



Project name: Increase institutional and financial capacities of NFFM for a sustainable organization with qualified services to its members
Project period: 2021-2022
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 organisation incorporated under the laws of Moldova, with registration number 0243 and registered address George Cusbu 11 in Chisinau, hereinafter referred to as the Partner.
- (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 the Partner and We Effect with regard to the project *Increase institutional and financial capacities of NFFM for a sustainable organization with qualified 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 to for NFFM to contribute to fair and sustainable socio- economic development of farmers and rural area so that they are able to respond to pandemic and climate change consequences. The Project will be implemented in Moldova.

Article 2: Legal Instruments

- 2.1 This Agreement, together with its Appendices that form an integral part of the Agreement, constitute the main instrument that regulates the cooperation between the Partner and We Effect with regard to the Project.
- 2.2 Annexed to the Agreement are the approved Project Document, including the Results Framework, the Project Operative Plan and total Budget, as well as the Project’s Annual Operative Plan and the Budget for the first year of operations.
- 2.3 Agreed Annual Operative Plans and Budgets, as well as Minutes from Annual Review Meetings, signed by the Parties, 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.

- 2.4 A sustainability plan for the Partner, including planning for the phase out of the Project funding provided by We Effect, shall be part of the Project documentation.

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.
- 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, are placed at the disposal of the Project for its implementation.
- 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 Neither Party may assign this Agreement and the corresponding Project, partly or completely, to a third party.
- 3.5 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: Financial Provisions and Operative Guidelines

- 4.1 We Effect's total contribution to the Project is specified in the agreed Project Budget and equals to 2.200.000 SEK, corresponding to 4.620.000 MDL. The total Project Budget is indicative and subject to availability of funding from the back-donor(s), as specified in § 4.2. The approved annual budget for the first year of operations is annexed to this Agreement.
- 4.2 We Effect's total contribution is subject to 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 Kronas (SEK) and in Moldovan Lei (MDL). The total amount indicated in Swedish Kronas represents the maximum amount of funding available to the Partner for the implementation of the Project, even in the case of a devaluation of the Swedish Krona. Conversely, if the Swedish Krona revaluates, giving a budget surplus in MDL, this

surplus can be used for additional Project activities with the prior agreement between We Effect and the Partner.

- 4.4 The funds disbursed by We Effect will be deposited in a bank account in the name of the Partner, exclusively for the We Effect's contribution to the Project. All bank account transactions shall be signed, jointly, by two authorised signatories of the Partner. Any bank interests received on funds disbursed by We Effect can be used for Project activities.
- 4.5 We Effect will disburse the Project funds following the Partner's expenditure verification, done by We Effect's financial officer upon submission of the Partner's financial report as outlined in § 8.3. Once expenditure has been verified in all material aspects, the Partner can submit a written funds request, duly signed by the Partner's Executive Director. Requests shall be based on liquidity needs in accordance with the Annual Budget and Annual Operative Plan, as well as on the annual budget utilisation as verified by means of the Partner's bimonthly financial reporting, approved by We Effect. Disbursements will be subject to availability of funding from We Effect's back-donor(s).
- 4.6 In the event of late disbursement of duly requested funds, the Partner may, with prior approval of We Effect, pre-finance activities within the approved Operative Plan and Annual Budget of the Project until the funds will be disbursed by We Effect and the Partner's pre-payment settled.
- 4.7 At the end of the Project period, funds put at the disposal of the Partner that have not been used for the implementation of the Project, must be returned to We Effect no later than one month after the final financial report has been approved by We Effect.
- 4.8 The Partner shall keep all relevant documentation related to the Project, including audited accounts and supporting documents to the accounting records, for seven years after the expiration of this Agreement.
- 4.9 The Partner will be responsible for all purchases of goods and services that are specified in the Project's agreed Operative Plan and Budget. Goods and services will be procured according to good business practice, implying that competition should be sought, and tenders should be treated objectively. The thresholds defined in We Effect's Regional Procurement Guidelines will be adhered to when purchasing goods and services for the Project.
- 4.10 The Partner will share with We Effect its internal instruction on procurement. It must be aligned with We Effect's Regional Procurement Guidelines and approved by We Effect. The procurement process needs to be efficient, well administrated, documented and transparent, and carried out in a way that minimizes the risk of corruption at all stages through the following preconditions: non-discrimination of suppliers, no gifts accepted, no personal gains involved, all forms of bribery avoided, and any business or personal relationship declared.
- 4.11 Real estate and land cannot be purchased under this Agreement.



- 4.12 Assets purchased by the Partner with the Project funds provided by We Effect will be made in the name of the Partner and belong to the Partner. In the five years following the purchase, the said assets may not be transferred, mortgaged or sold without prior authorisation in writing by We Effect.
- 4.13 Any assets including motor vehicles, purchased with Project funds, may not be used for personal gains.
- 4.14 Terms of reference for external consultants, financed by the Project funds provided by We Effect, will be agreed upon between the Partner and We Effect prior to recruiting the consultant.
- 4.15 For travel on duty, We Effect will only fund accommodation and means of transportation that are reasonably priced. The Partner shall have internal guidance for travel on duty with approved DSA and/or Per Diem rates. The Partner's internal instruction on travel on duty shall be shared with We Effect before the start of the Project. Costs for Per Diem, DSA and/or accommodation for travel on duty above the thresholds defined by We Effect's Regional Travel Policy will not be financed by We Effect.
- 4.16 We Effect does not take any employer responsibility for the Partner's employees or dependents. The employment relationship exists solely between the Partner and its employees.
- 4.17 The Partner will share its anti-corruption policy with We Effect. It must be aligned with We Effect's anti-corruption policy and approved by We Effect. Any suspected, or confirmed, case of corruption must be reported by the Partner to We Effect without delay. In case of confirmed corruption in the Partner organisation, the inappropriately used funds will be repaid by the Partner to We Effect within reasonable time.

