



Erstatningsrådgivningen

Danish Beekeepers  
Association

## AGREEMENT

between

*"Danish Beekeepers Association"*

And

The Vietnam Beekeepers Association and  
Bee Research and Development Centre Vietnam.

*19 Truc Khe Street, Dong Da, Hanoi, Vietnam.*

*Former address: 68, Nguyen Hong Road, Nam Thanh Cong*

concerning the Project: Development of *Apis cerana* beekeeping with ethnic minorities and small farmers in rural areas of Vietnam.

The Danish Beekeepers Association (henceforth "DBF") and «Vietnam Beekeepers Association and Vietnam Bee Research Association (henceforth "VBA and BRDC") are hereby entering into an agreement on the terms and conditions concerning DFB's funding granted towards VBA and BRDC's implementation of the intervention stipulated below. The grant is provided by the Danish NGO Counselling Service (henceforth the CS) on behalf of the Royal Danish Ministry of Foreign Affairs.

Funding approved: 1.404 664 Dkr Recipient country: Vietnam.

Intervention title: Development of *Apis cerana* beekeeping with ethnic minorities and small farmers in rural areas of Vietnam.

Intervention period: 1. April 2009 – 31 March 2012

### Art. 1. Funding granted and provisions for its spending

The funding has been granted on the basis of the application form submitted and the Project document II "attached to this agreement" as well as the Budget "attached to this agreement.

The amount allocated must be spent in accordance with the DBF and the Project Counselling Service approved application form, the Project Document II (Annex 1 of this agreement) and its attendant budget (Annex 2 of this agreement). Moreover, the funds must be managed in compliance with the terms of this agreement and with whatever Counselling Service

administrative provisions are in force at any time. The spending must be audited in line with the auditing instructions attached as Annex 3 of this agreement.

This agreement sets out to specify the VBA and BRDC responsibilities and obligations, and the VBA and BRDC's signature is a condition for the disbursement of the funding granted.

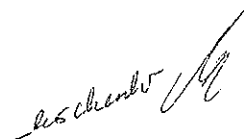
#### **Art. 2. General provisions concerning the VBA and BRDC's responsibility**

The VBA and BRDC's governing body carries full responsibility towards DBF for the intervention's planning and implementation as specified in the project Document II (Annex 1 to this agreement) Accordingly, it is incumbent upon the VBA and BRDC's governing body:

- to ensure the required professional and administrative capacity to undertake defensible and reassuring management of the funding granted,
- to make certain that narrative and financial reporting to the DBF as well as the preparation of audits take place in accordance with the clauses on these matters set out below,
- to guarantee that appointments for employment related to the intervention will be based on open job advertisements and transparent selection procedures, and that the choice of candidates does not discriminate on the basis of race, gender, political or religious affiliation,
- to ensure that all personnel, consultants and anyone else servicing the intervention do not enjoy more favourable terms of employment and remuneration than those prescribed by the Danish Ministry of Foreign Affairs, and that they do not receive double income,
- to inform the intervention's partners and participants of the terms of this agreement, and to oversee their compliance,
- to enter into a written cooperation agreement with the local partner on the implementation of the intervention concerned,
- to ensure that any donations at the end of the intervention are given through a formal transfer of property, documenting the transferred effects and their value,
- to add in contracts and agreements with suppliers and partners The Danish Ministry of Foreign Affairs' following corruption clause:

*"No offer, payment, consideration or benefit of any kind, which could be regarded as an illegal or corrupt practise, shall be made, promised, sought or accepted - neither directly nor indirectly - as an inducement or reward in relation to activities funded under this agreement, incl. tendering, award or execution of contracts. Any such practise will be grounds for the immediate cancellation of this agreement/contract and for such additional action, civil and/or criminal, as may be appropriate. At the discretion of the Royal Danish Ministry of Foreign Affairs, a further consequence of any such practise can be the definite exclusion from any tendering for projects, funded by the Danish Ministry of Foreign Affairs".*

- to ensure that the DBF the Counselling service , the Danish Ministry of Foreign Affairs, the Auditor-General (*Rigsrevisionen*) and members of the Public Accounts Committee



