



Project name: Increase the institutional capacities of NFFM to represent and deliver relevant services to its members

Project period: 2018-2020

Project number: P9030

Agreement of cooperation between National Farmers Federation of Moldova NFFM and We Effect

This Agreement of Cooperation is drawn up between the following Parties:

- (1) National Farmers Federation of Moldova NFFM, an organization incorporated under the laws of Moldova, with registered address Chisinau, George Cosbuc 11. hereinafter referred to as NFFM.
- (2) We Effect, incorporated under the laws of Sweden with registration number 802004-1524, and registered address 105 33 Stockholm, Sweden.

Article 1: Agreement Objective

- 1.1 The objective of this Agreement is to regulate the cooperation between NFFM and We Effect with regard to Increase the institutional capacities of NFFM to represent and deliver relevant services to its members, hereinafter referred to as the Project.
- 1.2 The Project is part of the We Effect programme "EMPOWER EUROPE: Civil Society for Inclusive and Sustainable Rural Development". The objective of the Project is NFFM a stronger organization, contributing to fair and sustainable socio- economic development of rural people. The Project will be implemented in Moldova.

Article 2: Legal Instruments

- 2.1 This Agreement constitutes the main instrument that regulates the cooperation between NFFM and We Effect with regard to the Project.
- 2.2 Annexed to the Agreement are the approved Project Document, the Results Framework, the Annual Operative Plan and the Budget for the first year of operations.

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- 2.3 Agreed Annual Operative Plans and Budgets and minutes from Annual Review Meetings are as legally binding as this Agreement. In the event of any conflict between this Agreement and the aforementioned documents, the provisions of this Agreement shall prevail.

Article 3: General Obligations of the Parties

- 3.1 It is the responsibility of the Parties to maintain and develop a relationship of cooperation based on participation, accountability, non-discrimination, empowerment and transparency. Gender equality is a guiding principle for all aspects of the partnership. A sustainability plan for the NFFM including planning for the phase out of We Effect's financial support, shall be part of the partnership.
- 3.2 The Parties will assume full responsibility and commitment for their participation in the Project and ensure that budgeted resources (personnel, financial support and other contributions) as defined in the mutually agreed Annual Operative plans and Budgets is placed at the disposal of the Project.
- 3.3 Both Parties agree to immediately inform one another if risks are identified that could jeopardize the implementation of the Project, and therefore this agreement.
- 3.4 Relevant documentation, including audited accounts, shall be kept by the Parties for seven years after the expiration of this agreement. Local archiving legislation will be adhered to.
- 3.5 Neither Party may assign this agreement and the corresponding Project, partly or completely, to a third party.
- 3.6 Both Parties will actively work to prevent, detect and act on all forms of corruption. Both parties will explicitly prohibit staff, service providers and consultants financed under this agreement to, for themselves or others, receive or allow to be offered, request or provide, promise or offer bribes or other improper rewards, remuneration, compensation, improper gain or benefit of any kind that may constitute illegal or improper conduct.

Article 4: Operative Guidelines

- 4.1 We Effect's total contribution is specified in the Project's agreed annual Budget.
- 4.2 We Effect's total contribution is subject to the availability of funding from its back-donors. We Effect cannot be held responsible for changes in this agreement due to reduced funding from any back-donor.
- 4.3 The total contribution pledged by We Effect shall be specified in Swedish crowns and in MDL. The total amount indicated in Swedish crowns represents the maximum contribution approved by We Effect, even in the case of a devaluation of the crown. On the other hand, if the Swedish crown revaluates giving a budget surplus, this surplus can be used for additional activities in the Project with the prior approval of We Effect

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- 4.4 The funds disbursed by We Effect will be deposited in a bank account in the name of NFFM, exclusively for the We Effect contribution. The bank account shall be signed by two persons jointly that have the right to sign for the NFFM. Any bank interests received on We Effect funds can be used for project activities.
- 4.5 The disbursement of We Effect's financial support will be made upon request of NFFM. Requests shall be based on liquidity needs in accordance with the Annual Budget and Annual Operative Plan. Disbursements will be subject to the availability of liquidity at We Effect.
- 4.6 NFFM will be responsible for all purchases of goods and services. Goods and services will be procured according to good business practice, competition should be sought and tenders should be treated objectively. The procurement process needs to be efficient, well administrated, documented and transparent. The process must be carried out in a way that minimizes the risk of corruption at all stages: non-discrimination of suppliers, no gifts accepted, no personal gains involved, avoid all forms of bribery and declare any business or personal relationship. The thresholds defined in We Effect's Regional Procurement Guidelines will be adhered to.
- 4.7 Real estate and land cannot be purchased under this agreement.
- 4.8 The NFFM shall have internal guidance on travel costs, DSA and/or Per Diem rates for travel on duty. The guidelines shall be shared with We Effect. Costs above the thresholds defined in We Effect's regional travel policy, are not financed by We Effect.
- 4.9 Assets purchased with We Effect funds will be made in the name of NFFM as specified in the Project Document or in another document prepared by the Parties for this purpose and will belong to NFFM. In the five years following the purchase, the said assets may not be transferred, mortgaged or sold without the previous authorisation in writing by We Effect.
- 4.10 The terms of reference for external consultants financed by We Effect will be agreed upon between NFFM and We Effect prior to hiring the consultant.
- 4.11 Any changes to the agreed Annual Operative Plan, Budget or Results Framework requires the prior approval of We Effect. Depending on the nature of such a change, it can be documented in either writing or in a written amendment to this Agreement.
- 4.12 At the end of the Project period, funds put at the disposal of Increase the institutional capacities of NFFM to represent and deliver relevant services to its members which have not been used, must be returned to We Effect no later than one month after the final financial report has been approved by We Effect.
- 4.13 We Effect does not take any employer responsibility for NFFM employees or dependents. The employment relationship exists solely between NFFM and its employees.

