

June 28, 1961

**BASIC AGREEMENT BETWEEN THE REPUBLIC OF THE
PHILIPPINES AND THE UNITED NATIONS SPECIAL FUND
CONCERNING ASSISTANCE FROM THE UNITED NATIONS
SPECIAL FUND**

Note: The Agreement entered into force, June 28, 1961.

Reference: This Agreement is also published in 599 UNTS, p. 141.

Whereas the Government of the Philippines has requested assistance from the United Nations Special Fund in accordance with resolution 1240 (XIII) of the General Assembly of the United Nations;

Whereas the Special Fund is prepared to provide the Government with such assistance for the purpose of promoting social progress and better standards of life and advancing the economic, social and technical development of the Philippines;

Now therefore the Government and the Special Fund have entered into this Agreement in a spirit of friendly co-operation.

ARTICLE I

ASSISTANCE TO BE PROVIDED BY THE SPECIAL FUND

1. This Agreement embodies the conditions under which the Special Fund shall provide the Government with assistance and also lays down the basic conditions under which projects will be executed.
2. A plan of Operation for each project shall be agreed to in writing by the Government, the Special Fund and the Executing Agency. The terms of this Agreement shall apply to each Plan of Operation.
3. The Special Fund undertakes to make available such sums as may be specified in each Plan of Operation for the execution of projects described therein, in accordance with the relevant and applicable resolutions and decisions of the appropriate United Nations organs, in particular resolution 1240 (XIII) of the General Assembly, and subject to the availability of funds.
4. Compliance by the Government with any prior obligations specified in each Plan of Operation as necessary for the execution of a project shall be a condition of performance by the Special Fund and by the Executing Agency of their responsibilities under this Agreement. In case execution of a project is commenced before compliance by the Government with any related prior obligations, such execution may be terminated or suspended at the discretion of the Special Fund.

ARTICLE II

EXECUTION OF PROJECT

1. The Parties hereby agree that each project shall be executed or administered on behalf of the Special Fund by an Executing Agency, to which the sums referred to in

Article I above shall be disbursed by agreement between the Special Fund and such Executing Agency.

2. The Government agrees that an Executing Agency, in carrying out a project, shall have the status, vis-a-vis the Special Fund, of an independent contractor. Accordingly, the Special Fund shall not be liable for the acts or omissions of the Executing Agency or of persons performing services on its behalf. The Executing Agency shall not be liable for the acts or omissions of the Special Fund or of persons performing services on behalf of the Special Fund.

3. Any agreement between the Government and an Executing Agency concerning the execution of a Special Fund project shall be subject to the provisions of this Agreement and shall require the prior concurrence of the Managing Director.

4. Any equipment, materials, supplies and other property belonging to the Special Fund or an Executing Agency which may be utilized or provided by either or both in the execution of a project shall remain their property unless and until such time as title thereto may be transferred to the Government on terms and conditions mutually agreed upon between the Government and the Special Fund or the Executing Agency concerned.

ARTICLE III

INFORMATION CONCERNING PROJECT

1. The Government shall furnish the Special Fund with such relevant documents, accounts, records, statements and other information as the Special Fund may request concerning the execution of any project or its continued feasibility and soundness, or concerning the compliance by the Government with any of its responsibilities under this Agreement.

2. The Special Fund undertakes that the Government will be kept currently informed of the progress of operations on projects executed under this Agreement. Either Party shall have the right, at any time, to observe the progress of any operations carried out under this Agreement.

3. The Government shall, subsequent to the completion of a project, make available to the Special Fund at its request information as to benefits derived from and activities undertaken to further the purposes of that project, and will permit observation by the Special Fund for this purpose.

4. The Government will also make available to the Executing Agency all information concerning a project necessary or appropriate to the execution of that project, and all information necessary or appropriate to an evaluation, after its completion of the benefits derived from and activities undertaken to further the purpose of that project.

5. The Parties shall consult each other regarding the publication as appropriate of any information relating to any project or to benefits derived therefrom.

