



Memorandum of Understanding (MoU)
between the
Agrarian Credit and Development Agency (AKIA)
Republic of Azerbaijan
and the
Council for Agricultural Research and Economics (CREA)
Republic of Italy

This Memorandum of Understanding (hereinafter also referred to as the “Memorandum” or MoU) is between the Agrarian Credit and Development Agency (AKIA), an executive authority, under the Ministry of Agriculture of the Republic of Azerbaijan, with legal venue in 91 Suleyman Vazirov Street, Baku, Azerbaijan and represented by its President and Legal Representative Mr. Yalchin Jamalov and the Council for Agricultural Research and Economics (CREA), a public and non-profit research with legal office in Rome, Italy, via della Navicella 2-4, 00184, and represented by its President and Legal Representative Mr. Andrea Rocchi, hereinafter jointly referred to as "the Participants ",

PURSUANT TO the prevailing laws and regulations in their respective countries;

CONSIDERING that the Agrarian Credit and Development Agency (AKIA) is a public legal entity under the Ministry of Agriculture of the Republic of Azerbaijan, serving as the country’s national paying agency for agriculture. It oversees the disbursement of agricultural subsidies, concessional credit schemes, and state-backed guarantee instruments, and fosters investments that support sustainable growth in agriculture and rural areas. Beyond these operational responsibilities, AKIA plays a strategic role in the formulation and coordination of agricultural and rural development policies. It engages in policy planning, facilitates the integration of international standards into national legislation, and acts as a coordinating body for international cooperation and donor engagement in agriculture. Through its participation in national and regional initiatives, AKIA contributes to building institutional capacity, adapting domestic support instruments to international best practices, and aligning national reforms with evolving global priorities;

CONSIDERING that the Council for Agricultural Research and Analysis of Agricultural Economics (CREA) is the leading Italian public research institution in the fields of agriculture, agroindustry, food, fishery and forestry, livestock, rural development and economics research. Operating under the supervision of the Ministry of Agriculture, Food Sovereignty and Forests (MASAF), CREA carries out multidisciplinary research, experimentation, and policy support along the entire agri-food value chain. Its domains of expertise span plant and animal production, genetics and breeding, plant health, soil and water

management, agroforestry and forestry systems, aquaculture, food quality and safety, agri-food technology and processing, agricultural engineering, agricultural economics, and rural development policy. CREA promotes sustainable resource use, digital innovation, and climate adaptation, and contributes to the implementation and evaluation of agricultural policies at both national and European levels.

BEING AWARE OF the significant role of applied research and technical assistance in agricultural economics, rural development, agri-environmental policy, and bioeconomy strategies.

AIMING TO promote economic, scientific and technological cooperation between the two Countries in the fields of agrifood and sustainable production systems and then in applied research and technical assistance in agricultural economics, rural development, agri-environmental policy, and bioeconomy strategies, and the cross-cutting issues such as the circular economy, agricultural innovation, short supply chains, local development, and income diversification through multifunctionality;

WHEREAS the goal of this MoU is to promote the collaborative relationship in agricultural research and cooperation, and other related matters between CREA and the AKIA, in order to contribute to the social well-being and economic development of the Countries served by the respective Institutions;

WHEREAS CREA and the AKIA could be joint partners in the application for potential cooperation projects and collaborative research activities in the fields mentioned above;

INTERESTED in fostering further collaboration in research, inter alia on the whole scientific field of sustainable agricultural production, innovation and economics to minimize impacts on the environment and human health;

NOW THEREFORE, CREA and the AKIA, inspired by their common objectives to further promote and accelerate agricultural and economic research, have entered into this MOU under the terms and conditions set forth in the following articles:

AKIA and CREA both operate under the authority of their respective Ministries of Agriculture and share a public mandate to foster inclusive, efficient, and sustainable agricultural and rural development. CREA's research Centre Policy and Bioeconomy will play a key role in operationalising the collaboration with AKIA established under this Memorandum, drawing on its recognised experience in policy analysis and rural strategy formulation.

Article 1 – Purpose

The purpose of the Memorandum is to promote and encourage economic, scientific and technical cooperation between CREA and the AKIA their research Institutes or Centres/Departments in the field of agriculture.

Activities envisaged in this Memorandum will be carried out by the Participants under their exclusive competence and in accordance with their respective national laws, mindful of the international obligations of their Countries as well, as regards Italy, the obligations deriving from the membership to European Union (EU).

This Memorandum is a statement of intent and is not intended to be legally binding upon either the Participants or their two Countries and therefore does not prejudice any rights and/or commitments resulting from any bilateral or multilateral international agreements concluded by the two Countries and, as regards the Italian Republic, the obligations arising from the membership to the European Union (EU).

Article 2 – Objectives

This Memorandum aims to:

1. Strengthen institutional and technical cooperation between AKIA and CREA, in the fields of agricultural policy design, rural development planning, policy evaluation, and innovation for sustainable agri-food systems.

