

AGREEMENT

between

PM
18/13/79/1

B 1972/01

The Government of New Zealand and
(hereinafter referred to as
the Donor)

The Food and Agriculture
Organization of the United Nations
(hereinafter referred to as
FAO)

Whereas the Director General of FAO has been authorized by Regulation VI, paragraph 6.7 of the Financial Regulations of the Organization to receive voluntary contributions for furtherance of the aims and activities of the Food and Agriculture Organization of the United Nations.

Whereas the Donor wishes to make funds available to FAO, as provided in this Agreement, for the purpose of implementing the Project described in Appendix I attached hereto.

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Now therefore the Donor and FAO agree as follows:

Article I

1. The Donor undertakes, as provided in this Agreement, to contribute to FAO an amount of US\$ 5,500 for the purpose of implementing the Project.
2. The above amount will be deposited with FAO as Funds-in-Trust and will include a charge of 5% to cover FAO's technical and administrative costs. Contributions will be administered and accounted for in accordance with the financial regulations of FAO. Any costs incurred by FAO in connection with the Project will be chargeable to the Trust Fund, it being understood that FAO will not incur any financial liabilities in excess of the amounts actually received.
3. The Funds-in-Trust will be used exclusively for implementation of the Project as set out in Appendix I to this Agreement.
4. A contribution of US\$ 5,500 shall be made by the Donor immediately after signature of this Agreement.

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1 August 1972

5. According to the financial regulations of FAO, all costs incurred by the Organization in connection with the Project are borne by trust funds.

Article II

1. The Donor shall deposit its contribution to the Project in accordance with the banking arrangements to be agreed upon between the Donor and FAO.

2. The Donor may also make bilateral contributions to the Project for volunteers, and other purposes, but FAO will not be responsible for the use and accounting of such contributions.

3. FAO shall submit to the Donor, not later than the end of June of each year while the Project is operational, a statement of the audited accounts showing the use of the funds expended for the implementation of the Project during the previous calendar year. If the total costs incurred exceed the amount estimated, the Donor will be invited to deposit an additional sum to cover the difference. If the actual costs are less than estimated, the balance remaining unspent on completion of the Project shall be returned to the Donor, or, after consultation and agreement with the Donor, allocated to another FAO project.

4. Responsibility for the execution of the Project shall rest with FAO and any organizations, companies or persons designated by FAO for such purpose. The Donor shall not be responsible for these arrangements or for the ultimate execution of the Project.

5. FAO shall be free to delegate and/or sub-contract its responsibilities for the whole or any part of the Project, in accordance with the rules and practice of the Organization.

6. The obligations of FAO are contingent upon the receipt of necessary funds from the Donor in accordance with this Agreement.

7. FAO agrees to provide the Donor with regular reports on the progress of the project.

8. FAO agrees to provide the Donor with a final report on the operation and results of the Project, as well as an audited statement of accounts.

Article III

1. Notwithstanding that FAO and the Donor have agreed to the implementation of this Project, their obligations under this Agreement are subject to the constitutional, financial and budgetary rules of FAO and to any decision of the FAO Conference.

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2. This Agreement may be modified by mutual consent between FAO and the Donor, each of which shall give full and sympathetic consideration to any proposal for its amendment.

Article IV

This Agreement shall enter into force upon signature by both parties.

for The Government of New Zealand

[Handwritten signature]
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For FAO

[Handwritten signature]

[Handwritten initials] E. H. Hartmans
Director, Area Service Division

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Done in ..Rome..... on ..17 October 1972 Date: ..8 August 1972.....

REQUEST for Funds to Provide 7 Tons of Protein Infant Food
for a Market Test in Tanzania

BACKGROUND:

Following initiatives by the Tanzania Government to develop protein-rich infant foods, an FAO study confirmed the need for a formulated protein infant feed having a protein content of approximately 20%. The Government subsequently requested FAO to complete a test programme on a proposed product. The product is a pre-cooked flavoured powder consisting of a base mixture of maize, soybeans and dehulled beans, to which has been added sugar, dry skimmed milk, vitamins, minerals, flavour, etc. This product has now been produced in a limited quantity (3½ tons). Approximately 500 kilograms of this is being used at the present time in medically supervised trials to establish tolerance and safety of use on children in the target population and to obtain preliminary reactions from children concerning acceptability.

THE PROPOSAL:

The remaining 3 tons of product produced with funds provided by FAO are insufficient to carry out a comprehensive test marketing programme to establish consumer reaction to the product and marketing feasibility. Such a test programme is scheduled to be conducted by the National Milling Corporation, one of the largest food products producers of Tanzania (a parastatal organization under the control of the Ministry of Agriculture). A proper product test that will yield reliable and useful indications of eventual product performance on the market requires 10 tons of product rather than the 3 tons that will be available. It is proposed to provide the additional 7 tons at the earliest possible moment in order to have continuity of supplies once the market test is launched probably about 1 August 1972.

	<u>US\$</u>
The ingredient and packaging materials cost for these 7 tons of product is estimated at	2,500
From past experience, it is estimated that the cost of processing, packaging, transport and handling should be in the order to US\$ 2,000, but should not exceed ...	2,740
Project Servicing Costs at 5%	<u>260</u>
Thus a total of	5,500
needs to be funded to provide the material for the product test.	<u>*****</u>

FAO's obligation extends to completion of the two trials (tolerance/acceptability tests on children and product tests in urban and rural situations). The object is to document for the Tanzania Government the potential viability of an applied programme to combat malnutrition in pre-school children through commercial production and distribution of a formulated protein food. The Government will then have the opportunity to proceed with development of production and marketing capabilities, seeking further FAO assistance and some external capital. Provision of funds to make available product for the market tests does not, however, incur an obligation to participate in any way in future assistance that may be requested as follow-up.

KOR/NAH/vg/ent
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