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Geneva, 24 March 2000

MEMORANDUM OF UNDERSTANDING BETWEEN UNCTAD
AND THE COMMON FUND FOR COMMODITIES

Note by the UNCTAD secretariat

The enclosed Memorandum of Understanding between the United Nations Conference on Trade and Development and the Common Fund for Commodities is circulated for the information of delegations.

MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE UNITED NATIONS CONFERENCE ON
TRADE AND DEVELOPMENT**

AND

THE COMMON FUND FOR COMMODITIES

MEMORANDUM OF UNDERSTANDING

between

THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

and

THE COMMON FUND FOR COMMODITIES

The Secretariat of the United Nations Conference on Trade and Development, hereinafter referred to as "UNCTAD", and the Common Fund for Commodities, hereinafter referred to as "CFC",

Desirous of establishing a framework of cooperation in order to promote the common objectives of CFC and UNCTAD in countries of common membership, with due regard to the needs of the Least Developed Countries (hereinafter referred to as "LDCs"),

Recognizing the need for improved international cooperation in the production and trade of commodities,

Convinced that cooperation between the two Organizations will contribute to the promotion of economic and social development of developing countries, and in particular of the LDCs,

Have agreed as follows:

ARTICLE I

Objective of Cooperation

- a) Promote synergies and improve coordination so as to use their respective resources more effectively and efficiently;
- b) Enhance cooperation at all relevant levels between them with a view to maximizing the benefits to be derived from such cooperation for their respective members and the producers of commodities in developing countries, in particular the LDCs.

ARTICLE II

Areas of Cooperation between UNCTAD and CFC

The cooperation between UNCTAD and CFC shall focus on the following priority areas:

- a) Commodity development measures;
- b) Vertical and horizontal diversification, trade improvements, transfer of existing technology and know-how, natural resources and sustainable development, and risk management;
- c) Training and technical assistance as components of projects;
- d) Sharing of information on commodities and trade.

ARTICLE III

Forms of Cooperation

- a) UNCTAD shall formulate and design projects for submission to relevant International Commodity Bodies (hereinafter referred to as "ICBs"). Informal consultations on the project proposals may take place between UNCTAD and CFC with a view to minimizing the cost and speeding up the submission of project proposals;
- b) UNCTAD shall be eligible to act as Project Executing Agency (PEA) for projects sponsored by designated ICBs, subject to the terms of Project Agreements to be concluded between CFC, UNCTAD and the relevant ICB;
- c) UNCTAD shall endeavour to mobilize co-financing for CFC funded projects in which UNCTAD is involved;
- d) CFC and UNCTAD shall invite each other, as appropriate, to participate in their respective technical cooperation and capacity building programmes within the priority areas set out in Article II;
- e) CFC and UNCTAD staff shall be invited to participate in the staff training programmes organized by CFC or UNCTAD within the priority areas set out in Article II;
- f) CFC and UNCTAD shall grant each other access to their databases and statistical data collections within the priority areas set out in Article II;
- g) UNCTAD and CFC will inform each other on developments and policies relating to commodities, with a view to developing complementary perspectives.

ARTICLE IV

Technical Support Services, Administrative and Operational Servicing Costs

Project Management costs of UNCTAD, acting as PEA, shall be determined on the basis of agreed administrative and operational servicing costs and technical support service costs. The reimbursement obligation of CFC shall be limited to the part of these servicing costs which relate to CFC's financing commitment to the project.

ARTICLE V

Exchange of Information

UNCTAD and CFC shall exchange relevant information and documents as appropriate, subject to such restrictions and arrangements as may be considered necessary by either Party to preserve the confidential nature of certain information and documents.

ARTICLE VI

Representation

- 1) UNCTAD may participate as observer in the meetings of the Governing Council and Executive Board of CFC on matters of interest to UNCTAD.
- 2) CFC may participate as observer in the Conferences and Board, Committee and Sub-Committee meetings of UNCTAD on matters of interest to CFC.
- 3) UNCTAD and CFC shall make any necessary arrangements to facilitate reciprocal representation at meetings of interest to either of them, convened under their respective auspices.

ARTICLE VII

Entry into Force and Termination

- a) The present Memorandum of Understanding shall enter into force upon signature by the Secretary-General of UNCTAD and the Managing Director of CFC.
- b) The Memorandum of Understanding may be amended in writing by the signatories of both parties. It may also be terminated by either party by giving six months' written notice to the other party.

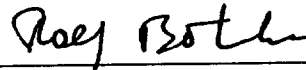
IN WITNESS WHEREOF, the Secretary-General of UNCTAD and the Managing Director of CFC have signed the present Memorandum of Understanding in two copies in English on the places and dates given below.

For the **United Nations Conference
on Trade and Development:**

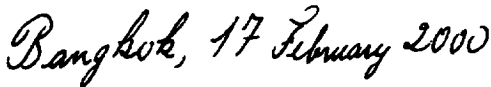
For the **Common Fund for Commodities:**



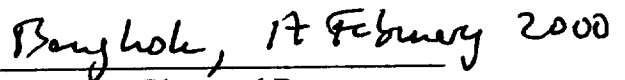
Rubens Ricupero
Secretary-General



Rolf W. Boehnke
Managing Director



Place and Date



Place and Date