



United Nations
Educational, Scientific and
Cultural Organization

FUNDS-IN-TRUST PROJECT AGREEMENT

Between

**THE UNITED NATIONS
EDUCATIONAL, SCIENTIFIC AND
CULTURAL ORGANIZATION**

and

**THE GOVERNMENT OF THE
FEDERAL REPUBLIC OF
GERMANY**

(hereinafter called UNESCO)

(hereinafter called the 'Donor')

UNESCO and the Donor hereinafter jointly referred as the "Parties"

WHEREAS the Donor is conscious of the purpose of UNESCO to contribute to peace and security by promoting collaboration among the nations through education, science, culture and communication in order to further universal respect for justice, for the rule of law and for the human rights and fundamental freedom which are affirmed for the peoples of the world, without distinction of race, sex, language or religion, by the Charter of the United Nations; and

WHEREAS the Donor desires to strengthen its cooperation with UNESCO also by making funds available to UNESCO for the implementation of the activities related to the project '**Capacity building in Timor-Leste on the implementation of the 1972 Convention**'.

WHEREAS the Director-General of UNESCO is authorized, in accordance with the Financial Regulations, to receive funds from donors for the purpose of carrying out activities which are consistent with the aims, policies and activities of UNESCO;

NOW THEREFORE, the Donor and UNESCO hereby agree as follow:

Article I General Conditions

1. The aim of the present Agreement is to support UNESCO's activities related to the project "Capacity building in Timor-Leste on implementation of the 1972 Convention" of which the project outline including the budget breakdown is attached as Annex to the Agreement.

The donor shall deposit the amount of 20,000 EURO in the following account following the signature of the agreement.

Contribution paid in Euros:

Account Holder: UNESCO
Bank: Société Générale, Paris, France
BIC-SWIFT: SOGEFRPP
IBAN: FR76 30003 03301 00037291909 97

The aim of payment "CLT/JAK Timor-Leste" must be clearly indicated on any bank transfer made.

2. The sum is intended to cover the direct costs of the project and to contribute, at the flat rate of USD 6,500 of direct project costs, to UNESCO's expenses for the technical and administrative supervision of the project.
3. The funds made available by the Donor shall be used in accordance with UNESCO's regulations and rules.
4. UNESCO may draw against the sum so deposited for direct project costs and administrative support costs mentioned above.
5. After receipt of the funds mentioned under paragraph 2 above, UNESCO shall establish, with the Government of Timor-Leste, a plan of operation or other agreement for the implementation of the project. The plan of operation or other agreement shall provide that the obligations of UNESCO are conditional upon the funds being made available by the donor in accordance with the approved budget and the agreed payment schedule for the funds-in-trust contribution.
6. Whenever possible, UNESCO will invest temporary surplus funds in short-term interest bearing deposits; 2/3 of accrued interest will be credited to the account and 1/3 to UNESCO for administration and management commission in accordance with UNESCO's rules and regulations.
7. UNESCO shall establish for this project a separate account and record therein all receipts and expenses under the project as well as project support costs. Since UNESCO's accounts are kept in US dollars, contributions in other currencies will be credited to the account at the United Nations operational rate of exchange in effect on the date of the transaction or at the market rate prevailing at the time of the transfer.
8. UNESCO shall submit to the Donor the annual financial reports and provide intermediary financial reports as often as may reasonably be requested by the Donor. As soon as feasible after the operational termination of the project, UNESCO shall submit a final financial report to the Donor. Any balance remaining in the project account after execution of all the obligations under the project shall be returned to the Donor, unless

otherwise decided by the Donor upon proposal of UNESCO. Financial reports will be presented in the format of the approved budget.

9. UNESCO will provide the Donor with annual narrative reports on progress of project implementation. Upon the completion of the project, UNESCO shall prepare a final report, including an assessment of the project and its results.
10. The provisions for evaluation are described in the enclosed project document and budget. UNESCO is responsible for initiating, organizing and following up project evaluations in accordance with the approved project document and corresponding budget, and UNESCO's evaluation policy and guidelines. UNESCO will consult the donor on the terms of reference for the evaluation and invite the donor to participate in the evaluation at the donor's cost unless explicitly foreseen in the project budget. UNESCO will also invite the donor to comment on the draft evaluation report.
11. The funds made available by the Donor shall be subject exclusively to the internal and external audit procedures as laid down in UNESCO's regulations, rules and directives.

