currently informed of the progress of its assistance activities under this Agreement. Either Party shall have the right, at any time, to observe the progress of operations on UNDP-assisted projects.

3. The Government shall, subsequent to the completion of a UNDP-assisted project, make available to the UNDP at its request information as to benefits derived from and activities undertaken to further the purposes of that project, including information necessary or appropriate to its evaluation or to evaluation of UNDP assistance, and shall consult with and permit observation by the UNDP for this purpose.

4. Any information or material which the Government is required to provide to the UNDP under this Article shall be made available by the Government to an Executing Agency at the request of the Executing Agency concerned.

5. The Parties shall consult each other regarding the publication, as appropriate, of any information relating to any UNDP-assisted project or to benefits derived therefrom. However, any information relating to any investment-oriented project may be released by the UNDP to potential investors, unless and until the Government has requested the UNDP in writing to restrict the release of information relating to such project.

Article V
Participation and Contribution of the Government in Execution
of Project

1. In fulfilment of the Government's responsibility to participate and cooperate in the execution of the projects assisted by the UNDP under this Agreement, the Government shall contribute the following in kind to the extent detailed in relevant Project Documents:

(a) local counterpart professional and other services, including national counterparts to operational experts;

(b) land, buildings, and training and other facilities available or produced within the Russian Federation; and

(c) equipment, materials and supplies available or produced within the Russian Federation.

2. Whenever the provision of equipment forms part of UNDP assistance to the Government, the latter shall meet charges relating to customs clearance of such equipment, its transportation from the port of entry to the project site together with any incidental handling or storage and related expenses, its insurance after delivery to the project site, and its installation and maintenance. (X)

3. The Government shall also meet the salaries of trainees and recipients of fellowships during the period of their fellowships.

4. If so provided in the Project Document, the Government shall pay, or arrange to have paid, to the UNDP or an Executing Agency the sums required, to the extent specified in the Project Budget of the Project Document, for the provision of any of the items enumerated in sub-paragraphs (a), (b) and (c) of paragraph 1 of this Article, whereupon the Executing Agency shall obtain such items and account annually to the UNDP for any expenditures out of payments made under this provision.

5. Moneys payable to the UNDP under the preceding paragraph shall be paid to an account designated for this purpose by the Secretary-General of the United Nations and shall be administered in accordance with the applicable financial regulations of the UNDP.

6. The cost of items constituting the Government's contribution to the project and any sums payable by the Government in pursuance of this Article, as detailed in Project Budgets, shall be considered as estimates based on the best information available at the time of preparation of such Project Budgets. Such sums shall be subject to adjustment whenever necessary to reflect the actual cost of any such items purchased thereafter.

7. The Government shall as appropriate display suitable signs at each project identifying it as one assisted by the UNDP and the Executing Agency.

Article VI

Other Costs Payable in Local Currency

1. In addition to the contribution referred to in Article V above, the Government shall assist the UNDP in providing it with assistance by paying or arranging to pay for the following local costs or facilities, in the amounts specified in the relevant Project Document or otherwise determined, following full consultations with the Government, by the UNDP in pursuance of relevant decisions of its governing bodies:

(a) the local living costs of advisory experts and consultants assigned to projects in the Russian Federation;

(b) local administrative and clerical services, including necessary local secretarial help, interpreter-translators, and related assistance;

(c) transportation of personnel on official assignments within the Russian Federation; and

(d) postage and telecommunications for official purposes.

2. The Government shall also pay each operational expert directly the salary, allowances and other related emoluments which would be payable to one of the nationals of the Russian Federation if appointed to the post involved. It shall grant an operational expert the same annual and sick leave as the Executing Agency concerned grants its own officials, and shall make any arrangement necessary to permit him to take home leave to which he is entitled under the terms of his service with the Executing Agency concerned. Should his service with the Government be terminated by it under circumstances which give rise to an obligation on the part of an Executing Agency to pay him an indemnity under its contract with him, the Government shall contribute to the cost thereof the amount of separation indemnity which would be payable to a civil servant of the Russian Federation or comparable employee of like rank whose service is terminated in the same circumstances.

3. The Government undertakes to furnish in kind the following local services and facilities:

(a) the necessary office space and other premises;

(b) such medical facilities and services for international personnel as may be available to civil servants of the Russian Federation;

(c) simple but adequately furnished accommodation to volunteers; and

(d) assistance in finding suitable housing accommodation for international personnel, and the provision of such housing to operational experts under the same conditions as to civil servants of the Russian Federation of comparable rank.

