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**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Executive Board – Eighty-Second Session**  
Rome, 8-9 September 2004

**COOPERATION AGREEMENT WITH THE**  
**DEUTSCHE GESELLSCHAFT FÜR TECHNISCHE ZUSAMMENARBEIT (GTZ)**  
**GMBH**

1. The Executive Board is invited to note that IFAD intends to establish a Cooperation Agreement with the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH.
2. In accordance with Article 8, Section 2, of the Agreement Establishing IFAD, the Executive Board is requested to authorize the President to negotiate and finalize a cooperation agreement between IFAD and GTZ along the lines of similar agreements already signed between IFAD and other institutions. The text of the cooperation agreement to be negotiated and concluded will be submitted to the Executive Board for its information at a subsequent session.
3. Relevant background information on GTZ is attached in the annex.



## DEUTSCHE GESELLSCHAFT FÜR TECHNISCHE ZUSAMMENARBEIT (GTZ) GMBH

**Establishment.** GTZ was founded in 1975 as a corporation under private law owned by the German Federal Government. It works on a public-benefit basis. Any surpluses generated are channelled back into its own international cooperation projects for sustainable development.

**Activities.** In more than 130 partner countries, GTZ is supporting about 2 700 development projects and programmes, chiefly under commissions from the German Federal Government.

The motives and goals stipulated by the German Federal Ministry for Economic Cooperation and Development (BMZ) for German development policy form the basis of GTZ's work. Sustainable development is the guiding principle behind this: the aim is to strengthen the self-initiative of people and organizations in partner countries without endangering the basis of life for future generations.

Within the framework of international cooperation, GTZ undertakes *technical cooperation* tasks. GTZ's work encompasses not only the dissemination of technical knowledge, but above all the transfer of organizational and business-related expertise. Its services are increasingly in demand for facilitating dialogue between the state and civil society, and as a mediator in societal conflicts of interests.

The development projects supported by GTZ cover a wide spectrum of thematic areas and tasks, including rural development.

**Governance.** Four Federal Ministries are represented on GTZ's Supervisory Board: BMZ, which holds a majority of the shares among the owners; the German Federal Foreign Office; the German Federal Ministry of Finance; and the German Federal Ministry of Economics. The chairman of the GTZ Supervisory Board is Erich Stather, State Secretary at BMZ.

**Structure.** GTZ has created a decentralized, flexible corporate structure: over 10 000 employees are working worldwide in more than 130 countries. Some 8 500 of them are locally contracted nationals. Around 1 000 employees work at GTZ Head Office in Eschborn, near Frankfurt/Main. GTZ operates its own offices in 63 countries, representing the organization in the partner country. The GTZ offices coordinate the regional and sectoral networking of the projects in the country concerned, and work closely with the German embassy.

**Finance.** GTZ has an annual turnover of about EUR 870 million. GTZ's main client is BMZ. Of the total turnover of EUR 866 million in 2001, some EUR 717 million were for BMZ projects.

**Objectives of IFAD-GTZ cooperation.** The intention of closer cooperation between IFAD and GTZ is jointly to support rural poverty alleviation efforts in their partner countries, and to promote the exchange and cross-fertilization on topics of common interest. GTZ is an important technical cooperation agency implementing most of the German bilateral technical cooperation portfolio. It has been a significant partner for IFAD, and the potential exists to enhance cooperation and cofinancing (with BMZ funds) of joint projects and programmes.

It is intended to enhance cooperation in the following areas:

1. Exchange of information on topics of common interest, such as:
  - (a) focal areas of work, strategic thrusts, policy approaches, operational priorities, internal institutional changes and developments, and other matters of common interest that are likely to be of relevance to collaboration;
  - (b) regional and country-level priority areas, strategies and operations, and planned activities; and
  - (c) instruments and methods of common interest, such as planning and impact measurement tools, knowledge management systems, etc.
2. Joint activities, such as the following:
  - (a) joint country portfolio, project and programme development with the aim of improved coordination, complementarities and impact enhancement;
  - (b) joint country portfolio, project or programme evaluation and review missions; and
  - (c) conferences, seminars, workshops and other fora for exchange, networking, partnership building and joint advocacy work for rural poverty alleviation efforts.
3. Explore opportunities for, and support mobilization of resources, jointly to support rural poverty alleviation efforts in the partner countries of IFAD and GTZ.

