

Sida Contribution No:
53040040

AGREEMENT BETWEEN SIDA AND FOREIGN POLICY ASSOCIATION ON SUPPORT OF TRANSNISTRIAN DIALOGUES

THE PARTIES

The parties to this Agreement are the Swedish International Development Cooperation Agency (Sida) and Foreign Policy Association (APE).

A The Swedish International Development Cooperation Agency, Sida

Address: Swedish Embassy, Section for Development
Cooperation and Political Affairs,
Toma Ciorba 12, MD-2004 Chisinau
Responsible Officer: Madeleine Hägg-Liljeström
Telephone: +373 22 26 73 20
E-mail: madeleine.hagg-liljeström@sida.se

B Foreign Policy Association

Address: Sciusev 64, MD-2012, Chisinau
Contact person: Victor Chirila, Executive Director APE
E-mail: victor.chirila@ape.md

ARTICLE 1 SCOPE AND OBJECTIVES OF THE AGREEMENT

Foreign Policy Association intends to carry out a project known as Transnistrian Dialogues - Building Linkages between Sectors in Moldova and Transnistria in accordance with the project document and the attached budget, Annex 1. The project is jointly financed by Sweden, United Kingdom and Finland. The project budget is totalling EUR 134,600 and is co financed by UK Foreign and Commonwealth Office, Conflict Prevention Pool (EUR 28,800) and the Embassy of Finland (EUR 52 900).

- The overall objective of the project is to build linkages between sectors in Moldova and Transnistria in order to contribute to a sustainable settlement of the conflict over the breakaway region of Transnistria.

ARTICLE 2 EXPECTED RESULTS

To make the objectives operational Foreign Policy Association has developed a Results Assessment Framework for measuring the results in its implementation of the project called Project

objectives/Outcomes/verification, see the enclosed project document , Annex 1. The RAF and/or its revision are included in the project description and, form an integral part of this Agreement. All substantial revisions of the RAF shall be agreed during Review Meetings and documented in Agreed Minutes in accordance with Article 8.

ARTICLE 3 THE CONTRIBUTION

Sida shall, subject to parliamentary appropriation of funds, make available an amount not exceeding Swedish Kronor five hundred fifty thousand for the implementation of the project.

ARTICLE 4 UNDERTAKINGS BY Foreign Policy Association

Foreign Policy Association undertakes

1. to plan, implement and monitor the project in close collaboration with the Association of Independent Political Scientists of Transnistria,
2. to provide resources as specified in this Agreement, particularly provide resources for and/or cover the costs of the activities specified in the project document "Transnistrian Dialogues" - Building Linkages Between Sectors in Moldova and Transnistria" including budget, Annex 1,
3. to provide the necessary professional and administrative support, personnel services and any other resources required for a successful implementation of the project,
4. to ensure that administration capacity and internal control systems of project resources are adequate

ARTICLE 5 CONDITIONS FOR THE USE OF THE CONTRIBUTION

The contribution may only be used for the implementation of the project as specified in the project document, enclosure 1. Only costs for activities carried out during the period from June 2010 to March 31, 2011 may be financed from the contribution. After a period of six months from the latter date, no contribution under this Agreement shall be payable.

Funds not utilised for financing activities before 31 March 2011 shall be repaid to Sida within two months of that date, in accordance with Article 12.

Should circumstances arise that call the feasibility or validity of the project into question or cause Foreign Policy Association to make major changes in its objectives, or if Foreign Policy Association decides to make any substantial deviation from the plan presented, Foreign Policy Association

must obtain Sida's written approval before continuing the project or before implementing such changes.

Sida may decide to withhold the disbursement, wholly or in part, if substantial deviations from the agreed plan, budget or RAF occur, reports are not delivered as agreed, or circumstances are otherwise revealed which makes the project develop unfavourably in any other important respect. Before taking such a decision, Sida shall initiate discussions with Foreign Policy Association.

When reports, studies and other information are produced, Sida's cooperation as financier shall be indicated. Sida's name may not be used in such a way that Sida can be regarded as having contributed to or vouching for the content. Sida shall, at its sole discretion, have the right to copy and distribute information and educational material that Foreign Policy Association has produced under this Agreement.

If the conditions set out in this article are not fulfilled or fully complied with, Sida may reclaim funds disbursed, wholly or in part, from Foreign Policy Association.

ARTICLE 6 PROCUREMENT

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

Sida may carry out checks on procurements. The check may take the form of a procurement audit. Foreign Policy Association shall provide Sida with all the necessary documentation.

