



IMPLEMENTING AGREEMENT

BETWEEN

THE GOVERNMENT OF THE ITALIAN REPUBLIC, REPRESENTED BY THE
DIRECTORATE GENERAL FOR DEVELOPMENT COOPERATION OF THE MINISTRY
OF FOREIGN AFFAIRS AND INTERNATIONAL COOPERATION

AND

THE GOVERNMENT OF PALESTINE¹, REPRESENTED BY THE MINISTRY OF FINANCE
& PLANNING (MOFP)

REGARDING THE PROGRAMME:

AMAL
HUMAN RIGHTS AND GENDER EQUALITY

Preamble

The Government of the Italian Republic, represented by the Directorate General for Development Cooperation of the Ministry of Foreign Affairs and International Cooperation (hereinafter "DGCS") and the Government of the Palestine, represented by the Ministry of Finance & Planning (hereinafter "MOFP"), hereinafter referred to as the "Parties".

WHEREAS a strong relationship is established between the Italian Government and Palestine, in particular through the implementation of significant bilateral cooperation;

WHEREAS During the First Joint Ministerial Committee held in Rome (November 23rd 2012), the Second Joint Ministerial Committee held in Ramallah (June 29th 2015) and the Third Joint Ministerial Committee held in Rome (November 9th 2017), the Italian Government has expressed a specific interest in financing the implementation of cooperation initiatives in the Gender Equality and Women's Empowerment sector;

¹ This designation shall not be construed as recognition of a State of Palestine by the Italian Government, and is without prejudice to the position of the Italian Government on this issue.

CONSIDERING the *Development Cooperation Framework Agreement between the Government of the Italian Republic and the Palestinian National Authority* done at Rome on November 23rd 2012.

WHEREAS Palestine has approved the National Policy Agenda (NPA) 2017-2022 and Italy has contributed to the definition of the European Joint Strategy in support of Palestine 2017-2020 in alignment with the NPA. As EU Lead Donor in Gender Equality, Italy backs Palestine in mainstreaming gender across the NPA Institutions and various sectors. Particularly, for what concerns this Implementing Agreement, the programme contributes to pillar 2 "*Governance Reform - Effective Government*" through the support to the development and management of gender mainstreaming within institutions; to pillar 3 "*Sustainable Development - Social Justice, Gender Equality, Citizenship Rights*" through interventions aimed at the promotion of human rights (in particular women's rights), the enhancement of women empowerment and participation in the public and economic life of the country; and their access to resources which also contribute to the elimination of gender based violence.

WHEREAS The Palestinian National Cross-Sectoral Strategy to Promote Gender Equality and Equity and the Empowerment of Women 2017-2022 focuses on the following objectives: (1) Increased participation of women in employment; (2) Fighting gender based violence; (4) Access to basic services; (5) Gender mainstreaming. The initiative also aims to promote gender equality and foster a culture of respect for human rights as part of contribution towards meeting the standards and principles enshrined in the International Conventions ratified by the Government of Palestine.

WHEREAS The five-year Palestinian sectorial plan – *Education Sector Strategic Plan 2017-2022* -promotes the establishment of a "safe and violence free educational environment for students and teachers" and the achievement of "inclusion and equality at all educational levels" (Sector Goal 1, p. 38). In addition, the Education Sector Strategic Plan supports the implementation of "policies tackling gender and cases of persons with special needs, as well as promoting standards and systems which ensure security and non-violence at schools" (Sector Goal 2, p.113). Activities have been identified to contribute to an environment free of gender-based stereotypes (Sector Goal 3, p. 116).

WHEREAS the Parties have agreed to support good governance policies promoting gender equality and women's empowerment.

WHEREAS The Italian Joint Committee for Development Cooperation ("Comitato Congiunto per la Cooperazione allo Sviluppo") has approved the Programme "*AMAL – Human Rights and Gender Equality*" (hereafter "Programme") and committed its related funds, on February 5th, 2018 (Decree no. 43).

WHEREAS the Italian Party strives to comply with the Paris Declaration Principles of Aid Effectiveness, including strengthening Palestine's ownership of the development process and alignment with National development strategies by providing technical cooperation support for capacity development requirements.

