

II

Treaties and international agreements

filed and recorded

from 1 January 1982 to 25 February 1982

No. 901

Traités et accords internationaux

classés et inscrits au répertoire

du 1^{er} janvier 1982 au 25 février 1982

N° 901

No. 901

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT and
INTERNATIONAL DEVELOPMENT ASSOCIATION
and
FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS**

**Memorandum of Understanding with respect to working
arrangements between the Organizations. Signed at
Washington on 30 March 1964 and at Rome on 2 April
1964**

**Amendment to the above-mentioned Memorandum of
Understanding. Signed at Washington on 8 September
1965 and at Rome on 7 January 1966**

Authentic texts: English.

*Filed and recorded at the request of the International Bank for
Reconstruction and Development on 22 February 1982.*

MEMORANDUM OF UNDERSTANDING¹ WITH RESPECT TO WORKING ARRANGEMENTS BETWEEN THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION

FAO and the Bank* have for many years been cooperating on an *ad hoc* basis on matters of common concern. Now that the Bank intends to put more emphasis than hitherto on schemes for improvement of agricultural production, which are of equal concern to FAO, this cooperation will have to be intensified. It accordingly appears desirable both to FAO and the Bank that working arrangements be agreed upon setting forth the principles to govern such cooperation.

These working arrangements, as agreed upon by the Director-General of FAO and the President of the Bank subject to the approvals specified in paragraph 7 hereof, are as follows:

1. *The Cooperative Program*

FAO and the Bank will cooperate together in the following fields:

- (a) Assisting countries of common membership in the identification and preparation of agricultural projects of types which fall within the framework of the economic development objectives and general policies of the Bank and FAO and which the Bank is willing to consider for financing (including projects for agricultural education falling within FAO's field of responsibility).
- (b) Appraising projects of the foregoing types.
- (c) Providing end-use supervision of the execution and operation of Bank-financed projects.
- (d) Arranging for technical assistance required for the implementation of Bank-financed projects.

Assistance to member governments in agricultural planning is recognized as an important foundation for investment programs in the long term. Insofar as this type of activity is carried out by FAO as part of its Regular or other programs, it is the sole responsibility of FAO. However, in cases agreed with the Bank where FAO carries out this type of activity at the request of the Bank or in cooperation with the Bank, the activity will be part of the cooperative program.

2. *Allocation of Functions within the Cooperative Program*

(a) Assistance to Governments in Identification and Preparation of Projects

(i) *At FAO initiative.* FAO will bring to the notice of the Bank projects which appear suitable for Bank financing arising from FAO's activities, whether under its Regular or other programs. The Bank will advise FAO whether such

* All references in this memorandum to the Bank shall be taken to include both the Bank and the International Development Association.

¹ Came into force on 2 April 1964 by signature.

projects are *prima facie* suitable for consideration for financing, and if so, what further action, if any, needs to be taken in order to prepare such projects for appraisal. Moreover, where, in the course of its own activities, FAO wishes the assistance of the Bank in determining whether a project is likely to qualify for Bank or other external financing, or what further steps are necessary to prepare it for appraisal, the Bank will provide such assistance, assuming staff resources permit, either by way of review of the project at Bank headquarters or by participating in the field work.

(ii) *At Bank initiative.* The general survey missions organized by the Bank may include among their functions the identification of promising projects in various sectors. The Bank will normally look to FAO to provide, as part of the cooperative program, staff members or consultants to serve as advisers to such missions. These advisers will participate in defining priority fields and major projects for investment in agriculture in the framework of over-all development objectives. Missions of this type will be briefed by both the Bank and FAO and both organizations will review and comment upon the draft reports of such missions.

In addition to these general survey missions, the Bank periodically sends smaller missions to a member country to review the country's economic situation and to assess the possibilities for Bank financing. Such economic missions usually make a preliminary selection among projects submitted by the government, and may sometimes suggest that the government work up a specific project for Bank consideration. The Bank will advise FAO of all such missions on which it is proposed to include an agricultural member, and will normally arrange for such missions to consult with FAO with regard to agricultural investment priorities and possible projects. In agreed cases, FAO will provide, as part of the cooperative program, a staff member or consultant to serve as agricultural adviser to such a mission.

Where, in the opinion of the Bank, a project not yet ready for appraisal is sufficiently promising to warrant further preparation, and the government in question has requested assistance in such preparation, FAO will normally provide such assistance as part of the cooperative program.

(iii) *General.* In all work connected with the identification and preparation of projects falling under the cooperative program, FAO and the Bank will maintain continuing consultation in order that they may agree on a work program and on the priorities to be assigned to different projects, and in order to minimize the possibilities of substantive disagreement. The support of headquarters facilities will at all times be given to Bank and FAO staff and consultants engaged in work under the cooperative program.

(b) Appraisal of Projects

The Bank will be responsible for the appraisal of projects, upon the basis of which its financing decisions are made. However, at the request of the Bank, FAO will provide, as part of the cooperative program, staff members or consultants to serve as agricultural advisers on Bank appraisal missions.

(c) End-use Supervision of Bank-financed Projects

The Bank will be responsible for disbursement of funds and the end-use supervision of the construction and maintenance of physical facilities, and to this