

AGREEMENT ON ADMINISTRATIVE AND FINANCIAL MODALITIES

between
THE JOINT UNITED NATIONS PROGRAMME ON HIV/AIDS (UNAIDS)
and
THE FLEMISH GOVERNMENT
(herein after referred to as the "Donor")

- I. This Agreement defines the administrative and financial modalities for the voluntary contributions to be made by the Donor to UNAIDS towards the implementation of activities to be agreed between UNAIDS and the Donor and outlined in a document for each such Project or Programme (herein after referred to as the "Project/Programme").
- II. Each voluntary contribution will be announced through a "Letter of Commitment" to be sent by the Donor to UNAIDS, subject to agreement by UNAIDS through an acceptance letter from UNAIDS.

III. Responsibility

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

IV. Financial arrangements

1. Schedule of payments

The contribution shall be paid in advance to cover at least one year's operations. The initial instalment shall be paid upon UNAIDS' acceptance of the Donor's Letter of Commitment. Further instalment(s) shall be made after the submission of technical and financial programmatic reports as per Article VI below.

2. Payment of contribution

The contribution shall be deposited according to the above schedule of payments in UNAIDS' Geneva bank account:

EURO *UNAIDS*
A/c no. 240 - C0169920 .1
(IBAN - CH8500240240C01699201 - SWIFT - UBSWCHZH 12A)
UBS AG
C. P. 2600
CH 1211 Geneva 2, Switzerland

and clearly identified, marked **UNAIDS**, and the sub-account which should be credited.



3. Utilization of funds and accounting

- (i) The contribution shall be used for the purposes indicated in the Donor's Letter of Commitment as accepted by UNAIDS and shall be administered in accordance with the WHO Financial Regulations and Rules, and administrative and financial rules and practices applicable to UNAIDS.
- (ii) Under this Agreement, the applicable percentage (*13% or other authorized rate as applicable*) of expenditure will be deducted by UNAIDS to cover administrative costs related to administering the funds, based on World Health Assembly Resolutions.
- (iii) Any interest earned on the cash balance of the contribution shall be used in accordance with the WHO Financial Regulations and Rules, and administrative and financial rules and practices applicable to UNAIDS.
- (iv) Income and expenditure recorded in respect of the contribution shall be identified and kept separately by UNAIDS in the relevant account of its Trust Fund.
- (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 UNAIDS prior to completion or termination have been fully liquidated, shall be reprogrammed for the same UNAIDS thematic area.

V. Implementation

1. Period of implementation

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

UNAIDS shall have no obligation to implement the activities related to the Project/Programme unless all necessary and sufficient funds for the implementation have been received by UNAIDS. 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 UNAIDS prior to completion or termination.

VI. Reporting

UNAIDS shall transmit to the Donor annual technical and financial programmatic reports on the progress in the activities financed by the contribution.

The income and expenditure recorded in respect of the contribution shall be indicated in the UNAIDS Financial Reports submitted to the Programme Coordinating Board on an annual and biennial basis. A copy of these certified and audited reports shall be transmitted to the Donor.

VII. Audit

It is understood that all contributions to UNAIDS are subject exclusively to its internal and external auditing procedures. The External Auditors' certification of accounts and audit report is made available to the Programme and Coordination Board on a biennial basis.



VIII. Acknowledgement

UNAIDS will make an appropriate acknowledgement of the contribution in any of its publications emanating from the Project/Programme, or in reports that are habitually made available to the Programme Coordinating Board.

IX. Termination

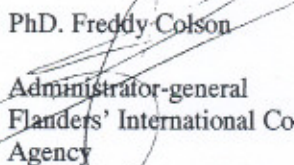
Either party may give the other notice of termination of this Agreement. Such termination shall enter into effect six months after notice has been received, subject to the settlement of any outstanding obligations.

X. Settlement of disputes

Any dispute relating to the interpretation or application of this 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 rules of arbitration of UNCITRAL. The parties shall accept the arbitral award as final.

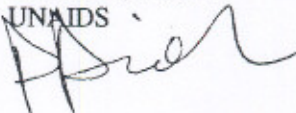
Accepted on behalf of
the Flemish Government

Accepted on behalf of
UNAIDS

PhD. Freddy Colson

Administrator-general
Flanders' International Cooperation
Agency

MD/PhD. Peter Piot

Executive Director
UNAIDS



Brussels

Geneva

22 November 2006

22 November 2006