The Parties hereby agree to implement the Initiative “AMAL - HUMAN RIGHTS AND GENDER EQUALITY” as follows:

Article 1. Purpose of the Agreement

- 1.1 This Implementing Agreement (hereinafter referred to as the “Agreement”) establishes the mutual obligations of the Parties concerning the financing and the implementation of the Programme “AMAL - HUMAN RIGHTS AND GENDER EQUALITY” (hereinafter referred to as the “Programme”).
- 1.2 In this context, it defines modalities and procedures for management, crediting, disbursement, procurement, monitoring, evaluation and reporting related to the Programme.

Article 2. Parts of the Agreement

- 2.1 This Agreement consists of 13 Articles and two annexes:
 - Annex 1 - Programme Document.
 - Annex 2 - Procurement Guidelines
- 2.2 The above-mentioned annexes will be considered an essential and substantial part of the Agreement. In case of inconsistency, the Agreement herein shall prevail over the annexes.

Article 3. Programme description

- 3.1 General Objective. The Programme contributes to the promotion of gender equality and human rights in Palestine. The initiative intends to support local institutions and civil society organizations in the implementation of interventions that encourage a culture of gender equity and equality and respect of human rights.
- 3.2 Specific Objectives. As described in the Programme Document (Annex 1), within the time span of the intervention, the Programme aims to:
 - promote gender equality and to foster women’s economic empowerment and their working opportunities within the Palestinian labour market.
 - promote women’s active participation to the public sphere.
 - promote and contribute to the consolidation of a culture of protection, respect and fulfilment of gender equality and human rights for the implementation of the rule of law in Palestine.
- 3.3 The Programme includes a grant component amounting to 4,000,000 (four million) Euro.

- 3.4 Part of the grant component, amounting to 1,210,000 (one million, two hundred, ten thousand) Euro, will be transferred to MoFP as earmarked budget support. Within the above-mentioned amount of the grant, MoFP shall transfer a total amount of 1,060,000 (one million sixty thousand) Euro to the Ministry of Education and Higher Education (MoEHE); and a total amount of 150,000 (one hundred fifty thousand) Euro to the Attorney General Office (AGO). The remaining part of the grant component, amounting to 2,790,000 (two million, seven hundred ninety thousand). Euro will be managed by the Italian Agency for Development Cooperation (hereinafter "AICS") who shall be the implementing agency of the Programme.
- 3.5 All the transactions of the grant component related to budget support shall be recorded in financial reports issued by MoEHE and AGO according to Art. 5 and Art. 9 of the present Agreement.
- 3.6 All the financial reports shall be audited by an independent Chartered Accountant in accordance with internationally accepted audit standards (IFAC and INTOSAI). The cost of auditing services will be borne by the budget support component and MOFP will be the contracting authority. The Chartered Accountant proposed by MOFP shall receive a no objection letter by AICS before signature of the contract.

Article 4. Management structure and procedures

- 4.1 The main Institutions and Bodies involved in the implementation of the Programme are:
- 4.1.1 **For the Palestinian side:**
- (a) The MOFP, ensuring that all Palestinian bodies involved in the Programme will fulfill their obligations,
 - (b) The MoEHE, acting as the implementing agency in accordance with the Programme Document (Annex 1), in partnership with AICS.
 - (c) The AGO, acting as the implementing agency in accordance with the Programme Document (Annex 1), in partnership with AICS.
- 4.1.2 **For the Italian side:**
- (a) The DGCS:
 - ensuring that all Italian bodies involved will fulfill their obligations,
 - (b) The AICS, that will contribute to the management and supervision of the overall Programme implementation and will act as:
 - the financing body,
 - the provider of the technical assistance, through a pool of locally based Italian experts,
 - part of the Programme control system.
- 4.2 The Parties, having properly informed all the above-mentioned Institutions, will provide them with a copy of the present Agreement. The Parties will ensure that such Institutions will fulfill, for what concerns each of them, the obligations of the Agreement.

