



International Trade Centre
UNCTAD/WTO

FRAMEWORK AGREEMENT

Between

THE INTERNATIONAL TRADE CENTRE
(herein after referred to as "ITC")

And

THE FLEMISH GOVERNMENT
(KINGDOM OF BELGIUM)
(herein after referred to as the "Flemish Government")

I. OBJECTIVE AND AREAS OF COOPERATION

I.1. Objective

The objective of this Framework Agreement is to promote joint actions aiming at:

- the achievement of the Millennium Development Goals (MDGs), established subsequent to the Millennium Declaration of the United Nations of September 2000, with particular reference to poverty and hunger reduction, gender equality and empowerment of women, environmental sustainability, and partnership for development;
- the implementation of the commitments made in the Paris Declaration on Aid Effectiveness, reaffirming strengthening partner countries' national development strategies and associated operational frameworks,
- enhanced collaboration, with a particular focus on the region and countries of the Southern African Development Community (SADC).

I.2. Guiding principles

The International Trade Centre (ITC) is the joint technical cooperation agency of the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO). The ITC enables small business export success in developing countries by providing, with partners, sustainable and inclusive trade development solutions to the private sector, trade support institutions and policy-makers.

ITC and the Flemish Government are intensifying their collaboration at all levels and in particular are developing innovative ways of programming at the regional and country levels in relationship with the ITC's Programme Budget 2008-9, being subprogramme 6 of Programme 10 of the UN biennial programme for 2008-9, and also within the ITC's Strategic Framework for 2008-2009.

Recognizing the need to continue developing effective ways to strengthen joint action and drawing upon their respective institutional strengths, ITC and the Flemish Government will:

- intensify collaboration at the headquarters, regional and country levels;
- together with their partners, align their work with the directions provided by the One-UN Framework, Aid for Trade and ITC's Strategic Framework;
- endeavour to ensure their joint aid activities produce tangible results in accordance with agreed targets and indicators; and
- systematically monitor performance and evaluate outcomes of their actions.

I.3. Roles and responsibilities

In working collaboratively, both parties agree to:

- Support trade development in the SADC region by building the capacity of trade service providers (national and regional trade support institutions and their networks) in order for them to deliver improved and better services to the business community;
- Build productive capacity of enterprises through strengthening of their international competitiveness and also by creating business networks that will

enable marginalised groups and SMEs to contribute to socio-economic development and poverty reduction in their respective countries;

- Encourage and mobilize policy makers to integrate the business sector views into the governments' SADC and EPA regional integration negotiations; and
- Make Aid for Trade help the world's poorest by increasing their export-led poverty reduction.

ITC will propose for possible support by the Flemish Government projects/programmes focussing, in particular on the SADC Region.

The Flemish Government will:

- Share information on projects/programmes pursued in the SADC region and ensure synergies with other donors' support to countries; and
- Consider ITC's submitted proposals for funding.

II. COORDINATION, MONITORING and REVIEW

- II.1. ITC and the Flemish Government undertake to maintain open and effective channels of communication. Dialogue between ITC and the Flemish Government will involve ITC Headquarters, as well as the Flemish Department of Foreign Affairs and the Flanders International Cooperation Agency.
- II.2. ITC and the Flemish Government will focus on the effectiveness of their collaborative efforts and their impact at country level when monitoring this Framework Agreement.
- II.3. In order to review the collaboration under this Framework Agreement, there will be annual consultations between the ITC and the Flemish Government. When appropriate, the Flemish Government will join multi-donor consultations organized by the ITC.
- II.4. For purposes of communications or notices with respect to this Framework Agreement, Flemish Government will be represented by the Flanders International Cooperation Agency, Boudewijnlaan 30, 1000 Brussel, and ITC by Ms. Elaine Bisson, Senior External Relations Officer at the following address: Palais des Nations, 1211 Geneva 10, Switzerland.

III. FINANCIAL MODALITIES

- III.1. Voluntary contributions made by the Flemish Government to ITC are used in the areas of cooperation defined in Article I, responding to priorities as set forth in ITC's Strategic Framework 2008-2009. They will contribute to the implementation of activities to be agreed between ITC and the Flemish Government and outlined in a document for each such Project or Programme (herein after referred to as the "Project/Programme").
- III.2. Each voluntary contribution will be concluded through a "Letter of Commitment" to be sent by the Flemish Government to ITC and will be subject to agreement by ITC through an "Acceptance Letter" from ITC.
- III.3. "Project/Programme" Responsibility period

- (1) ITC shall be responsible for the implementation and the monitoring of the Project/Programme and shall consult the Flemish Government prior to effecting major changes between categories of expenditure that may be found necessary in the course of implementing the activities.
- (2) The Flemish Government shall be responsible for the provision of funds to ITC for the Project/Programme, in accordance with the terms of this Agreement and as set forth in the Flemish Government's Letter of Commitment and ITC's Acceptance Letter.

