

OPERATIONAL AGREEMENT

for the implementation of the
"Inclusive and Sustainable Value Chains Development in Oromiya"
(ISVCDO)

between

Oromiya Bureau of Finance and Economic Cooperation
(BoFEC)

And

Centre International de Hautes Études Agronomiques Méditerranéennes -
Institute of Bari
(CIHEAM Bari)

WHEREAS the Italian Ministry of Foreign Affairs and International Cooperation (hereinafter referred to as "the Donor") has appointed CIHEAM-Bari for the implementation of a part of the programme «Inclusive and Sustainable Value Chain Development in Oromiya» (hereinafter referred to as "the Programme"), assigning an overall fund of 999.915 Euro with an Agreement signed on December 2nd 2015;

WHEREAS the Ethiopian Ministries of Finance and Economic Cooperation, and of Agriculture and Natural Resources have been duly informed of the Contribution of the Donor to the Programme.

WHEREAS the Italian Development Cooperation Agency (AICS) and the Ethiopian Ministry of Finance and Economic Cooperation have signed a Technical Agreement for the implementation of the Programme «Inclusive and Sustainable Value Chain Development in Oromia»;

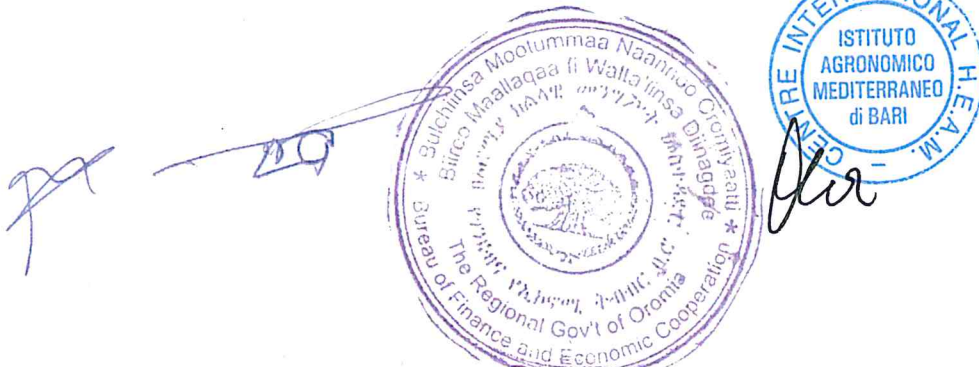
WHEREAS CIHEAM-Bari is responsible, in compliance with its financial regulations and rules for the management of the funds of the Donor for the Project;

WHEREAS the present Operational Agreement will be integral part of the Agreement signed by the Donor and CIHEAM Bari for the overall project governance;

NOW THEREFORE, BoFEC and CIHEAM-Bari hereby agree as follows:

ARTICLE 1 Aim of the Agreement

CIHEAM-Bari and BoFEC agree on the execution of the "ISVCDO Project" and to start the related activities, as duly noted in the project document (the project document is an annex of this Agreement).



The bottom of the document features two handwritten signatures in blue ink. To the right of the signatures are two official circular stamps. The larger stamp on the left is from the 'Bureau of Finance and Economic Cooperation' of the 'Regional Gov't of Oromia', with Amharic text around the perimeter. The smaller stamp on the right is from the 'CENTRE INTERNATIONAL H.E.A.M. - ISTITUTO AGRONOMOICO MEDITERRANEO di BARI'.

ARTICLE 2

Objectives

The general objective of ISVCDO is to contribute to the wider objective of **poverty reduction and improvement in the living conditions**, with particular regard to the gender and nutritional issues of the rural communities of Oromiya region.

The specific objective is to improve yields and quality of horticulture chain, women's participation in the governance of economic activities and the diversification of eating habits in target districts (Woreda) of Oromiya region.

Details of Project Objectives, Results and Activities as well as its components are described in the Project Document.

ARTICLE 3

Areas of intervention

Project activities will be implemented in Oromiya Region, in selected woredas of five zones: Arsi, Bale, East Shewa, West Shewa and West Arsi, as described in the Project Document.

ARTICLE 4

Institutional set-up and obligations

CIHEAM-Bari

CIHEAM-Bari acts as the Executing Agency of the Project according to its own regulations, rules, and directives. The Bureau of Finance and Economic Cooperation of Oromiya Region is the national partner of CIHEAM- Bari for the implementation of the project. The project will be monitored by a Steering Committee.

CIHEAM-Bari shall:

- Provide a General Working Plan (GWP) and Annual Working Plans that shall be approved by the Steering Committee of the Programme;
- Provide Six month status reports based on the approved Programme and budget;
- Provide a final report on completion of the activities;
- Be responsible for the implementation of activities against the Working Plans;
- Establish the Project Management Unit (PMU) for the management of activities;
- Provide technical and administrative assistance through CIHEAM Bari staff and international experts;
- Regularly monitor Project activities and progress;
- Provide an adequate equipment for the PMU's offices, including computers, accessories, and furniture, and transportation facilities, including vehicles purchasing.