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Article 5: Publications

- 5.1 In the production of printed Project information and education materials it shall be explicitly evident, unless there are special reasons to deviate from this rule, that:

"This material is completely or partly financed by the Swedish International Development Cooperation Agency (Sida) and We Effect. Sida and We Effect does not necessarily agree with the opinions expressed."

- 5.2 NFFM will provide We Effect with a minimum of five copies of each publication financed by the Project.

Article 6: Technical Assistance

- 6.1 We Effect will give technical support in all phases of the Project, as mutually agreed upon. This technical support may include PME, sector and/or method assistance, organisational development and capacity building of the partner organisation or any other area relevant to the fulfilment of the project objective.

Article 7: Planning, Monitoring and Evaluation

- 7.1 NFFM is responsible for having a systematic way of planning, monitoring and evaluating the Project.
- 7.2 NFFM will ensure the active participation of members or other relevant target groups in the Project.
- 7.3 Annual review meetings jointly conducted by We Effect and NFFM will take place where the Project's Annual Operative Plan is followed-up, including any deviations from the Project's Result Framework and Budget. Strategies, implementation methods, harmonisation with other donors and other relevant aspects of the implementation of the Project and partnership will be discussed. NFFM will prepare the agenda for the meeting and distribute relevant material to all participants in advance. Minutes from the annual review meetings will be documented and signed by both parties.
- 7.4 Three times a year, in March, June and October, NFFM will be able to, after consultation with We Effect, revise the Project's Annual Budget and Annual Operative Plan. The revision must be approved by We Effect to be valid.
- 7.5 We Effect, any back donor or the Swedish National Audit Office, may at any time conduct financial compliance monitoring of the Project. NFFM will upon request provide invoices and any other relevant supporting document needed to verify the accuracy of reported expenses in the Project.
- 7.6 During the time that the agreement is still in force, a final evaluation may be undertaken. The methodology to be used for this evaluation will be previously defined based on the mutual agreement of the Parties. The terms of reference will



be prepared by We Effect in consultation with NFFM. If external evaluator(s) or facilitator(s) are to be contracted for this purpose, this will be done by We Effect.

Article 8: Reporting

- 8.1 Each year the NFFM will prepare a semi-annual narrative report to We Effect. The semi-annual report shall be sent to We Effect no later than July 31st.
- 8.2 At the end of each year, NFFM will present an annual narrative report, including the Project's Results Framework, to We Effect. The annual report must be presented to We Effect no later than February 1st.
- 8.3 Bi-monthly, NFFM will prepare a financial report of the Project which shall be sent to We Effect latest the 7th of the following month. The financial report may be prepared using NFFM template as long as the template contains the financial information requested by We Effect. The final financial report of each budget year must be sent to We Effect no later than January 20th of the following year.
- 8.4 The policy for reporting expenses is cash-based accounting, that is, only expenses and income that correspond to completed payments shall be reported to We Effect. Reported expenses shall be derived from the accounting records. There should be complete documentation (receipts / invoices) to verify the expenses.
- 8.5 Any suspected, or confirmed, case of corruption as defined in §3.6 must be reported by NFFM to We Effect without delay.

Article 9: External Audit

- 9.1 An external, independent and qualified auditor appointed or approved by We Effect will yearly undertake an audit on the use of the funds. The audit will be performed according to International Standards on Auditing (ISA) and We Effect's annual audit instructions will be adhered to. The audit report will be delivered to the Board of Directors and the management of NFFM and to We Effect. The signing auditor may not have his/her assignment longer than seven years.
- 9.2 Annually, NFFM will deliver We Effect a copy of the Increase the institutional capacities of NFFM to represent and deliver relevant services to its members audited financial statements.

Article 10: Responsibility for the execution of the Agreement

- 10.1 Those responsible for the implementation and execution of this Agreement are:

The Executive Director of the NFFM
The Regional Director of We Effect



Article 11: Legal authority in case of conflict

- 11.1 This Agreement will be regulated by Moldovan laws in the case of acts and actions undertaken in Moldova and by Swedish laws for all actions undertaken elsewhere.
- 11.2 Any dispute that arise in the implementation of this Agreement will be resolved amicably and in good faith by means of dialogue between the Parties. By mutual agreement, the Parties may request the mediation of a person or organisation in order to present a proposal for a solution. In case the Parties cannot agree upon such a person or organization within one (1) month of the initial request, or if a final solution cannot be reached by such a person or organization, each of the Parties shall have the right to refer the matter to any court of competent jurisdiction.


Article 12: Amendments and Termination of Agreement

- 12.1 Any amendments or modification of this Agreement, or appendixes of the agreement, shall be made in writing and will take effect when it has been exchanged and signed by the Parties.
- 12.2 In the event of breach of this Agreement, We Effect may either/or suspend payment of funds, demand the return of funds originating from We Effect, or demand that the bank account used for the Project funds will be frozen. We Effect may also terminate this Agreement in advance.

Article 13: The Agreement's Validity

- 13.1 This Agreement covers the duration of the Project between the 1st of January 2018 and 31st of December 2020 and is valid from the date of signing until 30th of April 2021. We Effect may terminate this Agreement with six months advance warning. Such a termination must be explained in writing.
- 13.2 For legal purposes, two identical copies of this Agreement in English one for each Party will be taken as valid originals.




January 2018, Skopje
Anna Erlandsson
Regional Director
We Effect