- 4.3 The Programme will be implemented on the basis of an annual Operational & Financial Plan, prepared by MoEHE, AGO and AICS in accordance with the objectives and the activities described in the Programme Document (Annex 1).
- 4.4 The overall supervision of the Programme will be granted by the Advisory Committee (hereafter "AC"), which will: provide guidelines, approve the annual Operational & Financial Plan prepared by the MoEHE, AGO and AICS, and measure the impact of the initiative against expected results.
- 4.5 The AC will be composed by a high level representation that should act on policy & strategic level as follows:
- One representative of MoFP.
 - One representative of MoEHE – Chairperson of the AC.
 - One representative of AGO.
 - Two representatives of the Italian side.
- 4.6 The AC may take benefit of inputs and proposals coming from different stakeholders, such as: Ministry of Social Development, Ministry of Women's Affairs, Ministry of Agriculture, Ministry of Labour, Ministry of Justice, Ministry of National Economy, Women Business Associations and Cooperatives' Associations, Civil Society Organizations, as well as other parties and any other institution and/or body working on the Programme goals.
- 4.7 The AC meetings will be held yearly and will approve Annual Operational & Financial Plans provided by MoEHE, and AGO. Additional meetings may be called by the AC Chairperson, upon agreement of the other members. Decisions will be taken by consensus-based voting procedures.
- 4.8 Procurement procedures of the Programme related to the execution of the Annual Work Plans:
- 4.8.1 The procedures adopted for procurement related to the execution of the Programme shall be carried out under the responsibility of MoEHE and AGO with the support and assistance of AICS.
- 4.8.2 Purchases of goods and services not exceeding 40,000 (forty thousand) Euro under the present Agreement will abide to the rules and procedures of MOFP.
- 4.8.3 Procurement activities, for amount exceeding 40,000 (forty thousand) Euro shall abide to the rules and procedures in the most recent version adopted by the European Commission PRAG as well as the Procurement Procedures (Annex 2). Moreover, a no-objection from AICS shall be requested prior to signature of the contracts above 300,000 (three hundred thousand) Euro for goods and services and above 500,000 (five hundred thousand) Euro for works.

Article 5. Disbursement procedures of the earmarked budget support funds

- 5.1 The financial resources of Euro 1,210,000 (one million, two hundred, ten thousand) will be transferred by AICS to MOFP as earmarked budget support for the benefit of MoEHE

(1,060,000 – one million, sixty thousand Euro) and of AGO (150,000 - one hundred fifty thousand Euro).

- 5.2 Funds will be transferred by AICS to a dedicated Single Treasury Account (STA) to be opened by MOFP at the Bank of Palestine – Ramallah Branch IBAN:PS75PALS045802067770333001008 and named “STA – AMAL – 206777-008”.
- 5.3 MOFP will in turn transfer the funds to two Special Accounts at Bank of Palestine – Ramallah Branch opened by/for MoEHE and AGO and named “AMAL – MoEHE - 3202903” IBAN:PS38PALS045832029030333001000 and “AMAL – AGO - 3203991” IBAN:PS94PALS045832039910333001000 (hereafter, “Special Account”).
- 5.4 The Special Accounts will be managed respectively by MoEHE and AGO. MoEHE, and AGO, according to the Annual Operational & Financial Plan, will prepare an Annual Work Plan for the proposed expenditures. Expenditures will be performed upon request from MoEHE and AGO, and prior approval by AICS of the Annual Work Plan.
- 5.5 Expenditures will be performed through bank drafts with mandatory signatures of authorized signatories of MoEHR, and of AGO.
- 5.6 Upon the entry into force of the present Agreement, approval of the Annual Operational & Financial Plan by the AC and request from MOFP containing the bank account details as per above paragraph 5.2, AICS will transfer the funds into three instalments:
 - a first instalment of 247,000 (two hundred forty-seven thousand) Euro;
 - a second instalment of 434,000 (four hundred thirty four thousand) Euro;
 - a third instalment of 529,000 (five hundred twenty-nine thousand) Euro.
- 5.7 **Release of the first instalment.** This release will be performed after the entry into force of this Agreement, and following a specific request from MOFP containing the bank account details as per above paragraph 5.2.
- 5.8 **Release of the second instalment.** This release will be performed
 - not before at least 80% of the first installment has been committed and 50% of the first installment has been disbursed from the *Special Accounts*.
 - after the submission by MoEHE and AGO of the first Progress Report, as described at Art. 9, and the issuing of its approval by AICS, following analysis and endorsement by the AC.
- 5.9 **Release of the third installment.** This release will be performed
 - not before at least 80% of the second installment has been committed and 50% of the second installment has been disbursed from the *Special Account*.
 - after the submission by MoEHE and AGO of the second Progress Report, as described at Art. 9, and the issuing of its approval by the AICS, following analysis and endorsement by the AC.
- 5.10 AICS will release the instalments to MOFP via bank transfer, with "SHARE" payment option: the sender will pay fees to the sending bank and the receiver will receive the amount transferred, minus the related correspondent (intermediary) bank charges.