Article II Obligations of the Donor

Following hereto the Donor undertakes obligation to transfer the indicated amount within terms specified to the UNESCO's account as is provided in Article I par. 1 hereof.

Render possible assistance to UNESCO in fulfillment of the provisions of the present project, provided in Article I par.1 hereof.

Article III Obligations of UNESCO

1. When implementing the project and within the framework of the budget estimated at 20,000 EURO (including US\$ 6,500 - project support costs) UNESCO undertakes obligations to continue the important work already undertaken as part of the German Government funded projects from 2015-2016 to safeguard heritage in Timor-Leste.

The key activity that will be undertaken in the project is:

- A capacity building workshop on the 1972 Convention and on the drafting of file for the inscription of sites on the UNESCO World Heritage tentative list.

with the purposes indicated in Article I hereof.

2. The fulfilment of UNESCO obligations provided in par. 1 of this Article shall be subject to the availability of funds from the Donor and shall be effected in accordance with the UNESCO's regulations and rules.

Article IV Entry into Force

1. This Agreement shall come into force upon signature by both Parties and shall remain in force until 30 June 2018. Only expenditures incurred before 31 December 2017 and relating to activities carried out after entry into force of the agreement and before 31 December 2017 may be financed from the contribution. Otherwise the written approval of the Donor is required in accordance with Article V paragraph 3 below.

Article V Budget revisions, no cost extensions and amendment of the agreement

1. **Budget revisions**

Budget revisions required to facilitate the administrative handling of projects will be processed by the Section for Mobilizing Government Partner Resources (BSP/MGP) according to UNESCO's regulations and rules without seeking the prior approval of the donor on a case by case basis if the budget revision meets the following criteria a) the budget revision concerns eligible categories of expenditure under the approved project agreement; b) the budget revision does not modify the expected results of a given project; c) the budget revision does not require any additional funds from the donor; d) cumulative adjustments between the amounts specified for the items of expenditure set forth in this agreement which do not exceed 25% of the total budget.

Budget revisions which do not meet the above criteria will be submitted to the donor for prior approval as per paragraph 3 below.

Any such budget revisions will be reported to the donor in writing in the ensuing narrative report.

2. **No cost extensions**

No cost–extensions of the project implementation period of the project, or of the validity date of the Project Budget code in UNESCO's financial system required to facilitate the administrative handling of projects, will be processed by the Section for Mobilizing Government Partner Resources (BSP/MGP) according to UNESCO's regulations and rules without seeking the prior approval of the donor if the no cost extension is for a period not exceeding 6 months, and not exceeding the term of the Agreement.

3. Amendment

Any other modification to the agreement, including extensions of the term of this Agreement may be made by written agreement between UNESCO and the Donor. Each party shall give full and sympathetic consideration to any proposal advanced by the other party for the amendment of this Agreement.

**Article VI
Final Provisions**

1. This Agreement may be terminated before the foreseen expiry date by mutual consent or by either party serving six months' written notice to the other party, if either party considers that the co-operation envisaged therein can no longer appropriately or effectively be carried out.
2. If notice of termination of this Agreement is given by one of the parties in accordance with the preceding paragraph, both parties shall forthwith hold consultations with a view to determining the most appropriate measures to be taken in order to wind up operations being carried out by UNESCO under this Agreement. In any event, the Donor shall authorize UNESCO to meet any current legal obligation arising prior to termination of the Agreement and relating to personal and other contractual services, supplies, equipment and travel.

Done in two original copies in English.

On behalf of the United Nations
Educational, Scientific and
Cultural Organization

Shahbaz Khan PhD
UNESCO Office, Jakarta
Director and Representative

Date: 31 March 2017

Signature



On behalf of the Government of THE
FEDERAL REPUBLIC OF GERMANY

H. E. Michael von Ungern-Sternberg
Ambassador to the Republic of
Indonesia, Timor-Leste and ASEAN

Date:

2. Apr. 2017

Signature

