

SPECIFIC AGREEMENT BETWEEN SWEDEN AND MOLDOVA

The Government of Sweden (hereinafter referred to as Sweden), represented by the Swedish International Development Cooperation Agency, Sida, and the Government of the Republic of Moldova (hereinafter referred to as Moldova) represented by the Ministry of Finance have agreed as follows.

ARTICLE 1 SCOPE AND OBJECTIVES OF THE AGREEMENT

Moldova has decided to carry out a General Agricultural Census.

The overall objective of the Project is to provide the Government of Moldova updated agriculture data at the lowest administrative level that will be necessary for policy formulation for agriculture, rural development and improvement of food security in order to achieve sustainable development. The census will establish a data base which will serve as foundation for a sound system for collection of reliable statistical data in agriculture. The data will meet the EU standard in the area, and the data will be gender disaggregated.

The Project shall be carried out in accordance with the project document entitled "Project Document General Agricultural Census (GAC) 2011" dated 22 November, 2010. This document, including a Logical Framework, Work Plan and Budget (Annex 1), forms an integral part of this Agreement.

ARTICLE 2 EXPECTED RESULTS

To make the objectives operational Moldova has developed a Logical Framework for measuring the results in its implementation of the Project (Annex 1). The Logical framework forms an integral part of this Agreement. All substantial revisions of the Logical Framework shall be agreed during Review Meetings and documented in Agreed Minutes in accordance with Article 9.

ARTICLE 3 THE SWEDISH CONTRIBUTION

Sweden shall, subject to parliamentary appropriation of funds, support the implementation and monitoring of the General Agricultural Census as specified in this Agreement within an amount of 20 400 000 Swedish kronor.

ARTICLE 4 UNDERTAKINGS BY MOLDOVA

Moldova undertakes:

1. to implement the General Agricultural Census and to provide resources as specified in the project document and assume full responsibility for the financing and implementation;
2. the responsibility for the Swedish contribution being used efficiently for agreed purposes only;
3. to ensure that administration and internal control of project resources are adequately carried out, and
4. to report and monitor the implementation in accordance with provision in article 9.

ARTICLE 5 CONDITIONS FOR AND UTILISATION OF THE SWEDISH CONTRIBUTION

Only costs for activities carried out during the period from 1 December, 2010 to 31 December, 2012 may be financed by the Swedish contribution. After a period of three months from that latter date, the contribution in this Agreement shall not be available for payment.

The Swedish contribution may only be used for cost specified in the budget.

It is a prerequisite for the disbursement of Swedish funds that resources for the General Agricultural Census not provided by Sweden are allocated by Moldova or other donors. Allocation as envisaged in the document shall be made by a formal decision of the appropriate authority of Moldova.

Sweden may, at any time, withhold disbursements if deviations from the project document, budget and/or Logical Framework occur; if misuse of funds or other resources takes place; if the resources to be allocated by Moldova are not provided as planned; if reports are not delivered as agreed; if the financial management of the project is not satisfactory; if Moldova's obligations under previous agreements between Moldova and Sweden are not fulfilled; or circumstances are otherwise revealed which makes the project develop unfavourably in any other important respect. It is agreed that the following are of special importance: Moldova's ability to allocate funding for the project, professional execution of the census, financial management and control in the project.

Funds transferred to Moldova under this Agreement and not utilised before 30 March 2013 for the financing of activities shall be repaid to Sweden within three months of that date.

Sida may, if substantial deviation from the project document and/or subsequent Plans of Operation has occurred, or if other conditions set out

in this Article are not fulfilled or fully respected, reclaim the disbursed amount, wholly or in part, from Moldova.

ARTICLE 6 PROCUREMENT

Procurement of goods, works and services shall be performed in accordance with internationally accepted principles and good procurement practices.

Sweden may perform examinations of procurements. The examination can be made in the form of a procurement audit. Moldova shall provide Sweden with all the necessary documentation. The Audit as described in article 11 shall also include the procurement made within the project.

For procurement of goods, works and services carried out by Moldova the Moldova Procurement rules shall apply.

Tender documentation, including all published procurement notices, shall be prepared in Moldovan.

At the request of either of the Parties, consultations shall be held on any matter pertaining to procurement under this Agreement.

ARTICLE 7 ENVIRONMENTAL IMPACT

It is assessed that the implementation of the Project will not have any negative impact on the environment. The project shall include and analyse environmental effects of agriculture practices in accordance with the Project Document.

ARTICLE 8 GENDER ISSUES

The Project shall include collection and analysis of Gender segregated data in accordance with the Project Document.

ARTICLE 9 PLANNING, REVIEW, REPORTING AND EVALUATION

Review Meetings shall be held no later than 31 March and 30 September, 2011 and 2012. During Review Meetings the Parties shall assess the performance of the project in relation to the Logical Framework and initiate policy dialogue. **Agreed Minutes** shall be prepared and signed before a Review Meeting is closed.