(statsrevisorerne), to the extent requested, are allowed full access and assistance to inspect the intervention, go through its documentation, analyse its accounts, control its inventory, etc

- to provide for insurance coverage of major equipment, other tangible fixed assets and any personnel to the greatest extent possible,
- to ensure that the implementation is, at all times, in line with the objectives and strategies in force for Danish development cooperation. These are particularly contained in "Denmark's Development Policy: Partnership 2000" and "Strategy for Danish Support to Civil Society in Developing Countries, including cooperation with Danish NGOs", but may also take the shape of specific adjustments in Danish aid policy towards recipient countries, for instance in the case of human rights violations or other breaches of international law. In case of doubt, the matter must be consulted with the CS, which reserves the right to interfere when necessary.

### **Art. 3. Budget management**

The intervention must be implemented within the framework of the approved budget.

Within each accounting year, reallocations between the main budget items are allowed up to 10% of the amount of the smallest budget item from where funds are deducted or to where funds are added with the prior presentation to DBF. This reallocation and the justification thereof must be informed in the next status report and accounts submitted.

Increases in prices, wages and exchange rates will not normally be compensated by the DBF in terms of greater funding than what has already been granted.

### **Art. 4. Disbursements**

The first instalment has been paid out after signing a preliminary agreement. The next instalment can not be transferred until this present agreement has been signed and approved by CS. The amount of the first instalment and subsequent disbursements will be determined in view of a cash-flow forecast that has been drawn up by VBA and BRDC, which shows the intervention's funding needs throughout the period of implementation. Estimates of cash-flow needs must be reported to the DBF each quarter of a year. Prior to submitting any disbursement request, the VBA and BRDC must inform the DBF exactly which persons are authorised to sign this.

The VBA and BRDC must confirm the receipt of disbursed instalments in writing as soon as possible.

The funding granted and disbursed must be deposited into a special bank account, separate from the VBA and BRDC's own financial means

When setting up a separate bank account, it is incumbent upon the VBA and BRDC to enter into a written agreement with the bank that the balance is the property of the project, and that the bank is thus prevented from setting off the account's deposit against the VBA and BRDC's possible debts to the bank and from levying execution against these funds.

*Per Christensen*

The interest yield and net exchange-rate gains in case of currency conversion cannot be spent on activities, but must be separately credited to the account as income and repaid to the DBF, at the latest on the occasion of submission of the final accounts.

It must be documented that the granted state funds being spent on activities abroad have been transferred from the DBF's separate account in Denmark

#### **Art. 5. Reporting to DBF**

It is incumbent upon the VBA and the BRDC's to report every quarter of a year on the progress of the intervention (a status report)

No later than three months after the intervention's scheduled completion, the VBA and the BRDC's must submit a final report to DBF alongside the final audited accounts in accordance with the CS's directions and format.

In addition, it is incumbent upon the VBA, BRDC to notify DBF immediately in the following cases:

- if significant difficulties arise in the intervention's implementation, including budgetary problems,
- if substantial problems arise in the VBA, BRDC relations with the recipient country's authorities, partner organisations or expatriate staff,
- if there is well-founded suspicion or findings of theft, fraud, corruption, misuse or similar types of irregularities in the intervention's administration.

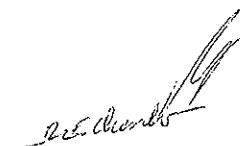
Such notification must be in writing, and should explain how the VBA, BRDC is planning to solve and follow up the reported difficulties or irregularities.

#### **Art. 6. Presentation of accounts**

It is incumbent upon the VBA and BRDC to maintain a secure and trustworthy accounting system. It must be ensured that financial procedures are reassuring and consider adequate internal control mechanisms. It is presupposed that the organisation's bookkeeping is continuously updated and documented with receipts, and that it generally lives up to established standards of good book-keeping and accounting practice. The VBA and the BRDC must file the accounting material and keep it for five years after the intervention's completion.

In relation to the funding granted and in accordance with the CS's directions on this matter, the VBA, BRDC must present accounts to the DBF as follows:

- No later than three months after the intervention's planned completion, VBA and BRDC must submit the final audited accounts to DBF alongside the final report, in accordance



with Article 5. Unspent parts of the funding granted as well as interest yield and net exchange-rate gains must be repaid to the DBF when the final accounts are presented.

