Administration Agreement for the Swedish Trust Fund for the Moldova Agriculture Competitiveness Project (Trust Fund No. 071986/Sida Contribution No. 55030024)

Article 1
Subject and Amount of the Grant

Section 1.01. In pursuance of the Single Donor Trust Funds Framework Agreement between Sweden, represented by the Swedish International Development Cooperation Agency, Sida ("Sweden") and the International Bank for Reconstruction and Development ("IBRD") and the International Development Association (the "IDA") (collectively the "Bank") dated March 17, 2011 (the "Framework Agreement"), I am pleased to inform you that Sweden will make available a grant (the "Grant") of Swedish Kronor twenty million (SEK 20,000,000) (the "Contribution"), to be administered by the Bank for the Moldova Agriculture Competitiveness Project (Trust Fund No. TF071986).

Section 1.02. The terms of the Framework Agreement shall apply to the Grant. The Bank shall administer the Grant in accordance with the provisions of the Framework Agreement, except as otherwise provided herein.

Section 1.03. The Grant shall be used exclusively for the activities described in the Annex hereto, which forms an integral part of this Administrative Agreement (the "Agreement"). Similar activities are described in the Bank’s Project Appraisal Document (No. 66484-MD) for the Moldova Agriculture Competitiveness Project. The Grant shall be used to finance the expenditures described in the Annex. Notwithstanding the foregoing, and so long as there is no change in the overall objectives or characteristics of the Grant, the Bank may reallocate the Grant funds between such categories of expenditures in accordance with the Bank’s applicable policies and procedures on reallocation, without the need to obtain Sweden’s approval for any such reallocation.

Section 1.04. In addition to the financial reports on the Grant to be made available pursuant to Section 10.01 of the Framework Agreement, the Bank shall provide an annual narrative progress report on the activities financed by the Grant and a final narrative progress report on the activities following the Completion Date.

Article 2
Payment Modalities

Section 2.01. Sweden shall deposit the Grant funds with the Bank, upon request from the Bank, into such bank account designated by the Bank in accordance with the provisions of Section 6.02 of the Framework Agreement. The first installment of the Grant will be Swedish Kronor six million (SEK 6,000,000). Subsequent installments of Swedish Kronor eight million (SEK 8,000,000) and Swedish Kronor six million (SEK 6,000,000) will be made in accordance with the provisions of Section 6.02(b) of the Framework Agreement.
Article 3
Administrative Cost Recovery

Section 3.01. Consistent with Section 8.02 of the Framework Agreement, in order to assist in the defrayment of the costs associated with the establishment of this Agreement, the Bank may, following deposit of the Grant by Sweden, deduct from the Grant and retain for the Bank's own account an amount equal to thirty-five thousand United States Dollars ($35,000).

Section 3.02. In order to assist in the defrayment of the costs of administration and other expenses incurred by the Bank under this Agreement, the Bank may, following deposit of the Grant by Sweden, deduct from the total Grant and retain for the Bank's own account an amount equal to five percent (5%) of the Grant, as stated in Article VIII in the Framework Agreement. If the contributions increase beyond what was originally expected at the time of counter-signature of this Agreement, and the administrative costs increase as a result, the Donor acknowledges that an additional administrative fee may be applied to such new contributions through an amendment to this Agreement.

Article 4
Commencement and Completion Dates

Section 4.01 The Grant funds may be used to finance expenditures for the Project commencing on the countersignature date of this Agreement and ending on December 31, 2015. The Bank may make disbursements of the Grant funds for up to six (6) months after such latter date for expenditures incurred on or before such date, in accordance with the Bank's applicable policies and procedures.

Article 5
Cancellation

Section 5.01. Either party may, upon giving the other party three (3) months' prior written notice, cancel that part, if any, of the Grant funds provided under this Administration Agreement that the Bank has not committed prior to receipt of such notice under agreements entered into by the Bank with any third party, including any grant agreement.

Article 6
Communications

Section 6.01. The offices responsible for coordination of all matters related to this Administration Agreement are:

For Sweden:

Andrei Darie
National Program Officer
Embassy of the Kingdom of Sweden
12, T. Ciorba Str.
MD-2004,
Chisinau, Moldova
Tel: + (373 22) 26 73 37
Fax: + (373 22) 26 73 30

For the Bank:

Anatol Gobjila
Senior Operations Officer
World Bank Office
20/1, Puskin Str.
MD-2012
Chisinau, Moldova
Tel: + (373 22) 200706
Fax: + (373 22) 200706
This Administration Agreement is drawn up in two originals, one for each party. It may be amended only by written agreement of the parties hereto.

**SWEDEN, REPRESENTED BY Sida**

By: [Signature]

Name: H.E. Ingrid Tersman

Title: Ambassador of the Kingdom of Sweden to Moldova

Date: 30/11/2012

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION**

By: [Signature]

Name: Abdoulaye Seck

Title: Country Manager, World Bank Office in Moldova

Date: 11/30/2012
Description of Activities and Expenditures under the Trust Fund

This Annex shall be applicable to and form an integral part of the agreement entered into between the Bank and the Econo that provides contributions to be administered by the Bank for the Trust Fund.

A. DESCRIPTION OF ACTIVITIES

The objective of this Trust Fund is to enhance the competitiveness of the Recipient’s agro-food sector through: (i) supporting the modernization of the food safety management system; and (ii) facilitating market access for farmers.

Part A: Enhancing Food Safety Management (SEK 2,974,500)

Provision of goods, works, and consultants’ services, including training for:

(a) the provision of regulatory and institutional support to the Ministry of Agriculture and Food Industry (MAFI) for enhancing the food safety management system through, inter alia:

(i) supporting the process of legislative harmonization of the national legislation with the relevant EU regulations; and

(ii) strengthening the institutional capacity of MAFI and its subordinated food safety management institutions through, inter alia: (a) staff training; and (b) support for increasing awareness of relevant private entities regarding the application of the new food safety legislation.

(b) Providing technical enhancements support to MAFI for the food safety management through:

(i) strengthening of the animal and plant health and food safety laboratory network by providing equipment for two (2) central reference laboratories for: (A) animal health and food safety for products of animal origin, and (B) food safety for products of vegetable origin.

Part B: Enhancing Market Access Potential (SEK 14,872,500)

Provision of goods, works, and consultants’ services, including training to MAFI for:

(a) the provision of business development support to primary horticultural producers to establish productive partnerships through, inter alia:

(i) designing and carrying out a public information and promotion campaign; and

(ii) identifying, establishing and providing training to emerging productive partnerships.
(b) the provision of support for investments on emerging productive partnerships to modernize post-harvest technologies in the horticultural sector.

Part 1: Project Management (SEK: 919,898)

Provision of goods, consultants' services, including audit and training, and operational costs for purposes of Project management and implementation, including monitoring and evaluation.

B. CATEGORIES OF EXPENDITURES

a) Goods
b) Works
c) Non-consulting services
d) Consultants' services
e) Operating costs
f) Training

The foregoing categories of expenditures may include the financing of taxes.