An **Interim Progress Report** covering the period from December 2010 to February 2011 shall be submitted to Sida no later than 20 of March 2011. An **Interim Financial Report**, indicating how the Swedish contribution has been used, as well as a disbursement forecast for the coming 6 months shall be submitted to Sweden no later than 20 March, 2011. The approved interim financial report is a prerequisite for disbursements stipulated in Article 10.

A **draft semi-annual Progress Report** for the period December 2010–June 2011 shall be presented to Sweden before the Review Meeting and

no later than 31 August 2011. The report shall summarize expected and achieved results in relation to the Project Document, and contain an analysis of any deviation there from. The Review Meeting may decide that this report shall be revised, in which case a date for the provision of the final report shall be stated in the Agreed Minutes. A **semi-annual Financial Report**, in accordance with Sida's instruction for reporting Annex 2, for the period December 2010 - June 2011 shall be presented to Sweden before the Review Meeting and no later than 31 August 2011. The first semi-annual report shall be audited in accordance with the provisions in Article 11 and the ToR in Annex 3. An **annual Work Plan and budget for 2012** shall be submitted to Sweden no later than 31 August 2011 to be discussed and approved at the coming Review Meeting in September, taking into account that Sweden's approval of financial reports and Work Plans is a prerequisite for disbursements as in Article 10.

A **draft annual Progress Report** for the period December 2010–December 2011 shall be presented to Sweden before the Review Meeting and no later than 28 February, 2012. An **annual Financial Report** for the period December 2010–December 2011 in accordance with Sida's instruction for reporting, Annex 2, shall be submitted to Sweden no later than 28 February, 2012. The annual financial report shall be audited in accordance with the provisions in Article 11 and the ToR in Annex 3.

A **draft semi-annual Progress Report** for the period January 2012–June 2012 shall be presented to Sweden before the Review Meeting and no later than 31 August, 2012. The report shall summarize expected and achieved results in relation to the Project Document, and contain an analysis of any deviation there from. The Review Meeting may decide that this report shall be revised, in which case a date for the provision of the final report shall be stated in the Agreed Minutes. A **semi-annual Financial Report**, in accordance with Sida's instruction for reporting Annex 2, for the period January 2012 – June 2012 shall be presented to Sweden before the Review Meeting and no later than 31 August 2012.

A **draft Completion Report** shall be submitted to Sweden no later than 31 May 2013. The report shall summarize obtained and expected results in relation to the Logical Framework, and contain an analysis of any deviation there from. An audited **Final Financial** report, in accordance with the provisions in Article 11 and the ToR in Annex 3, shall be submitted together with the draft Completion Report. The reports shall be discussed at a joint completion/review meeting held no later than 30 June 2013. After joint consideration of the Draft Completion Report, the report shall be amended and finalised and submitted to Sweden within 45 days of the meeting. If the Final Review Meeting for some reason will not be held, the Draft Completion Report shall be submitted to Sweden no later than 31 May 2013 and the Final Completion Report within 45 days of receiving comments.

Moldova shall promptly inform Sweden if reports and plans cannot be submitted as agreed. Annual review meetings will not be held and new funds will not be disbursed until the required documents have been received. Irrespective of agreed reporting routines, the parties shall promptly inform each other if a situation should arise, that makes it likely that the project will not be carried out as agreed.

Moldova shall provide Sweden with any other information regarding the project that Sweden may reasonably request and enable Swedish representatives to visit project locations and inspect property, goods, records and documents. Moldova shall co-operate with and assist Sweden in the evaluations of this project.

ARTICLE 10 DISBURSEMENT

Provided that there is a need for funds the Swedish contribution shall be disbursed as follows,

SEK 13 000 0000 shall be available for disbursement upon signature of the Agreement,

SEK 7 000 000 shall be made available for disbursement in April 2011, after the first review meeting and approval of the interim reports

SEK 400 000 shall be made available for disbursement in October 2011 after the second annual review meeting and approval of the semi-annual reports.

A prerequisite for disbursement is that the requirements in Article 5 are fulfilled and that progress and financial reporting as stipulated in Article 9 is submitted by Moldova and approved by Sweden. Each disbursement request needs to include or refer to a progress and financial report, as stipulated in Article 9. No disbursement can be made until Sweden has approved the request.

Swedish disbursements shall be made into the account of the State Treasury.

Disbursements of Swedish contributions shall only be made against a disbursement request in original from the Ministry of Finance. Authorized to sign the disbursement request on behalf of the Ministry of Finance is the General Director of the National Bureau of Statistics or his/her designated representative. Moldova shall inform Sweden of any new designation.

