

## II

### *Treaties and international agreements*

*filed and recorded*

*from 17 April 1978 to 6 June 1978*

*No. 808*

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### *Traités et accords internationaux*

*classés et inscrits au répertoire*

*du 17 avril 1978 au 6 juin 1978*

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**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT,  
INTERNATIONAL DEVELOPMENT ASSOCIATION  
and INTERNATIONAL FUND  
FOR AGRICULTURAL DEVELOPMENT**

**Co-operation Agreement. Signed at Washington on 18 May  
1978 and at Geneva on 20 May 1978**

*Authentic text: English.*

*Filed and recorded at the request of the International Bank for Recon-  
struction and Development and the International Development  
Association on 1 June 1978.*

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**BANQUE INTERNATIONALE POUR  
LA RECONSTRUCTION ET LE DÉVELOPPEMENT,  
ASSOCIATION INTERNATIONALE  
DE DÉVELOPPEMENT et FONDS  
INTERNATIONAL DE DÉVELOPPEMENT AGRICOLE**

**Accord de coopération. Signé à Washington le 18 mai 1978  
et à Genève le 20 mai 1978**

*Texte authentique : anglais.*

*Classé et inscrit au répertoire à la demande de la Banque internationale  
pour la reconstruction et le développement et de l'Association inter-  
nationale de développement le 1<sup>er</sup> juin 1978.*

## AGREEMENT<sup>1</sup> BETWEEN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION AND THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

AGREEMENT, dated May 20, 1978, between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and the INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter collectively called the World Bank) and the INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (hereinafter called the Fund).

WHEREAS the Articles of Agreement of the World Bank provide that it will cooperate with international organizations having specialized responsibilities in related fields;

WHEREAS the Agreement establishing the Fund provides that it will cooperate closely with the organizations of the United Nations system and, to that end, will seek their collaboration in the Fund's activities;

WHEREAS the World Bank and the Fund wish to establish a framework for their cooperation in the achievement of the common purposes of the Bank's Articles of Agreement and the Agreement establishing the Fund, and for their collaboration in the Fund's activities, in the best interest of the developing countries of common membership;

NOW, THEREFORE, it is hereby agreed as follows:

### I. AREAS OF COOPERATION

1.1. *Consultation and cooperation.* (a) The World Bank and the Fund shall consult together and exchange views on all matters of mutual interest, and shall make appropriate arrangements to keep each other regularly informed of their programs of activities for agricultural development, food production, nutrition and related purposes in countries of common membership.

(b) Subject to such limitations as may be necessary for the safeguarding of confidential material, the World Bank and the Fund shall arrange for the exchange of information, reports and other documents of mutual interest on a regular basis.

(c) The World Bank shall invite the Fund to participate in groups or attend meetings of groups convened by the World Bank for the purpose of coordinating development aid to countries of common membership and the Fund may participate in or attend as an observer such meetings.

(d) In the provision of technical assistance and advice for agricultural development, food production, nutrition and related purposes to countries of common membership, the World Bank and the Fund shall cooperate to the fullest extent practicable in order to avoid undesirable duplication of their activities and services relating to such assistance and to ensure consistency and effective coordination of their advice.

<sup>1</sup> Came into force on 20 May 1978 by signature, following its approval by the Board of Governors of the World Bank and the Executive Board of the Fund, in accordance with section 5.1 (a).

(e) The World Bank and the Fund may consult together concerning the possibility and desirability of secondment of staff of one organization to the other, on a reimbursable basis, and other administrative arrangements designed to promote administrative efficiency and effective coordination of their respective activities in countries of common membership.

(f) The World Bank shall be entitled to attend meetings of the Governing Council of the Fund, and the Fund shall be entitled to attend meetings of the Bank's Board of Governors.

1.2. *Identification and preparation of projects.* The World Bank and the Fund shall closely cooperate in the identification and preparation of development projects which are likely to be suitable for financial assistance from both organizations or to be appraised by the World Bank's staff at the request of the Fund with a view to their financing by the Fund. To that end, the World Bank and the Fund shall make appropriate arrangements to enable both organizations to plan, program and coordinate their respective activities relating to the identification and preparation of such projects in the most economic and efficient manner, including arrangements for the active participation of the Fund's staff, at the discretion of the Fund, in the identification and preparation of projects in which the Fund has indicated an interest.

1.3. *Co-financing.* The World Bank and the Fund shall bring to each other's attention specific development projects in countries of common membership for which financing from both organizations appears necessary or desirable with a view to arranging with the country concerned and any other interested source of external financing appropriate methods for effectively coordinating the various sources of financing in the interest of a prompt, effective and economic execution of the projects. Appropriate arrangements for appraisal, negotiations, timing of approval and administration of such projects shall be agreed upon between the World Bank and the Fund. The World Bank's and Fund's staffs shall participate in the negotiations, either jointly or separately, as appropriate.

## II. PROJECTS EXCLUSIVELY FINANCED BY THE FUND

2.1. As provided in sections 2.2 to 2.4 of this Agreement, the World Bank's staff shall undertake at the request of the Fund, and with the agreement of the country concerned, the appraisal of specific development projects which the Fund is considering for financing exclusively out of its own resources. The Bank's staff shall also assist the Fund's staff in the process of negotiation and shall, as prescribed in section 2.4, administer such projects after such approval by the Fund's Executive Board. In carrying out these functions, the World Bank's staff shall take into account the Fund's lending policies and criteria as prescribed from time to time by the Fund and communicated to the World Bank. In order to ensure timely cooperation between the two organizations, the Fund and the World Bank shall, on the basis of requests made by the Fund, agree, from time to time, on projects for which the World Bank shall assume the responsibilities herein set forth.