- 5.11 MoEHE and AGO will have responsibility on: accounting system, financial management, expenditure tracking and records filing, and will provide to MOFP and AICS full accessibility to all documents, for financial reconciliation purpose, for five years after the end of the Programme.
- 5.12 Interest accrued on the funding shall be fully accounted for in the Special Account and tracked in the financial records. A statement of the accrued interests should be submitted to AICS for tracking purposes. These funds can only be used for the benefit of the Programme, for implementing activities.
- 5.13 At Programme conclusion, a Final Report, as described at Art. 9 will be prepared by MoEHE and AGO and submitted to MOFP and AICS, after analysis and endorsement by the AC.
- 5.14 The first and final financial reports shall be complemented by a report audited by an independent Chartered Accountant in accordance with internationally accepted audit standards (IFAC and INTOSAI). The cost of auditing services will be borne by the budget support component and MOFP will be the contracting authority. The Chartered Accountant proposed by MOFP shall receive a no objection letter by AICS before signature of the contract.
- 5.15 MOFP and AICS may, either jointly or separately, and at any time during the duration of this Agreement or any renewal or extension thereof, evaluate the implementation of the Programme. The cost of such evaluation shall be borne by the Institution initiating such evaluation.

Article 6. Budget reallocations

- 6.1 Increasing or decreasing a budget line allocation by less than 10% of its original figure, is allowed through a decision of the AC, that shall timely communicate in writing the approved reallocation to AICS.
- 6.2 Reallocations equal to or exceeding 10% of a budget line original figure will require a written approval by AICS.
- 6.3 All Budget line reallocations shall be carefully reflected in the Programme reporting documents.

Article 7. Obligations of the Italian Party

The Italian Party, via DGCS and AICS, undertakes:

- 7.1 To assure, through assigned staff, Programme monitoring, control and evaluation; a particular attention will be allocated to resources utilization, in relation to goals achievement within the planned timeframe.
- 7.2 To support, where needed, planning and training activities organizing technical assistance missions.

- 7.3 To provide a total grant fund of 4,000,000 (four million) Euro allocated as follows:
- Part of the grant component, amounting to 1,210,000 (one million, two hundred ten thousand) Euro, will be transferred to MoFP as earmarked budget support in three instalments, as described at Art. 5.6., for the benefit of MoEHE and AGO. The grant fund provided as earmarked budget support will be allocated as reported in the Programme Document (Annex 1).
 - The remaining part of the grant component, amounting to 2,790,000 (two million seven hundred ninety thousand) Euro will be managed by AICS as reported in the Programme Document (Annex 1).

Article 8. Obligations of the Palestinian Party

The Palestinian Party, via MOFP, undertakes:

- 8.1 To open the STA bank account, as described in Art. 5.2.
- 8.2 To overview the management of the financial resources provided to the Programme by the present Agreement, ensuring that funds will be used according to criteria of transparency, competitiveness and good governance.
- 8.3 To assure that MoEHE and AGO will:
- Open the Special Account, as described in Art. 5.3
 - Submit to the AC all Technical and Financial Reports foreseen in this Agreement, to be forwarded to AICS.
- 8.4 To facilitate a fruitful collaboration between Palestinian institutions involved in the Programme and AICS, including the possibility of AICS personnel to access to the Programme areas and to the Programme technical documentation for monitoring and evaluation purposes.

