

Agreement
between
the Court of Accounts of the Republic of Moldova
and
the Swedish National Audit Office

Bearing in mind the need for reforms in the public sector of Moldova,

Aiming at contributing to a harmonised approach to capacity development in the system of Public Financial Management and Control of Moldova,

Considering the experiences gained and the conclusions drawn from the first phase of the cooperation project, 2007-2009,

Intending to utilise efficiently the Swedish and Moldovan resources made available through the Swedish National Audit Office and the Court of Accounts respectively,

The Swedish National Audit Office (hereinafter referred to as the Swedish NAO or the party) and the Court of Accounts of the Republic of Moldova (hereinafter referred to as the CoA or the party) have agreed as follows:

Article 1 Scope and Objective of the Agreement

The parties have agreed to cooperate in a second phase of long-term cooperation, providing assistance to the institutional capacity development of the CoA during the period 2010-2012.

The *overall objective* is to;

Contribute to the CoA's improved capacity to carry out better audit to promote greater accountability and better management of public funds.

The point of departure for the second phase of the cooperation project is the CoA's need for support in implementing the major elements of the new Law on the CoA. Key milestones for future cooperation between the CoA of the Republic of Moldova and the Swedish NAO were identified as a result of the first phase of this long-term cooperation between the parties. The parties will carry out the cooperation in accordance with the project document (Annex 1).

An implementation plan will be prepared on an annual basis that will be approved by the Steering Committee. Enclosed to this Agreement is a *draft implementation plan for 2010* (Annex 2).

Article 2 Undertakings by the Parties

The Swedish NAO and the CoA undertake jointly:

- The responsibility for the Swedish contribution being used efficiently and for agreed purposes only.
- To implement the project and to provide relevant resources as specified in this Agreement, in accordance with the provisions in the project document and the implementation plan.
- To promote open and transparent communication and sharing of relevant information related to the cooperation project between the Swedish NAO and the CoA, as well as within the respective institutions.
- To coordinate and harmonise the implementation of project activities with other external support provided to the CoA, in order to assure the best use of resources and the best results possible.
- To use English as the working language and as the language in official communication between the parties.

The project document contains a description of the mechanism for steering and management of the project, as well as reporting requirements. As described in the project document, the Steering Committee is the ultimate decision-making body with responsibility for the achievement of the project objectives.

Article 3 The Swedish NAO contribution

The Swedish NAO shall, subject to Swedish parliamentary appropriation of funds to the Swedish NAO, support the implementation and monitoring of the project as specified in this Agreement. In financial terms the Swedish NAO contribution will represent a ceiling amount of 12 million SEK (Swedish Kronor) for the period 2010-2012, exclusive of Swedish NAO over-head costs.

Article 4 Conditions for and utilisation of the Swedish NAO contribution

The Swedish NAO contribution can only be allocated to project activities as specified in the project document and the annual implementation plans during the period 1 January, 2010 – 31 December, 2012. This means that the funds will primarily cover costs for expertise provided by the Swedish NAO staff and external consultants. The contribution shall not be considered as a financial support to the CoA that may be used for other purposes. However, the Steering Committee has the mandate to reallocate funds, within the ceiling amount, for other agreed project purposes.

The SNAO's contribution shall cover:



- Travel and accommodation costs, salaries, daily allowances for expenses and other relevant costs generated by the staff of the Swedish NAO engaged in the project activities
- Costs related to engagement of external consultants contracted by the Swedish NAO
- Travel and accommodation costs, daily allowances for expenses and other relevant costs related to international trips conducted by the CoA staff within the framework of the project activities as specified in the implementation plans. Such costs shall always be approved by SNAO in advance.
- Costs related to the operation of the Swedish NAO project office, located at the Headquarters of the CoA
- Other minor costs related to initially unforeseen but necessary activities, as agreed by the parties in the Steering Committee and approved by the Swedish NAO.

Article 5 Procurement

Procurement of goods, works and services shall be performed in accordance with internationally accepted principles and good procurement practices. The Swedish NAO and the CoA shall procure under their national legislation respectively.

No offer, gift, payment, consideration or benefit of any kind, which would or could be construed as an illegal or corrupt practice, shall be accepted, either directly or indirectly, as an inducement or reward for the award or execution of contracts financed within this project.

Article 6 Reference to other Agreements

The Agreement between the Government of the Kingdom of Sweden and the Government of the Republic of Moldova on General Terms and Conditions for Development Cooperation 2003-2011, (Annex 3), or other agreements that may substitute or amend this agreement, applies in relevant parts for the cooperation between the parties.

Article 7 Distribution of this Agreement

The parties undertake to distribute copies of this Agreement to their Government, authorities and other institutions involved in the project or otherwise in need of information of its content.

Article 8 Duration and termination of Agreement




This Agreement shall remain valid until 31 December, 2012, or as otherwise agreed by the parties.

The Swedish NAO or the CoA may withhold their contributions in terms of provision of financial and human resources if:

- Deviations from agreed plans and budgets take place without approval by the Steering Committee;
- Inappropriate use of resources takes place;
- The resources to be allocated by the Swedish NAO or the CoA are not provided as planned and agreed upon;
- The objectives of the project are in material risk of not being fulfilled;
- The project develops unfavourably in terms of the objectives in any other important respect

Before any decision to withhold the contribution is made by any of the parties, the Steering Committee should always be informed in writing and try to solve the situation within a time-limit of four weeks.

In case of serious breach of the Agreement, the parties may initiate a termination of the Agreement. In such a case the parties shall make their best effort to terminate the project as soon as possible.


Article 9 Entry into force

This Agreement shall enter into force from the date of signature by the parties.

Two originals of this Agreement, written in English and Moldovan languages, have been signed, of which the parties have taken one each. If translated texts divert in interpretation, the English version shall prevail.

Stockholm, Sweden


17 December, 2009



Mr Claes Norgren
Auditor General
Swedish National Audit Office

Stockholm, Sweden

17 December, 2009



Ms Ala Popescu
President
Court of Accounts of the Republic of Moldova