

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

ITALIAN MINISTRY OF FOREIGN AFFAIRS (Directorate General for
Development Cooperation (MFS-DGCS))

AND

THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

WHEREAS the United Nations Industrial Development Organization (hereinafter "UNIDO") and the Italian Ministry of Foreign Affairs and Development Cooperation of the Government of Italy (hereinafter "the Donor") have agreed to cooperate in the implementation of a Project in Ethiopia entitled "Technical Support for the Implementation of an Integrated Agro Industrial Park (IAIP) in Ethiopia" (hereinafter referred to as "the Project"), which Project is more fully described in Project Document No. 150410, which is attached as Annex A hereto and made an integral part hereof;

WHEREAS the Donor has informed UNIDO of its willingness to contribute funds to meet the costs of the Project;

WHEREAS it has been agreed between UNIDO and the Donor that UNIDO shall be responsible under the terms of this Memorandum of Understanding and the UNIDO financial regulations and rules for the management of the funds contributed by the Donor for the Project;

NOW THEREFORE, UNIDO and the Donor hereby agree as follows:

Article I

1. The Donor shall, in the manner referred to in paragraph 2 below, place at the disposal of UNIDO a sum estimated at EUR 1,450,000 and UNIDO shall use such funds to meet the costs of the Project, including programme support costs.
2. The Donor shall, upon signature of this Memorandum of Understanding, deposit the aforesaid funds in Euro, to

UniCredit Bank Austria AG
UNIDO Euro Account No. 0029-05107/00
IBAN AT791100000290510700
Wagramerstrasse 5, A-1400 Vienna, Austria
quoting project number 150410

3. UNIDO shall establish a trust fund under its financial regulations and rules for the receipt and administration of the aforesaid funds, including interest accruing.
4. The trust fund and the activities financed therefrom shall be administered by UNIDO in accordance with its applicable regulations, rules and administrative instructions or directives. Accordingly, personnel shall be engaged and administered; equipment, supplies and services purchased; and contracts entered into in accordance with the provisions of such regulations, rules, directives.
5. All financial accounts and statements shall be expressed in EUR 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 EUR at the official United Nations accounting rate of exchange applicable on the date of receipt and/or payment.

Article II

The trust fund shall be utilized by UNIDO for the purpose of meeting the actual costs of the Project at Annex A, and to finance the programme support services provided by UNIDO in the implementation of the project.

Article III

1. UNIDO shall commence and continue to conduct operations under this Memorandum of Understanding upon receipt of a copy of this Memorandum of Understanding, signed by both Parties, and upon receipt of sufficient funds in accordance with Article I.
2. The Donor undertakes to meet the actual costs of the services specified in the Project Document in Annex A, and UNIDO undertakes not to make any commitments for services not specified in the Project Document without the approval, in writing, of the Donor.
3. If UNIDO considers that changes between components and/or additional services, not foreseen in the Project Document, are required, UNIDO will submit a revised budget for approval by the Donor showing the required changes in inputs and/or adjusted financing that will be necessary.

Article IV

Ownership of equipment, materials, supplies and all other property financed from this trust fund shall vest in UNIDO. Unless otherwise provided in the Project Document, following operational completion of the Project, ownership of equipment, of materials and supplies, as well as other property necessary for operation of the Project, shall be transferred to the Ministry of Industry and the Ministry of Agriculture or to an entity nominated by it.

Article V

Evaluation of the activities financed from this trust fund shall be undertaken in accordance with the provisions contained in Annex A.

Article VI

The trust fund shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules and administrative instructions and directives of UNIDO.

Article VII

In addition to any reports specified in Annex A, UNIDO shall provide the Donor with the following statements and reports in the format normally followed by UNIDO for accounting and financial reporting:

- (a) An annual financial statement showing income, expenditures for the year, and assets and liabilities as of 31 December with respect to the funds provided by the Donor;
- (b) A final financial statement within six months of termination or expiration of the Memorandum of Understanding.

Article VIII

UNIDO shall notify the Donor when the activities for which the trust fund was established have been completed. The date of such notification shall be deemed to be the date of operational completion of the Project. This Memorandum of Understanding shall continue in force for the purposes stated in Article X.

Article IX

This Memorandum of Understanding may be terminated by either party on 30 days written notice to the other party, subject to the continuance in force of Article X for the purposes stated therein.

Article X

On operational completion of the Project as specified in Article VIII, or termination of this Memorandum of Understanding as specified in Article IX, the trust fund shall remain open until all expenditures incurred by UNIDO have been satisfied. Any balance due to UNIDO under Article III shall be charged by UNIDO to the trust fund and the Donor will reimburse UNIDO for any negative balance in the trust fund.

Upon submission of a final financial statement in accordance with Article VII (b), any surplus remaining in the trust fund shall be returned to the Donor or disposed of as requested by the Donor.

Article XI

The following addresses are specified for the purpose of this Memorandum of Understanding:

- (a) For the Donor:
MR. ROBERTO COLAMINÉ
HEAD OF THE SUB-SAHARAN AFRICAN DEPARTMENT
DIRECTORATE GENERAL FOR DEVELOPMENT COOPERATION

name

MINISTRY OF FOREIGN AFFAIRS AND INTERNATIONAL COOPERATION
PIAZZALE DELLA FARNESINA 1
00135-ROME

address

ROME - ITALY

city, country

- (b) For UNIDO:

Mr. Taizo Nishikawa
Deputy to the Director General
P.O. Box 300
Vienna International Centre
A-1400 Vienna, Austria

Telephone: 0043 1 260263470

Article XII

This Memorandum of Understanding shall enter into force upon signature.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Memorandum of Understanding in two copies in English.

For the United Nations Industrial
Development Organization:



LI Yong
Director General

Vienna, 26.11.15

For the Donor:

IL DIRETTORE GENERALE
Min. Esteri, Giampaolo Cantini

