

FUNDING AGREEMENT WITH DONORS

Agreement between the United Nations Office on Drugs and Crime and the Presidency of the Council of Ministers, Department for Anti-Drug Policies, of Italy.

WHEREAS the United Nations Office on Drugs and Crime [hereinafter referred to as "UNODC"] and the Presidency of the Council of Ministers, Department for Anti-Drug Policies, of Italy have agreed to co-operate in the implementation of a project entitled "UNODC-WHO Programme on Drug Dependence Treatment and Care Regional chapter for the Balkans" hereinafter referred to as "the project", which is integral part of the agreement.

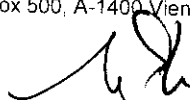
WHEREAS the Presidency of the Council of Ministers, Department for Anti-Drug Policies, of Italy (hereinafter referred to as "the donor Country") has informed UNODC of its willingness to allocate funds to meet the costs of the project integral part of the agreement.

WHEREAS the UNODC and the donor government have agreed that the UNODC shall be responsible under the terms of this Agreement for the management of the funds allocated by the donor Country to meet the costs of the project.

NOW THEREFORE, UNODC and the donor Government hereby agree as follows:

Article I

1. The donor Country shall, in the manner referred to in paragraph 2 below, place at the disposal of the UNODC the sum of US\$ 250.000,00 (Euro 181.262,50) UNODC shall use such funds to meet the costs of the project.
2. The donor Country shall, in accordance with the schedule of payments set out in attachment B to this Agreement, deposit the aforesaid funds, in convertible currencies of unrestricted use, to the account designated by the UNODC.
3. The aforesaid funds shall be administered under financial regulations and rules of the United Nations.



4. The aforesaid funds and the activities financed shall be administered by UNODC in accordance with the applicable United Nations regulations, rules and directives. Accordingly, personnel shall be engaged and administered; equipment, supplies and services provided; and contracts entered into in accordance with the provisions of such regulations, rules and directives.
5. All financial accounts and financial statements shall be expressed in United States dollars.
6. Any interest accruing on the aforesaid funds shall be calculated in accordance with the financial rules and financial regulations of UNODC and shall be used to meet the costs of the project.

Article II

1. The funds shall be charged with expenditures incurred by UNODC in the performance of activities under this Agreement.
2. The funds will also be charged with thirteen (13) per cent of all expenditures for the programme support services provided by UNODC in the implementation of the project financed under the fund, in accordance with the financial regulations, rules and directives of the United Nations. ~~In addition, UNODC, in its capacity as Administrative Agent shall be entitled to allocate one percent (1) of WHO allocation.~~

Article III

1. UNODC shall commence and continue to conduct operations related to the first part of payment under this Agreement on the receipt of funds in accordance with the schedule of payments of project, which is integral part of the agreement.
2. UNODC will not make any commitments above the amounts specified for expenditure in the schedule of payments of project, page 6, which is integral part of the agreement.
3. If unforeseen expenditures arise, UNODC will submit a supplementary budget to the donor Country showing the further funding that will be necessary. If no such further funding is available, the assistance provided to the project under this Agreement may be reduced or, if necessary, terminated by UNODC. In no event will UNODC assume any liability in excess of the funds provided in the trust fund.

Article IV



Ownership of equipment, supplies and other property financed from this funds shall vest in the United Nations. On the termination or expiration of this Agreement, the matter of ownership shall be determined in accordance with the provisions of the applicable project document between UNODC and the recipient Government, or, should the applicable project document not contain any such provisions, then the matter shall be a subject for consultations between the donor Country and UNODC.

Article V

Evaluations of the activities financed from this trust fund, including joint evaluation by UNODC, donor Country and recipient Government shall be undertaken in accordance with the provisions contained in the project, which is integral part of the agreement.

Article VI

The funds shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules and directives of the United Nations.

Article VII

UNODC shall provide the donor Country with the following statements and reports prepared in accordance with the United Nations accounting and reporting procedures:

- (a) Annual financial statement showing income, expenditures, assets and liabilities as of 31 December each year with respect to the funds provided by the donor Country;
- (b) A final report and a final financial statement within six months after the date of expiration or termination of this Agreement.
- (c) Concise project progress reports, annually and semi-annually.

Article VIII



UNODC shall notify the donor Country when, in its opinion, the purposes for which the funds were allocated have been realized. The date of such notification shall be deemed to be the date of expiration of this Agreement, subject to the continuance in force of article X for the purposes there stated.

Article IX

This Agreement may be terminated by either party on (90) days' written notice to the other party, subject to the continuance in force of article X for the purposes there stated.

Article X

On termination or expiration of this Agreement under article VIII or IX, the funds will continue to be held by UNODC until all expenditures it has incurred have been satisfied from such funds. Thereafter, any surplus remaining shall be used for a purpose determined by UNODC in consultation with the donor Country.

Any dispute which may arise between the parties as to the interpretation, application or performance of the Agreement, including its validity or termination, or with regard to any further Agreement which may result and which cannot be settled amicably, may be submitted by either party to final and binding arbitration in accordance with UNCITRAL Arbitration Rules, as in effect on the date this Agreement is signed.

Article XII

WHEREAS the Decree of the Presidency of Ministers 22 november 2010 and its following modifications included into Regulation of financial autonomy of the Presidency of the Council of Ministers;

WHEREAS the cost falls on item no. 773 of CR 14 "Anti-drug policies" for financial year 2013 which has adequate funds:

- The first instalment in the amount corresponding to 60% (last acknowledged change) of the overall amount of US\$ 250.000,00 will be paid upon signature of the funding agreement, after the approval of the agreement and the expense commitment by the competent control body.



- The second instalment in the amount corresponding to 40% (last acknowledged change) of the overall amount of US\$ 250.000,00 will be paid upon receipt by the donor of the first progress report, which is due by mid 2014. To this end it is necessary to have a formal request for the sum of US\$ which must be addressed to this office: Presidency of the Council of Ministers – Department for Anti-drug Policies – Via dei Laterani 34 – 00184 ROME. For the purposes of these activities the above ONU body will arrange to forward to this Department a detailed report on the activities – which will cover each of the initiatives – and a financial report on the costs actually incurred against the contribution supplied. This financial report must be certified by a manager of the finance office in this ONU body.

Article XIII

This Agreement shall enter into force upon signature.

Article XIV

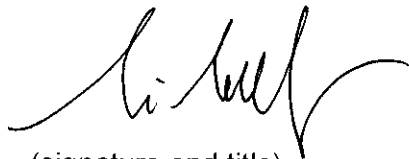
IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two originals.

Done in _____ on _____

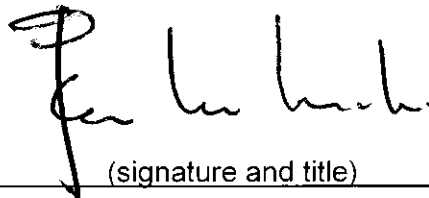
Done in Venice on 20 Dec. 2013

On behalf of the
Presidency of the Council of Ministers
Department for Anti-Drug Policies, of Italy

On behalf of the
United Nations Office on Drugs and Crime



(signature and title)



(signature and title)