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 financed by Swedish International Development Cooperation Agency (Sida) and We Effect. Sida and We Effect does not necessarily agree with the opinions expressed."
- 5.2 The Partner 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 The Partner is responsible for ensuring a systematic way of planning, monitoring and evaluating the Project.
- 7.2 The Partner will ensure the active participation of members or other relevant target groups in the Project.
- 7.3 The Partner and We Effect will hold joint annual review meetings for Project management and monitoring of the Project progress. At these meetings, the Project's Annual Operative Plan and budget utilisation will be followed up and, if necessary, adjusted, as well as any deviations from the Project's Result Framework and Budget analysed. Strategies, implementation methods, harmonisation with other donors and other relevant aspects of the implementation of the Project will be discussed at the annual review meetings, too. The Partner will prepare an agenda for each 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, the Partner will be able to get, after consultation with We Effect, the Project's Annual Budget and Annual Operative Plan revised. For the revision to be valid, it must be approved by We Effect.
- 7.5 We Effect, its back-donor(s) or the Swedish National Audit Office may at any time conduct financial compliance monitoring of the Project. The Partner will upon request provide invoices and any other relevant supporting documents needed to verify the accuracy of reported expenses, as well as any other required documentation. The date and time of the monitoring will be jointly agreed upon by the Parties in advance.
- 7.6 During the term of validity of the agreement, the Parties may undertake a final evaluation of the Project. The methodology to be used for this evaluation will be defined based on the mutual agreement of the Parties, in advance. Terms of reference will be prepared by We Effect in consultation with the Partner. Any contracting of external evaluator(s) or facilitator(s) will be done by We Effect.

Article 8: Reporting

- 8.1 Each year, the Partner will develop semi-annual narrative reports, containing the Project's outputs and outcomes / long-term results. The semi-annual reports shall be submitted to We Effect no later than 31 July.
- 8.2 For each year, the Partner will submit to We Effect an annual narrative report of the Project progress, which shall include the Project's Results Framework, specifying the outputs and outcomes / long-term results. The annual report must be presented to We Effect no later than 1 February of the following year.
- 8.3 Bi-monthly, the Partner will prepare a financial report of the Project and a progress brief with the outputs for the corresponding period of the Project, which shall be submitted to We Effect, together with the duly signed monthly bank reconciliation(s) for the reporting period, by the 7th of the following month. The financial reports may be

prepared using the Partner's template as long as the template contains the financial information requested by We Effect. The annual financial report should be sent to We Effect no later than 15th January of the following year.

- 8.4 The policy for reporting expenses is modified cash-based accounting, implying that only expenses and incomes for completed payments can be reported to We Effect. Exempted from this rule are accrued expenses at the end of the year that meet such financial obligations as taxes and other similar payments.
- 8.5 Reported expenses shall be supported by accounting records. There should be complete documentation (receipts / invoices) to verify the expenses.

Article 9: External Audit

- 9.1 An external, independent and qualified auditor, appointed by We Effect, will yearly undertake an audit on the use of the funds, following We Effect's annual audit instructions. The audit will be performed according to International Standards on Auditing (ISA). The audit report will be delivered to the Board of Directors and the management of the Partner, as well as to We Effect. The signing auditor may not have his/her assignment longer than seven years.
- 9.2 During the period of the Project implementation, the Partner will each year submit We Effect a copy of its audited consolidated annual 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 for the Partner
The Regional Director for We Effect

Article 11: Legal authority in case of conflict

- 11.1 This Agreement will be regulated by Moldova 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 organisation within one (1) month of the initial request, or if a final solution cannot be reached by such a person or organisation, 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 and/or its appendices, i.e. the Annual Operative Plan, Annual Budget or Results Framework, shall be made in writing. Depending on the nature of such a change, the modification can be documented either in

a written notice or by means of a written amendment to this Agreement. The amendment or modification will take effect when exchanged and signed by the duly authorised signatories of the Parties.

12.2 In the event of breach of this Agreement by the Partner, including any unjustified failure to implement agreed plans or failure to present reports as specified in this Agreement, We Effect has the right to suspend payment of funds, demand the return of earlier disbursed funds, require the Partner's bank account used for the Project funds to be frozen, as well as to terminate this Agreement, effective immediately, by giving written notice to the Partner.

12.3 Any Party may terminate this Agreement, at any time, with six months written notice. The Agreement will automatically terminate at the end of the six months period following the date of written notification of termination given by one Party to the other Party.

Article 13: The Agreement's Validity

13.1 This Agreement covers the duration of the Project between the 01st of Jan 2021 and 31st of Dec 2022, as well as a four months period following the Project ending date, and is valid from the date of signing until 30th April 2023, unless terminated earlier in accordance with § 12.2 or § 12.3 of this Agreement. No Partner costs will be covered by the Project funds during the four months following the Project ending date, while the Agreement is still in force.

13.2 For legal purposes, two identical copies of this Agreement in English, one for each Party, will be taken as valid originals.

Signed:



Skopje, January 2021
Anneli Leina
Regional Director
We Effect

Appendices:

- Appendix 1. Approved Project Document
- Appendix 2. Approved Results Framework
- Appendix 3. Approved Annual Budget
- Appendix 4. Approved Annual Operative Plan
- Appendix 5. Phase-out Plan including Operational Plan for the Phase-out
- Appendix 6. We Effect's Regional Procurement Policy
- Appendix 7. We Effect's Code of Conduct
- Appendix 8. We Effect's Anti-Corruption Policy
- Appendix 9. We Effect's Policy Against Sexual Harassment