2.2. *Appraisal of projects.* (a) Each appraisal shall be conducted on the basis of terms of reference agreed between the two organizations and in accordance with the lending policies and criteria of the Fund, and the methods, standards and procedures applied by the World Bank in the appraisal of comparable projects financed out of its own resources.

(b) Staff of the Fund shall participate actively in each appraisal at the discretion of the Fund.

(c) A detailed report by the World Bank's staff on the appraisal of such projects, in such format as shall be agreed by the two organizations, shall be furnished to the Fund with appropriate recommendations concerning the design of the project, the conditions required for the efficient and economic carrying out of the project and the achievement of the benefits expected therefrom. The Fund's staff shall be invited to comment on the draft Appraisal Report and such comments shall be taken into account in preparing the Appraisal Report.

2.3. *Loan Negotiations and approval.* (a) Members of the World Bank's staff shall be invited to assist the Fund's staff in negotiations between the Fund and the recipient concerned regarding the Fund's loan for a project so appraised by the World Bank's staff and, if so requested by the Fund, in meetings of the Fund's Executive Board at which the approval of such loan is to be considered.

(b) At the Fund's request, the World Bank's staff shall assist in the preparation of any documentation necessary for the negotiation and approval of loans and grants for projects appraised by the World Bank's staff.

2.4. *Loan administration.* (a) The administration of loans made by the Fund for any project appraised by the World Bank pursuant to section 2.2 of this Agreement including the supervision of the carrying out of the Project shall, as a general rule, be entrusted by the Fund to the World Bank's staff, after securing concurrence of the country concerned, unless the World Bank informs the Fund that it does not wish to assume such responsibility.

(b) The administration of the Fund's loans shall be carried out by the World Bank's staff in accordance with the financing agreement between the Fund and the recipient concerned. In applying the provisions of the financing agreement, the World Bank shall utilize the methods, standards and procedures applied by the World Bank in the administration of loans or development credits made out of its own resources for similar projects.

(c) For each loan under its supervision, the World Bank shall furnish to the Fund periodic reports on project implementation at such times and in such form and details as shall be mutually agreed upon.

(d) The World Bank shall promptly inform the Fund of any major dispute between the recipient and the World Bank, as administrator of the Fund's loan, concerning the interpretation or application of the financing agreement in order to enable the Fund to take necessary steps for settling the dispute in accordance with the financing agreement.

(e) Without limiting the generality of the foregoing provision, the World Bank agrees to bring to the attention of the Fund, promptly upon notice thereof by the World Bank, any substantial violation or noncompliance by the recipient or beneficiary of the loan made by the Fund, of any covenant or agreement in the Fund's loan or grant documents and recommend to the Fund appropriate remedial action.

### III. REVIEW, MONITORING AND EVALUATION

3.1. *Review and monitoring.* (a) The Fund shall have the right to review and monitor at any time the progress of any project for which the World Bank

shall have assumed responsibility for loan or grant administration. The World Bank shall be kept fully informed of the results of any such review.

(b) In evolving and implementing systems for monitoring the benefits derived from development projects in fields in which the World Bank and the Fund may collaborate, the World Bank and the Fund shall closely cooperate to achieve the most effective and consistent results practicable and to avoid duplication of efforts.

3.2. *Post project evaluation.* The Fund and the World Bank shall make proper arrangements for consultation in respect of the post evaluation of projects appraised and administered by the World Bank in accordance with the provisions of this Agreement.

#### IV. FINANCIAL MATTERS

4.1. (a) The World Bank and the Fund shall make appropriate administrative and financial arrangements for the planning, programming, execution, reporting, auditing, and accounting of activities to be carried out by the World Bank's staff at the request of the Fund in accordance with the provisions of this Agreement. The additional costs incurred by the World Bank in carrying out identification, preparation, appraisal or loan administration activities at the request of the Fund shall be reimbursed by the Fund to the World Bank in accordance with appropriate arrangements to be agreed between the two organizations.

(b) The Fund shall be directly responsible for the collection of all amortization payments, interest and all other charges on all loans made by the Fund and administered by the World Bank.

#### V. FINAL PROVISIONS

5.1. (a) This Agreement shall come into force upon its approval by the Board of Governors of the World Bank and the Executive Board of the Fund.

(b) The World Bank and the Fund may enter into such supplementary arrangements within the scope of this Agreement as may be appropriate in the light of their operating experience.

(c) This Agreement may be amended by the concurrence of both the World Bank and the Fund. An amendment shall enter into force after each Party has satisfied its necessary legal requirements.

5.2. This Agreement may be terminated by either Party on June 30 of any year by notice given to the other Party not later than December 31 of the preceding year; provided, however, that, unless the Parties otherwise agree, the activities carried on by the World Bank under this Agreement and the financial undertakings of the Fund in relation to a particular project shall, notwithstanding notice of termination, continue unimpaired until such time as such project shall have been completed.

5.3. (a) The World Bank and the Fund shall forthwith inform the Economic and Social Council of the terms of this Agreement.

(b) Upon this Agreement coming into force, it shall be communicated by either Party to the Secretary-General of the United Nations for filing and

recording in accordance with the regulations to give effect to Article 102 of the Charter of the United Nations.

DONE in two copies, one for each Party, as of the date first above mentioned.

The World Bank:

*By:* ROBERT S. MCNAMARA

International Fund  
for Agricultural Development:

*By:* A. SUDEARY

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