Article 3 – Areas of Cooperation

The Participants agree to cooperate in, but not be limited to, the following general areas of mutual interest:

- a. **Agricultural support and rural development policies** – designing, reforming, and evaluating support instruments and rural strategies adapted to the diverse characteristics of farming systems, with emphasis on smallholder, family-based, and resource-constrained farms;
- b. **Legal, regulatory and institutional frameworks** – improving legislative and institutional arrangements in strategic domains such as farmers' cooperatives and value chains, agricultural risk management, good agricultural and environmental practices, agritourism, quality schemes (such as organic farming, integrated production, and geographical indications), and the administration and control of subsidies;
- c. **Digitalisation, monitoring and data systems** – strengthening Azerbaijani digital platforms (e.g., EKTIS), farm accounting networks (e.g., FDMS/FADN), and related systems to improve policy monitoring, transparency, and the availability of reliable agricultural and rural data;
- d. **Capacity development and technical cooperation** – enhancing institutional and human capital through training, knowledge exchange, staff mobility, and co-production of tools and methodologies for agricultural and rural policy implementation;
- e. **Sustainability, innovation and multifunctionality** – fostering environmentally responsible and socially inclusive practices through circular agriculture, climate-smart farming, short supply chains, and multifunctional activities such as social farming and rural diversification. Emphasis will be placed on aligning agricultural policy with environmental objectives, supporting resilient and resource-efficient development pathways.
- f. **Enhancement of agricultural financial mechanisms** – Cooperation in the review and adaptation of advanced international practices related to concessional agricultural loans, credit guarantee schemes, subsidy instruments, and results-based support tools will serve to strengthen the effectiveness of agricultural finance systems and promote financial inclusion for farmers.
- g. **Risk mitigation and resilience** – Joint development of comprehensive strategies to address diverse agricultural risks, including those arising from climate change, market volatility, and pests; strengthening adaptive capacities and promoting climate-smart agricultural practices to improve the resilience of farming systems and ensure the stability of rural livelihoods.
- h. **Resource management and environmental sustainability** – Promotion of the sustainable use of natural resources, with a focus on effective water resource management and the application of modern irrigation technologies; leveraging international expertise in soil and water management to improve productivity under conditions of water scarcity.
- i. **Social development in rural areas** – Implementation of targeted support programs aimed at empowering women and young farmers, with a view to enhancing their entrepreneurial capacity and employment

prospects; contributing to human capital development and addressing demographic challenges in the context of sustainable rural growth.

Article 4 – Joint Technical Committee

A Joint Technical Committee (JTC) shall be established within 60 days of the signature of this MoU. The Committee will consist of representatives from both Participants, including technical experts and institutional focal points.

- Its main responsibilities shall include:
- conduct a joint needs assessment and gap analysis;
- identify and prioritize areas for technical cooperation.
- develop proposals and technical concepts for joint activities;
- explore potential opportunities for external technical and financial support, including from international partners

The JTC shall convene at least three (3) times per year, either in person or online, and may hold additional meetings as needed. It may also invite external experts or partner institutions to contribute to specific activities, where appropriate.

Likewise, the Participants, through the JTC, will promote the subscription of specific operative agreements per area of specialization within the framework of this MoU.

Article 5 – Funding and Resources

This Memorandum does not entail any immediate financial obligations between the Participants. However, both Participants commit to actively seek and mobilize external funding, technical assistance, and international cooperation support from relevant development partners and donor institutions. To this end, the Participants may jointly prepare and submit proposals, concept notes, or programmes aligned with the objectives of this Memorandum.

The costs of the activities of any project will be discussed between the Participants and agreed on a case-by-case basis. The activities envisaged by this Memorandum are subject to the availability of funds and personnel as well as to the laws and regulations of the respective countries, their international obligations.

Article 6 - Information and intellectual property rights and confidential information

The Participants understand that scientific and technological information arising from direct cooperative activities and having non-proprietary nature, may be made available to the public by both the Participants' mutual publication or announcement through customary channels and in accordance with their general procedures. In case this is not feasible, each Participant can publish or announce such information, before providing the other Participant's prior written consents.

Should the activities under this MoU give rise to intellectual property rights (IPRs), the Participants will enter into a separate arrangement that will specifically provide for the ownership, management and

commercialization of such rights, in accordance with their respective laws, rules, regulations and multilateral agreements to which the Governments of both Participants are bound.

All information and documents exchange pursuant to this MoU will not be shared with third Participants and will be utilized subject to terms as each Participant may specify. Participants will not use such information for purposes other than specified without the prior written consent of the other Participant.

Article 7 - Settlement of differences

Should the Participants have differing views with respect to the provisions of this Memorandum, they will consult with a view to settling the differences and facilitate their cooperation.

Article 8 - Confidentiality

The Participants intend to observe the confidentiality and secrecy of documents, information and other data exchanged between them during the period of effect of this Memorandum as well as three (3) years after its termination without prejudice to the prevailing laws and regulations of their countries.

Article 9 - Personal data processing

The Participants will ensure the protection of personal data of employees and experts involved in the initiatives under this MoU and will not transfer such personal data to third Participants without prior written consent and, in any case, will process them in accordance with the relevant EU and national legislation

Article 10 – Duration and Amendments

This Memorandum shall remain in force for a period of five (5) years from the date of signature and may be renewed by mutual agreement of the Participants through the signature of a new MoU between the Participants.

Amendments may be made at any time by written agreement. Either Participant may terminate the Memorandum by giving three (3) months' prior written notice.

Unless otherwise agreed by the Participants, the termination of the Memorandum will not affect existing programs or programs which are under development.

Signed in two originals in English, both texts being equally authentic.

Each Participant retaining one copy.

For AKIA

Agrarian Credit and Development Agency

President Mr. Yalchin Jamalov

For CREA

Council for Agricultural Research and Economics (CREA)

President Prof. Andrea Rocchi