The attached procurement guidelines, Annex 2, shall apply to the procurement of goods, works and services.

Tender documentation, including all published procurement notices, shall be prepared in Russian and Romanian.

At the request of either of the parties, consultations shall be held on any matter relating to procurement.

ARTICLE 7 ENVIRONMENTAL IMPACT

The project is not envisaged to have any negative effects on the environment. Any new and additional activities with potential impact shall include an environmental impact assessment, EIA, in accordance with Sida's Guidelines for the Review of Environmental Impact Assessment (www.sida.se). Foreign Policy Association undertakes to implement the recommendations in the EIA. The implementation shall be followed up in the monitoring and evaluation activities of the project.

ARTICLE 8 PLANNING, REVIEW, REPORTING AND EVALUATION

Review Meetings shall be held every 3 months and no later than 15 days after receipt of the progress and financial report and work plan. The first meeting should be held no later than September 30, 2010. During Review Meetings the Parties shall assess the performance of the project in relation to the RAF and initiate policy dialogue. **Agreed Minutes** shall be prepared and signed before a Review Meeting is closed. **Results Progress Reports** shall be presented to Sweden before the Review Meeting. The first report is due September 20, 2010. The report shall summarize obtained and expected results in relation to the RAF, and contain an analysis of any deviation therefrom. 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 revised **Work Plan** with budget for the forthcoming period shall be presented to Sweden as a draft for analysis and subsequent discussion at each Review Meeting. The first revised work plan is due September 20, 2010.

Financial Reports shall be presented to Sweden before each review meeting. The financial report shall cover the total project budget and show also show disbursements from the other donors. The first financial report is due September 20, 2010. The report shall present spending in relation to planned budget and analyse and comment on any deviations. Approved financial and results progress reports are a prerequisite for disbursements dealt with in Article 9.

A **Completion Report** (including Results Progress and a **Financial Report** according to Sida's instruction for reporting, Annex 4) shall be submitted to Sida in draft no later than 15 days before the **Final Review Meeting**. The Final review meeting should be held no later than May 31, 2011. The report shall summarize obtained and expected results in relation to the RAF, and contain an analysis of any deviation therefrom. After joint consideration of the draft, the report shall be amended and finalised and submitted to Sida within 30 days of the meeting. If the Final Review Meeting is for some reason not to be held, the Draft Completion Report shall be submitted to Sida no later than May 31, 2011 and the Final Completion Report within 15 days of receiving comments.

Foreign Policy Association shall promptly inform Sida if reports and plans cannot be submitted as agreed. Quarterly 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 arises that makes it likely that the project will not be carried out as agreed.

Foreign Policy Association shall provide Sida with any other information regarding the project that Sida may reasonably request and shall enable Sida representatives to visit project locations and inspect property, goods, records and documents. Foreign Policy Association shall retain all records for 10 years from the last disbursement by Sida. Foreign Policy Association shall co-operate with and assist Sida in the performance of follow-ups and evaluations of the impact of the project. The obligations of Foreign Policy Association in this respect shall apply also to previously agreed support provided by Sida to the project.

ARTICLE 9 DISBURSEMENT

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

- SEK 200 000 shall be available for disbursement upon signature of the Agreement,
- SEK 200 000 shall be made available for disbursement if conditions are met and following receipt of and approval of reporting of the first period of the program due September 20, 2010
- The remaining amount shall be made available if conditions are met and following receipt of and approval of reporting of the second period of the program due December 20, 2010.

A prerequisite for disbursement is that the requirements in Article 5 be fulfilled and that progress and financial reporting as provided for by Article 8 be submitted by Foreign Policy Association and approved by Sida. Each disbursement request must include or refer to a financial report on the use of all previously disbursed contributions. New funds are not disbursed if funds remain from previously disbursed funds. No disbursement can be made until Sida has approved the request.

Disbursements of contributions shall only be made against a disbursement request in original from Foreign Policy Association. The persons authorized to sign the disbursement request on behalf of Foreign Policy Association are the Director or his/her nominated representative. Foreign Policy Association shall inform Sida of any new nomination.

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

- the word "disbursement request" in the heading,
- the Sida Contribution No.,
- the name of the project,
- 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, and
- financial report on use of previous disbursements or reference to such report.

The disbursement request shall be signed and addressed to the Responsible Officer at Sida.

Foreign Policy Association shall make available an interest bearing bank account for the contribution.