Article 9. Reporting

- 9.1 The first annual **Progress Report** of the earmarked budget support component is composed by the following set of documents:
- 9.1.1 Related to the activities financed through the earmarked budget support mechanism and implemented in the first year:
- (a) **the first annual Technical Report** on the activities performed; this report should include:
- the list of actions initially planned for the first year, as endorsed in the first Annual Operational Plan, detailing activities, components, beneficiaries;
 - a detailed description of implemented activities and achieved results, in comparison to the first annual Operational Plan and according to agreed indicators;

- the list of technical issues faced in the period by the Program and the related implemented solutions.
- (b) **the first annual Financial Report** on the expenditures performed and/or committed (i.e. contracts and/or service level agreements, consistent to the content and the procedures of this Agreement). This report should include:
- a copy of the approved budget of the first Year, as per endorsed first Financial Plan, split according to budget items, detailing planned expenditures per activity, component, beneficiary;
 - the list of performed expenditures, split according to budget items, detailing payments per activity, component, beneficiary and the calculated balance on the first installment;
 - an official financial statement of the Special Account, provided by the Bank of Palestine;
 - the list of financial issues faced by the Program, together with the related implemented solutions.
- (c) **the first annual Procurement Report** related to the purchase of goods and/or services. Such report should illustrate the number of procurement processes implemented, as well as the bidding procedure followed, their outcome and a list of issues faced, with the related implemented solutions.

9.1.2 Related to the **planned** activities for the following **Second year**:

- (a) **the Second Annual Operational Plan** containing the list of actions planned for the second year, and endorsed by the AC, detailing activities, components, beneficiaries.
- (b) **the Second Annual Financial Plan** presenting the budget of the second year, as endorsed by the AC, split according to budget items, detailing planned expenditures per activity, component, beneficiary. This budget will be composed by:
- the balance of the previous installment, plus
 - the second installment.

9.2 **The Second Annual Progress Report** of the earmarked budget support component is composed by the following set of documents:

9.2.1 Related to the activities financed through the earmarked budget support mechanism and implemented in the second year:

- (a) **the Second Annual Technical Report** on the activities performed; this report should include:
- the list of actions initially planned for the second year, as endorsed in the second Annual Operational Plan, detailing activities, components, beneficiaries;

- a detailed description of implemented activities and achieved results, in comparison to the second annual Operational Plan and according to agreed indicators;
- the list of technical issues faced in the period by the Program and the related implemented solutions.

(b) **the Second Annual Financial Report** on the expenditures performed and/or committed (i.e. contracts and/or service level agreements, consistent to the content and the procedures of this Agreement). This report should include:

- a copy of the approved budget of the second year, as per endorsed second Financial Plan, split according to budget items, detailing planned expenditures per activity, component, beneficiary;
- the list of performed expenditures, split according to budget items, detailing payments per activity, component, beneficiary and the calculated balance on the second installment;
- an official financial statement of the Special Account, provided by the Bank of Palestine;
- the list of financial issues faced by the Program, together with the related implemented solutions.

(c) **the Second Annual Procurement Reports** related to the purchase of goods and/or services for the second year. Such report should illustrate the number of procurement processes implemented, as well as the bidding procedure followed, their outcome and a list of issues faced, with the related implemented solutions.

9.2.2 Related to the **planned** activities for the following **Third year**:

(a) **the Third Annual Operational Plan** containing the list of actions planned for the third year, and endorsed by the AC, detailing activities, components, beneficiaries.

(b) **the Third Annual Financial Plan** presenting the budget of the third year, as endorsed by the AC, split according to budget items, detailing planned expenditures per activity, component, beneficiary. This budget will be composed by:

- the balance of the previous installment, plus
- the third installment.

9.3 The **Third and Final Report** will be composed by the following:

a) **The Third and Final Technical Report** on all activities performed; this report will include:

- the overall comparison between Program expected results and the achieved ones;
- the list of actions initially planned in the endorsed third Operational Plan, detailing activities, components, beneficiaries;

- a detailed description of implemented activities and achieved results, in comparison to the third Operational Plan and according to agreed indicators;
- the list of all technical issues faced by the Program in the period and related implemented solutions.

b) **The Third and Final Financial Report** on expenditures performed.

The **Third and Final Financial Report** should include:

- a copy of the approved budget of the third year, as per endorsed third Financial Plan, split according to budget items, detailing planned expenditures per activity, component and beneficiary.
- The list of performed expenditure split according to budget items, detailing payments per activity, component and beneficiaries and the calculated total balance.
- An official financial statement of the Special Account, provided by the Bank of Palestine;
- the list of financial issues faced by the Program and related implemented solutions

c) **The Third and Final Procurement Reports** related to the purchase of goods and/or services. Such reports should illustrate the number of procurement processes implemented, as well as the bidding procedure followed, their outcome and a list of issues faced, with the related implemented solutions.