If equipment, inventory or buildings are transferred to partners or authorities in the recipient country upon the intervention's completion, the VBA and BRDC must prepare a signed transfer document for DBF.

The accounts mentioned must be signed by the VBA and BRDC's management and certified by the auditor in accordance with Article 7 here below.

#### **Art. 7. Auditing**

The accounts presented must be audited by a state-authorized or chartered accountant, who will also conduct overall supervision of the audit of activities abroad. The audit of the intervention must take place in line with established public auditing standards, and the VBA and the BRDC's auditor must also adhere to the instructions attached as Annex 3.

It is incumbent upon the VBA and BRDC to ensure that its auditor confirms in writing his/her willingness to carry out the auditing assignment in compliance with the dispositions of these instructions.

As part of their control and inspection duties, members of the Public Accounts Committee, the Auditor-General and the CS have the right to access all project documents, reports, evaluations, budget and book-keeping material etc. of relevance to the administration of the funding granted.

#### **Art. 8. Breaches of contract**

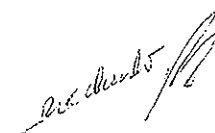
In case the VBA and the BRDC fails to fulfil any provision in this agreement and its attendant documents, DBF is entitled to take relevant measures aimed at mitigating the consequences of such breaches. These may take the form of written complaints, launching inquiries by consultants or auditors into the VBA and BRDC's administration, ceasing further disbursements, phasing out or closing down the ongoing intervention, or completely discontinuing the cooperation. In the latter case, it is incumbent upon the VBA and the BRDC to immediately repay all unspent funds granted to the DBF, and to pay compensation to the DBF in case of financial loss.

#### **Art. 9. Changing this agreement**

Both parties to this agreement may request changes to its provisions. These can only take force if both parties concur. The changes agreed enter into effect through the exchange of letters between the parties, at least at the same level of authority as the one at which the agreement was made and signed.

#### **Art. 10. Termination and arbitration clause**

Both parties may give written notice three months in advance to terminate the present agreement. However, in case of severe breach of contract, the DBF is entitled to revoke the agreement with immediate effect in accordance with Art. 8. Prior to termination, both parties



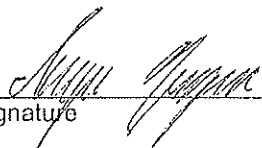
are committed to seeking resolution to any underlying conflict by means of negotiation. Unresolved conflicts cannot be taken to a court of law, but must be settled through arbitration.

The party wishing to settle a matter by arbitration must designate an arbitrator and, by means of a registered letter, call upon the other party to choose its arbitrator within 14 days. If the other party fails to nominate an arbitrator within this time limit, this will be done by the president of the Maritime and Commercial Court (*Sø- og Handelsretten*) in Copenhagen. These two arbitrators together appoint an umpire. In the absence of agreement on this matter, the two arbitrators shall ask the president of the Maritime and Commercial Court in Copenhagen to appoint the umpire, who will chair arbitration proceedings. The arbitration tribunal lays down its own rules for proceedings in the case submitted in accordance with arbitration law and the general principles of the Danish Administration of Justice Act. The arbitration tribunal decides how the costs associated with the proceedings should be shared out.

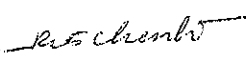
**Art. 11. Commencement**

The present agreement is signed in two copies, and enters into effect on 11/4 2009

For the Danish Beekeepers Association:

	<u>2.6.2009</u>	<u>Asger Sogaard-Jensen</u>	<u>Director</u>
Signature	Date	Name	Title

For Vietnam Beekeepers Association and Bee Research and Development centres name»:

	<u>2.6.2009</u>	<u>PHUNG HUU CHINH</u>	<u>Director</u>
Signature	Date	Name	Title

Annexed to this agreement:

- 1 Project document: Vietnam II
2. Vietnamprojekt, Samlet budget including Tonghopkinhphi VN II
- 3 Auditing instructions attached.