III.4. Financial arrangements

- (1) Schedule of payments

The Flemish Government's contributions shall be paid in advance to cover at least one (1) year's operations. The initial instalment shall be paid upon receipt of the Acceptance Letter from ITC. Further instalment(s) shall be made after the submission of technical and programmatic reports as per Article III.6 below.

- (2) Payment of contribution

Contributions shall be deposited in ITC's bank account in Euro:

JP Morgan Chase Bank
United Nations Office in Geneva
A/c no. 23961903
(IBAN – GB68 CHAS 6092 4223 9619 03; Sort Code 60-92-42
Swift Code: CHAS GB 2L
125 London Wall
London EC2Y 5AJ
The United Kingdom

- (3) Utilization of funds and accounting

- (i) The contribution shall be used for the purposes indicated in the Flemish Government's Letter of Commitment as accepted by ITC and shall be administered in accordance with the United Nations Financial Regulations and Rules, and financial and administrative rules and practices of the ITC.
- (ii) Under this Agreement, the applicable percentage (13%) of all of expenditure from the contribution will be deducted by ITC to cover programme support costs in the implementation of the programme/project (s) financed by the contribution in accordance with the United Nations General Assembly Resolution 35/217 of 17 December 1980.
- (iii) Any exchange gains and annual interest attributable to the contribution shall be transferred to the ITC Operating Reserve until such time the ITC

Operating Reserve is maintained at the level of 15% of the annual estimated expenditures. Thereafter, any interest attributable to the contribution shall be retained by ITC and used for technical cooperation activities

- (iv) Income and expenditure recorded in respect of the contribution shall be identified and kept separately by ITC in the relevant account of its relevant Trust Funds.
- (v) Any balance of the contribution that is outstanding at the time of completion of the Project/Programme, or of termination of this Agreement, and after all obligations by ITC prior to completion or termination have been fully liquidated, shall be reprogrammed in agreement with the Flemish Government.

III.5. "Project/Programme" Implementation period

The starting and completion dates of each Project/Programme shall be defined in the Flemish Government's Letter of Commitment as accepted by ITC.

ITC shall have no obligation to implement the activities related to a Project/Programme unless all necessary and sufficient funds for the implementation have been received by ITC. If the starting date is postponed for that reason, the completion date of the Project/Programme shall be extended accordingly. A period of up to twelve months shall be allowed after completion of an activity, or of any termination of this Agreement, to liquidate all obligations for activities completed by ITC prior to completion or termination.

III.6. "Project/Programme" Reporting

ITC shall transmit to the Flemish Government an annual progress reports on the activities financed by the Flemish Government's contributions.

Financial reports will be provided as per standard ITC reporting procedures. A copy of the audited financial statements will be provided to the Flemish Government once available.

III.7. Audit

It is understood that all contributions to ITC are subject exclusively to its internal and external auditing procedures. The External Auditors' certification of accounts and audit report is made available to the General Assembly on a biennial basis. The Flemish Government shall receive a copy.

III.8. Acknowledgement

ITC will make an appropriate acknowledgement of the Flemish Government's contributions in any of its publications emanating from the Project/Programme, or in reports that are usually made available to project countries.

IV. GENERAL PROVISIONS


- IV.1. The Framework Agreement shall enter into force on 1st August 2008.
- IV.2. The Framework Agreement shall remain in force unless terminated by mutual agreement or by one party terminating the Framework Agreement by six (6) months written notice to the other party.
- IV.3. In the case of termination of this Framework Agreement or of a project, and unless the parties agree otherwise, ITC will continue to hold any unutilized contribution for a period not exceeding one year to ensure that all prior commitments and liabilities incurred in implementation of the project have been satisfied.
- IV.4. This Framework Agreement may be amended by agreement of the parties in writing. Amendments may not apply to pending and ongoing programmes/ projects unless both parties expressly agree to it in writing.
- IV.5. Any dispute relating to the interpretation or application of this Framework Agreement shall, unless amicably settled, be subject to conciliation. In the event of failure of the latter, the dispute shall be settled by arbitration. The arbitration shall be conducted in accordance with the modalities to be agreed upon by the parties, or in the absence of agreement, with the UNCITRAL Rules of Arbitration. The parties shall accept the arbitral award as final.
- IV.6. Nothing in or relating to this Framework Agreement or any related project shall imply the obligation of ITC to submit to any national legislation or jurisdiction, or be deemed a waiver of any of the privileges and immunities of ITC in conformity with the Convention on Privileges and Immunities of the United Nations of 13 February 1946, adopted by the General Assembly of the United Nations on 13 February 1946 or otherwise under any national or international law, convention or agreement.

Brussels **18-07-2008**

Geneva **18-07-2008**

Accepted on behalf of
the Flemish Government

Accepted on behalf of
the International Trade Centre (ITC)



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Geert Bourgeois
Minister of Foreign Affairs



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Patricia Francis
Executive Director