ARTICLE 10 AUDIT

The Foreign Policy Association is responsible for that the project is audited by the end of the project implementation. The audit shall cover the full project budget and include the funding provided by UK and Finland. The audit shall be carried out by an external, independent and qualified auditor. The audit shall be carried out in accordance with international standards issued by International Organisation of Supreme Audit Institutions (INTOSAI) or International Federation of Accountants (IFAC).

Sida's standard **Terms of Reference** for annual financial audit shall be used, Annex 4. Any deviations shall be approved by Sida. The cost for the audit shall be paid by Foreign Policy Association and shall be a part of the project budget.

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

The auditor's reporting shall contain the audit findings made during the audit process. It shall also state which measures have been taken as a result of previous audits and whether measures taken have been adequate to deal with reported shortcomings.

Foreign Policy Association shall present the auditor's reporting to Sida no later than June 30, 2011. A **Management response** including an **Action plan** shall be produced by the implementing agency and submitted to Sida within three weeks after the audit report has been received.

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

If Foreign Policy Association shall channel financial funds to a recipient organisation Foreign Policy Association shall be responsible for that audit of those funds are performed according to the above stated requirements.

ARTICLE 11 ANTI-CORRUPTION

Sida and Foreign Policy Association agree on cooperating to counteract corruption during the implementation of the project. In planning and implementation of the operational activities, Foreign Policy Association 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.

Foreign Policy Association 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.

Foreign Policy Association shall immediately inform Sida of any illegal or corrupt practice or any other misuse of the contribution in any activity financed under this Agreement that Foreign Policy Association is aware of or that has been brought to its attention, whether or not under Foreign Policy Association's responsibility. Foreign Policy Association shall provide Sida with information on the findings and any actions or measures taken by Foreign Policy Association. 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. Foreign Policy Association shall keep Sida informed of the progress of any formal investigation concerning the matter and provide Sida with a final report of the findings of such investigation upon its conclusion.

ARTICLE 12 REFUND OF INTEREST INCOME AND/OR UNSPENT BALANCES

The financial reporting shall include information on interest income and/or unspent balances. Interest income shall be refunded to Sida by Foreign Policy Association no later than May 31, 2011 and unspent balances shall be refunded to Sida no later than May 31, 2011.

For the refund to Sida of interest income and/or unspent balances the bank instructions are as follows:

Account number: 15634-9

Account holder: Swedish International Development Cooperation Agency (Sida)

Bank: Nordea Bank Sverige AB (publ)

Bank address: S-105 06 Stockholm, Sweden
IBAN No.: SE91 9500 0099 6034 0015 6349
Swift/Bic address: NDEASESS

Transfers can be made to the account via Swift in any currency.

In the notice to Sida, reference shall be made to the Sida contribution ID.
The information shall also specify interest income and unspent balances.

ARTICLE 13 ARBITRATION AND APPLICABLE LAW

Any dispute, controversy or claim arising out of or in connection with this Agreement that cannot be settled amicably shall be definitively resolved by arbitration in accordance with the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce.

A single arbitrator shall be appointed. The place of arbitration shall be Stockholm and the language used in the proceedings shall be English.

This agreement shall be governed by the substantive law of Sweden without regard to its conflict of law rules.

ARTICLE 14 TERMINATION

This Agreement shall remain valid until 30 September 2011, unless terminated earlier by six months' written notice by either Party. In case of serious breach of the Agreement, Sida may terminate the Agreement with immediate effect.

In the event of termination by Sida the termination shall not apply to funds irrevocably committed in good faith by Foreign Policy Association to third parties before the date of the notice of termination, provided that the commitments were made in accordance with this Agreement.

In the event of termination by Foreign Policy Association, no funds shall be made available for activities after the expiry of this Agreement.

ARTICLE 15 EFFECTIVE DATE

This Agreement shall become effective on the date of agreement's signature.

Two originals of this Agreement have been signed, of which the parties have taken one each.

Chisinau 21.07.2010
Place and date

For the Swedish International
Development Cooperation
Agency (Sida)

[Handwritten Signature]

Signature

ANN-CHARLOTE ZARFESSON
Name and title in block letters
COUNTRY DIRECTOR

Chisinau, 11.06.2010
Place and date

For Foreign Policy Association

[Handwritten Signature]

Signature

Victor Chirila, Executive Director
Name and title in block letters



ENCLOSURES:

- Annex 1: Project document for "Transnistrian Dialogues' - Building Linkages Between Sectors in Moldova and Transnistria" incl budget, dated May 2010 (version 6)
- Annex 2: Sida procurement guidelines
- Annex 3: Instructions for reporting
- Annex 4: Standard Terms of Reference for annual financial audit