4. The Government shall also contribute towards the expenses of maintaining the UNDP mission in the Russian Federation by paying annually to the UNDP a lump sum mutually agreed between the Parties to cover the following expenditures:

(a) an appropriate office with equipment and supplies, adequate to serve as local headquarters for the UNDP in the Russian Federation;

(b) appropriate local secretarial and clerical help, interpreters, translators and related assistance;

(c) transportation of the resident representative and his staff for official purposes within the Russian Federation;

(d) postage and telecommunications for official purposes; and

(e) subsistence for the resident representative and his internationally recruited staff while in official travel status within the Russian Federation.

5. The Government shall have the option of providing in kind the facilities referred to in paragraph 4 above, with the exception of sub-paragraphs (b) and (e).

6. Moneys payable under the provisions of this Article, other than under paragraph 2, shall be paid by the Government and administered by the UNDP in accordance with Article V, paragraph 5.

Article VII

Relation to Assistance from Other Sources

In the event that assistance towards the execution of a project is obtained by either Party from other sources, the Parties shall consult each other and the Executing Agency with a view to effective coordination and utilization of assistance received by the Government from all sources. The obligations of the Government hereunder shall not be modified by any arrangements it may enter into with other entities cooperating with it in the execution of a project.

Article VIII

Use of Assistance

The Government shall exert its best efforts to make the most effective use of the assistance provided by the UNDP and shall use such assistance for the purpose for which it is intended. Without restricting the generality of the foregoing, the Government shall take such steps to this end as are specified in the Project Document.

Article IX

Privileges and Immunities

X 1. The provisions of the Convention on the Privileges and Immunities of the United Nations of 1946, to which the Russian Federation is a party, and the

(X)

(X) provisions of the Agreement between the Government of the Russian Federation and the United Nations relating to the establishment in the Russian Federation of a United Nations ~~Integrated~~ Office, shall be applied to the United Nations and its organs, including the UNDP and United Nations subsidiary organs acting as UNDP Executing Agencies, their property, funds and assets, and to their officials, including the resident representative and other members of the UNDP mission in the Russian Federation.

2. The provisions of the Convention on the Privileges and Immunities of the Specialized Agencies, including any Annex to the Convention applicable to such Specialized Agency shall be applied to each Specialized Agency acting as an Executing Agency, its property, funds and assets, and to its officials. In case the International Atomic Energy Agency (the IAEA) acts as an Executing Agency, the Agreement on Privileges and Immunities of the IAEA shall be applied to its property, funds and assets, and to its officials and experts.

3. Members of the UNDP mission in the Russian Federation may be granted such additional privileges and immunities as may be necessary for the effective exercise by the mission of its functions, as the Parties may agree.

4. (a) Except as the Parties may otherwise agree in Project Documents relating to specific projects, the Government shall grant all persons, other than nationals of the Russian Federation employed locally, performing services on behalf of the UNDP, a Specialized Agency or the IAEA, who are not covered by paragraphs 1 and 2 above, the same privileges and immunities as officials of the United Nations, the Specialized Agency concerned or the IAEA under Sections 18, 19 or 18 respectively of the Conventions on the Privileges and Immunities of the United Nations or of the Specialized Agencies, or of the Agreement on Privileges and Immunities of the IAEA.

(b) For purposes of the instruments on privileges and immunities referred to in the preceding parts of this Article:

(1) all papers and documents relating to a project in the possession or under the control of the persons referred to in subparagraph 4(a) above shall be deemed to be documents belonging to the United Nations, the Specialized Agency concerned, or the IAEA, as the case may be; and

(X) (2) equipment, materials and supplies brought into or purchased or leased by those persons within the Russian Federation for purposes of a project shall be deemed to be property of the United Nations, the Specialized Agency concerned, or the IAEA, as the case may be.

5. The expression "persons performing services" as used in Articles IX, X and XIII of this Agreement includes operational experts, volunteers, consultants, and juridical as well as natural persons and their employees. It includes governmental or non-governmental organizations or firms which UNDP may retain, whether as an Executing Agency or otherwise, to execute or to assist in the execution of UNDP assistance to a project, and their employees. Nothing in this Agreement shall be construed to limit the privileges, immunities or facilities conferred upon such organizations or firms or their employees in any other instrument.

Article X
Facilities for Execution of UNDP Assistance

1. The Government shall take any measures which may be necessary to exempt the UNDP, its Executing Agencies, their experts and other persons performing services on their behalf from regulations or other legal provisions which may interfere with operations under this Agreement, and shall grant them such other facilities as may be necessary for the speedy and efficient execution of UNDP assistance. It shall, in particular, grant them the following rights and facilities:

(a) prompt clearance of experts and other persons performing services on behalf of the UNDP or an Executing Agency;

(b) prompt issuance without cost of necessary visas, licences or permits;

(c) access to the site of work and all necessary rights of way;

(d) free movement within or to or from the Russian Federation, to the extent necessary for proper execution of UNDP assistance, except for sites which require special permission under the legislation on national security in force in the Russian Federation;

(e) the most favourable legal rate of exchange;

(f) any permits necessary for the importation of equipment, materials and supplies, and for their subsequent exportation;

(g) any permits necessary for importation of property belonging to and intended for the personal use or consumption of officials of the UNDP, its Executing Agencies, or other persons performing services on their behalf, and for the subsequent exportation of such property; and

(h) prompt release from customs of the items mentioned in subparagraphs (f) and (g) above.