Article 10. Prevention of Corruption and Fraud

10.1 The Parties are firmly committed to preventing and detecting fraudulent and corrupt practices. The Parties will ensure that the utilization of the Italian Contribution conforms to the highest standard of ethical conduct and that every Body and Institution involved in the implementation of the Programme observe the highest standards of ethics and integrity.

10.2 The Parties, in accordance with their respective national laws and regulations will ensure that any allegations of fraud and corruption in connection with the implementation of the Programme are reported to the competent national Authorities in a timely manner. Credible allegations will be investigated by the Parties' competent Authorities in accordance with the respective national laws, regulations, rules, policies, procedures and best practice. The Parties will, in a timely manner and consistent with their respective national laws and regulations, inform each other of the outcome of substantiated allegations of fraud and corruption, along with details of action taken.

10.3 Following the conclusion of any investigation which identifies fraud or corruption involving any activities funded in whole or in part with the Italian Contribution made under this Agreement, the Parties will:

- (a) Use reasonable efforts to recover any part of the Contribution, which the competent national Authority has established as being diverted through fraud or corruption.

- (b) In connection with (a) above give proper consideration to referring the matter to the competent Authorities of the State where the fraud or corruption is believed to have occurred; and
- (c) Upon request, and following consultations between the Parties, reimburse to the Italian Party any part of the Contribution above, or credit it to a mutually agreed activity.

Article 11. Impediments and Force Majeure

- 11.1 In case of impediments to the implementation of the Programme due to causes of *force majeure* recognized by both Parties according to practice (such as war, flood, fire, typhoon, earthquake, labor conflicts and strikes, acts of any government, or other causes) or in case of peril or unsafe conditions for the expatriate personnel, the following provisions shall apply:
- 11.2 Within the first 6 (six) months of impediment the Programme activities shall be suspended and the residual funds shall be frozen until the impediment finishes and AICS authorizes resumption of Programme activities;
- 11.3 In case the duration of the impediment is greater than 6 (six) months, the Parties shall agree on the destination of the residual funds, which can be made available after Exchange of letters between the Parties.

Article 12. Suspension of the disbursement by the Italian Party

- 12.1 The Italian Party reserves the right to terminate this Agreement in the following events:
- 12.2 In case of serious non-fulfillment by MoFP and/or by MoEHE and/or by AGO; this includes the following events:
 - Untimely Programme startup, i.e. within the first semester after reception of the funds;
 - Extended unmotivated delays in the utilization of the granted funds, jeopardizing the Programme implementation;
 - Utilization of granted funds for implementing activities not relevant to the Programme, as described in this Agreement and Annexes;
 - Serious faults in the management of granted funds, detected by the independent Chartered Accountant as per Art. 5, or by AICS staff.
 - In case of impediments as per Art. 10.
- 12.3 In any case, the Special Accounts shall remain operational until all expenditures incurred by MoEHE and AGO have been satisfied.

Article 13. Settlement of disputes, Amendments and Entry into force

- 13.1 Any dispute between the Parties arising out of the implementation of this Agreement shall be settled amicably by means of direct consultations or negotiations between the Parties.
- 13.2 The Parties may amend this Agreement, including its Annexes, in writing at any time.
- 13.3 This Agreement enters into force on the date of the last signature.
- 13.4 This Agreement shall remain into force until Programme's completion.
- 13.5 This Agreement does not undermine the rights and obligations deriving from other international agreements, multilateral and bilateral, that are binding for the Parties.

In witness thereof the undersigned, duly authorized by their respective Governments, have signed the present Agreement.

Done in two originals in the English language.

Done at Jerusalem on 18/12/2018

Done at Ramallah on 20/12/2018

For the Government of the Italian
Republic

For the Government of Palestine

FABIO SOKOLOWICZ
Consul General of Italy

SHUKRI BISHARA
Minister of Finance & Planning



Annex 1.
Annex 2.

Project Document
Ethical clauses and general principles for procurement and execution of contracts