ARTICLE IV

PARTICIPATION AND CONTRIBUTION OF GOVERNMENT IN EXECUTION OF PROJECT

1. The Government shall participate and co-operate in the execution of the projects covered by this Agreement. It shall, in particular, perform all the acts required of it in each Plan of Operation, including the provision of materials, equipment, supplies, labour and professional services available within the country.
2. If so provided in the Plan of Operation, the Government shall pay, or arrange to have paid, to the Special Fund the sums required, to the extent specified in the Plan of Operation, for the provision of labour, materials, equipment and supplies available within the country.
3. Moneys paid to the Special Fund in accordance with 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 Special Fund.
4. Any moneys remaining to the credit of the account designated in the preceding paragraph at the time of the completion of the project in accordance with the Plan of Operation shall be repaid to the Government after provision has been made for any unliquidated obligations in existence at the time of the completion of the project.
5. The Government shall as appropriate display suitable signs at each project identifying such project as one assisted by the Special Fund and the Executing Agency.

ARTICLE V

LOCAL FACILITIES TO BE PROVIDED BY THE GOVERNMENT TO THE SPECIAL FUND AND THE EXECUTING AGENCY

1. In addition to the payment referred to in Article IV, paragraph 2, above the Government shall assist the Special Fund and the Executing Agency in executing any project by paying or arranging to pay for the following local facilities required to fulfil the programme of work specified in the Plan of Operation:
 - (a) The local living costs of experts and other personnel assigned by the Special Fund or the Executing Agency to the country under this Agreement as shall be specified in the Plan of Operation;
 - (b) Local administrative and clerical services, including the necessary local secretarial help, interpreter-translators, and related assistance;
 - (c) Transportation of personnel, supplies and equipment within the country;
 - (d) Postage and telecommunications for official purposes;
 - (e) Any sums which the Government is required to pay under Article VIII, paragraph 5 below.
2. Moneys paid under the provisions of this Article shall be paid to the Special Fund and shall be administered in accordance with Article IV, paragraph 3 and 4.
3. Any of the local services and facilities referred to in paragraph 1 above in respect of which payment is not made by the Government to the Special Fund shall be furnished in kind by the Government to the extent specified in the Plan of Operation.

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

(a) The necessary office space and other premises;

(b) Appropriate medical facilities and services for international personnel engaged in the project.

5. The Government undertakes to provide such assistance as it may be in a position to provide for the purpose of finding suitable housing accommodation for international personnel assigned to the country under this Agreement.

ARTICLE VI

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 co-ordination and utilization of assistance received by the Government from all sources. The obligations of the Government hereunder shall not be modified by any arrangements with other entities co-operating with the Government in the execution of a project.

ARTICLE VII

USE OF ASSISTANCE

The Government shall exert its best efforts to make the most effective use of the assistance provided by the Special Fund and the Executing Agency and shall use such assistance for the purpose for which it is intended. The Government shall take such steps to this end as are specified in the Plan of Operation.

ARTICLE VIII

FACILITIES, PRIVILEGES AND IMMUNITIES

1. The Government shall apply to the United Nations and its organs, including the Special Fund, its property, funds and assets, and to its officials, the provisions of the Convention on the Privileges and Immunities of the United Nations.

2. The Government shall apply to each Specialized Agency acting as Executing Agency, its property, funds and assets and to its Officials, 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. In case the International Atomic Energy Agency acts as an Executing Agency, the Government shall apply to its property, funds and assets and to its officials and experts, the Agreement on the Privileges and Immunities of the International Atomic Energy Agency.

3. In appropriate cases where required by the nature of the project, the Government and the Special Fund may agree that immunities similar to those specified in the Convention on the Privileges and Immunities of the United Nations and the Convention on the Privileges and Immunities of the Specialized Agencies shall be granted by the Government to a firm or organization, and to the personnel of any firm or organization, which may be retained by either the Special Fund or an Executing Agency to execute or to assist in the execution of a project. Such