The disbursement request shall contain the following information and the disbursement shall be made accordingly:

- the words "disbursement request" in the heading
- the Sida Contribution ID

- the name of the [project/programme]
- the requested amount in SEK
- the recipient's bank, bank address, account number/IBAN No, account holder, clearing number/sort code, SWIFT-code and currency of the account
- financial report on use of previous disbursements or reference to such report
- a prognosis of the need for funds the following period.

The disbursement request shall be signed and addressed to Sida, Department for reform cooperation in Europe, Team ENPI. Att Ms Anna Strauch, SE 105 25 STOCKHOLM.

ARTICLE 11 AUDIT

Moldova is responsible for that the funds from Sweden are audited as specified in Article 9. The audits shall be carried out by an external, independent and qualified auditor and in accordance with international standards issued by International Organisation of Supreme Audit Institutions (INTOSAI) or International Federation of Accountants (IFAC).

At the end of the Project period the entire Project funds shall be audited by the Moldovan Court of Accounts.

Sida's standard **Terms of Reference** for annual financial audit shall be used, Annex 3. Any deviations shall be approved by Sida. The cost for the audit shall be paid by Moldova and shall be a part of the project budget.

The **Auditor's report** shall express an opinion whether the submitted annual financial report is in accordance with Moldova's accounting records and Sida's instructions for reporting according to ISA 800/805. The auditor shall also express an opinion on other questions if requested in the terms of reference.

The auditor shall submit a **Management Letter/Audit Memorandum**, which shall contain the audit findings made during the audit process and shall also state which measures have been taken as a result of previous audit and whether measures taken have been adequate to deal with reported shortcomings.

Moldova shall present the auditor's reporting to Sida in accordance with the reporting schedule in Article 9. First audit report for December 2010-June 2011 shall be submitted in 31 August 2011, annual audit report for 2011, shall be submitted no later than 15 April, 2012 and final audit report shall be submitted no later than 31 May 2013. A **Management response** including an **Action plan** shall be produced by the implementing agency and submitted to Sida within three weeks dates above.

Moldova shall co-operate with and assist Sida in the performance of any additional audits, follow-ups and financial studies that Sida may request.

ARTICLE 12 ANTI-CORRUPTION

Sida and Moldova agree on cooperating to counteract corruption during the implementation of the project. In planning and implementation of the operational activities, Moldova shall take into consideration the risk of corruption and identify important problems and elaborate clear objectives. If a substantial risk of corruption is considered to be one of the identified problems, measurable objectives shall be elaborated to reduce the risk identified.

Moldova undertakes to investigate and, if necessary, take action, including legal measures, against any person or persons whom there is good reason to suspect of corruption or other improper gain.

Moldova shall immediately inform Sweden of any illegal or corrupt practice or any other misuse of the contribution in any activity financed under this Agreement that Moldova is aware of or that has been brought to its attention, whether or not under Moldova's responsibility. Moldova shall provide Sweden with information on the findings and any actions or measures taken by Moldova. Upon receipt of any such notification, the Parties shall promptly consult with each other to determine further actions to be taken in order to resolve the matter. Moldova shall keep Sweden informed of the progress of any formal investigation concerning the matter and provide Sweden with a final report of the findings of such investigation upon its conclusion.

ARTICLE 13 REFERENCE TO OTHER AGREEMENTS

Cooperation between the Parties under this Agreement is also governed by:

- the Agreement on General Terms and Conditions for Development Cooperation between the Parties for the period 2003-2011,
- any agreement that may replace or amend the said agreements.

ARTICLE 14 TERMINATION

This Agreement shall remain valid until 30 September, 2013 unless terminated earlier by six months' written notice by either Party. In case of serious breach of the Agreement, Sweden may terminate the Agreement with immediate effect.

In cases of termination by Sweden the termination shall not apply to funds irrevocably committed in good faith by Moldova to third parties before the date of the notice of termination, provided that the commitments were made in accordance with this Agreement.

In case of termination by Moldova no funds shall be made available for activities after the expiry of this Agreement.

ARTICLE 15 ENTRY INTO FORCE

This Agreement shall enter into force on 1 December 2010.

This agreement was drawn up in English and Moldovan language, each in duplicate. All texts are equally authentic. In case of different interpretation of provisions of this Agreement by the Parties, the English text shall prevail.

Chisinau, November 26, 2010
Place and date

Sweden, represented by Sida

Ingrid Tersman
Signature

Ingrid Tersman, Ambassador
Name and title in block letters

Chisinau, November 26, 2010
Place and date

Moldova, represented by Ministry
of Finance

V. Negruta
Signature

Veaceslav Negruta, Minister
Name and title in block letters

Enclosures

Annex 1: Project Document for General Agricultural Census (GAC), dated 22, November, 2010

Annex 2: Sida's Instructions for reporting

Annex 3 Sida's Terms of Reference for annual financial audit

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V. Negruta