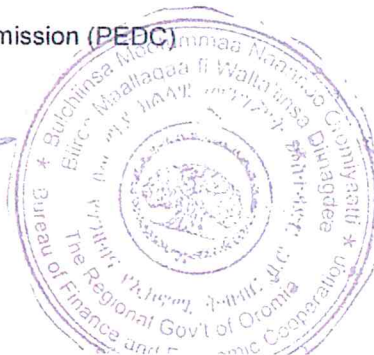
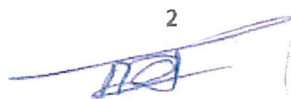
ARTICLE 5

Governance of the Project

Project Steering Committee (PSC)

It is the overall governing body of the Project and the relevant decision making body. It is composed by permanent members, representatives of:

- 1) Ethiopian Government (BoFEC, BoA, BoWCA)
- 2) Italian Agency for Development Cooperation (AICS)
- 3) CIHEAM-Bari
- 4) Oromiya Planning and Economic Development Commission (PEDC)
- 5) Research institutions (OARI, EIAR)



Other relevant stakeholders could be invited as observers.

The SC will meet every 6 months (and any other time as deemed necessary) to provide a general orientation, to approve the GWP, regular reports and variations to the budget, to monitor the progress of activities. The SC shall be held in Ethiopia and the first meeting will be bound to the approval of the GWP.

Detail roles and responsibilities of the main institutions and implementing partners is well elaborated on Article 4 of the already signed Technical Agreement by the Ethiopian Ministry of Finance and Economic Cooperation (MoFEC) and the Italian Ministry of Foreign Affairs.

Coordination by CIHEAM Bari

In order to give continuity to project activities and to the actions of experts and international consultants, continued technical and administrative assistance will be provided through the Institute's network of technicians working in Bari.

Project Management Unit (PMU)

It is the operational body for the Project implementation in Ethiopia. The PMU shall be based in Addis Ababa. PMU is responsible for:

- preparing the annual Working Plan reviewed by CIHEAM-Bari and submitted to the PSC;
- managing technical and financial activities, including bank account operations;
- monitoring of the activities;
- reporting on monthly basis to CIHEAM-Bari;
- consolidating semi-annual and annual reports to be presented to the PSC.

The PMU team will be composed of the following local personnel:

- Project coordinator, who will lead the PMU and ensure communication mechanisms among all the institutions involved in the Project;
- Project administrator responsible for the financial and personnel management
- Technical team;
- The Person in Charged (PIC), designated by BoFEC according to the already signed Technical Agreement by the Ethiopian Ministry of Finance and Economic Cooperation (MoFEC) and the Italian Ministry of Foreign Affairs, will have a regular follow up of the progress of the activities.

PMU Personnel selection and contracts

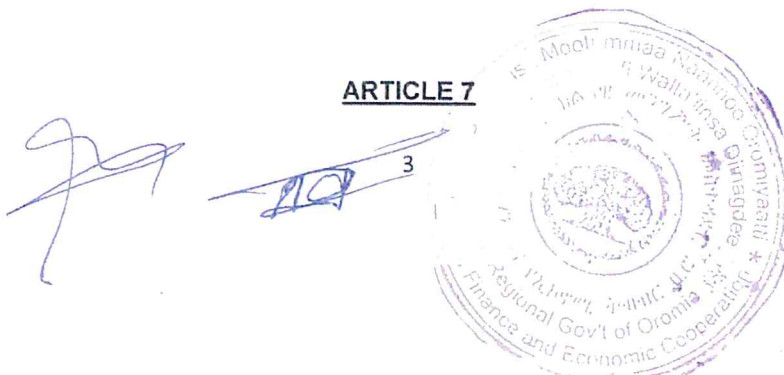
The Project coordinator and Project administrator will be directly contracted by CIHEAM-Bari, as well as the other technical component of the team.

ARTICLE 6

Project equipments and goods

Ownership of equipment, supplies and other properties financed from the contribution shall vest in CIHEAM-Bari. Unless otherwise indicated by the Donor in written form, following operational completion of the Programme, ownership of equipment, material and supplies shall be transferred to the relevant implementing agencies of the Oromiya Regional State.

ARTICLE 7



Settlement of disputes

Any dispute arising out of or relating to this Project Agreement shall be settled amicably through consultations or negotiations.

ARTICLE 8

Duration

The present Project Agreement will last for the Project duration of 16 months. Amendments and/or extensions to this Project Agreement must be approved by the PSC.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, has signed the present Executive Agreement in two original copies in English language.

Signed on 25 May 2017

For the
Oromia BoFEC



Tolessa Gedefa
Bureau Head

For the
CIHEAM - Bari



Maurizio Raeli
Director