2. Assistance under this Agreement being provided for the benefit of the people of the Russian Federation, the Government shall bear all risks of operations arising under this Agreement. The Government shall, in particular, be responsible for dealing with all claims in the Russian Federation arising from or directly attributable to the operations under the present Agreement, that may be brought by third parties against the UNDP or an Executing Agency, their officials or other persons performing services on their behalf, and shall pay compensation in accordance with its national law in respect of such claims, and shall hold harmless the UNDP or an Executing Agency, their officials or other persons performing services on their behalf. The foregoing provision shall not apply where the Parties and the Executing Agency are agreed that a claim or liability arises from the gross negligence or wilful misconduct of the above-mentioned individuals.

Article XI Suspension or Termination of Assistance

1. The UNDP may by written notice to the Government and to the Executing Agency concerned suspend its assistance to any project if in the judgement of the UNDP any circumstance arises which interferes with or threatens to interfere with the successful completion of the project or the accomplishment of its purposes. The UNDP may, in the same or a subsequent written notice, indicate the conditions 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 it is prepared to resume its assistance.

2. If any situation referred to in paragraph 1 of this Article 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 by written notice to the Government and the Executing Agency terminate its assistance to the project.

3. The provisions of this Article 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.

Article XII Settlement of Disputes

1. Any dispute between the Government and the UNDP arising out of or relating to this Agreement shall be settled in accordance with the provisions set out in Article XX of the Integrated Office Agreement.

2. Any dispute between the Government and an operational expert arising out of or relating to the conditions of his service with the Government may be referred to the Executing Agency providing the operational expert by either the Government or the operational expert involved, and the Executing Agency concerned shall use its good offices to assist them in arriving at a settlement. If the dispute cannot be settled in accordance with the preceding procedures or by other agreed mode of settlement, the matter shall, at the request of either Party, be submitted to the Government and the UNDP. If, however, the Government and the UNDP are unable to resolve the dispute, the matter shall, at the request of either the Government or the UNDP, be submitted to arbitration in accordance with the provisions of Article XX of the Integrated Office Agreement.

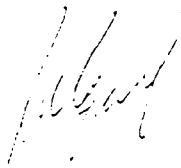
Article XIII General Provisions

1. This Agreement is supplementary to the Integrated Office Agreement. Insofar as any provision of this Agreement and any provision of the Integrated Office Agreement relate to the same subject matter, the two provisions shall, whenever possible, be construed as complementary so that both provisions shall be applicable and neither shall narrow the effect of the other.
2. This Agreement shall be given provisional effect from the date of its signature. It shall enter into force upon receipt by the United Nations Development Programme of a notification from the Government of the Russian Federation indicating that the internal procedures necessary for the Agreement's entry into force have been completed.
3. This Agreement may be modified by written agreement between the Parties hereto. Any relevant matter for which no provision is made in this Agreement shall be settled by the Parties in keeping with the provisions of international law and the relevant resolutions and decisions of the appropriate organs of the United Nations. Each Party shall give full and sympathetic consideration to any proposal advanced by the other Party under this paragraph.
4. This Agreement may be terminated by either Party by written notice to the other and shall terminate sixty days after receipt of such notice.

5. The obligations assumed by the Parties under Articles IV (concerning project information) and VIII (concerning the use of assistance) shall survive the expiration or termination of this Agreement. The obligations assumed by the Government under Articles IX (concerning privileges and immunities), X (concerning facilities for project execution) and XII (concerning settlement of disputes) hereof shall survive the expiration or termination of this Agreement to the extent necessary to permit orderly withdrawal of personnel, funds and property of the UNDP and of any Executing Agency, or of any persons performing services on their behalf under this Agreement.

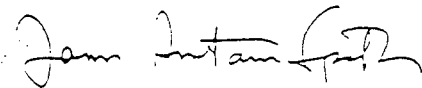
DONE at New York, United States of America, on this 17 day of November, nineteen hundred and ninety three, in two copies, each in the Russian and English languages, both texts being equally authentic.

For the Government of the
Russian Federation:



Signature

For the United Nations
Development Programme:



Signature