



TECHNICAL AGREEMENT

BETWEEN

DIRECTORATE GENERAL FOR DEVELOPMENT COOPERATION OF THE ITALIAN
MINISTRY OF FOREIGN AFFAIRS AND INTERNATIONAL COOPERATION

AND

THE MINISTRY OF FINANCE & PLANNING OF PALESTINE (MOFP)

ON THE PROGRAM:

“CRONO”: TACKLING NONCOMMUNICABLE DISEASES IN PALESTINE

Preamble

The Directorate General for Development Cooperation of the Ministry of Foreign Affairs and International Cooperation of the Italian Republic (hereinafter “DGCS”) and its implementing Agency “Italian Agency for Development Cooperation” (hereinafter “AICS”), and the Ministry of Finance & Planning of Palestine (hereinafter “MOFP”), hereinafter referred to as the “Parties”, have decided to enter into this Technical Agreement, hereinafter referred to as the “Agreement”, for the implementation of the initiative “CRONO: Tackling noncommunicable diseases in Palestine”.

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

WHEREAS On November 23rd 2012, the “Development Cooperation Framework Agreement between the Government of the Italian Republic and Palestine” has been signed by Parties.

WHEREAS In 2016 a pledge has been issued by the Italian Government specifically for the implementation of cooperation initiatives in the health sector;

WHEREAS Palestine within its National Development Plan has highlighted the importance to “improve management of chronic diseases which overburden the healthcare

system”;

WHEREAS DGCS and MOFP have agreed to allocate part of the above mentioned pledge to prevent and control chronic noncommunicable diseases.

WHEREAS The Italian Joint Committee (“Comitato Congiunto”) has approved the Program “CRONO – Combat Noncommunicable diseases in Palestine” (hereafter “Program”) and committed related funds, on the 10th of May 2016 Decree 47/2016

WHEREAS DGCS strives to comply with the Paris Declaration Principles of Aid Effectiveness, including strengthening Palestine’s ownership of the development process by providing technical cooperation that support social-economic sector capacity development requirements.

The Parties hereby agree to implement the Initiative according to the following:

Article 1. Purpose of the Technical Agreement

- 1.1 This Technical Agreement establishes the mutual obligations of the Parties concerning the financing and the implementation of the Program.
- 1.2 In this context, it defines modalities and procedures for management, crediting, disbursement, procurement, monitoring, evaluation and reporting related to the Program.

Article 2. Parts of the Technical Agreement

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

Article 3. Program description

- 3.1 General Objective. The program aims to improve the health status of the Palestinian population decreasing the burden of noncommunicable diseases.

3.2 Specific Objective. As described in the Program Document (Annex 1), within the time span of the intervention, the Program wants to achieve the following:

- To strengthen the mammographic screening program through digitalization of the existing equipment and upgrading of secondary level diagnostic and treatment services.
- To implement a national campaign on health promotion and prevention of noncommunicable diseases.
- To contribute to the implementation of the National Strategy to tackle noncommunicable diseases including programs of health education at community level.
- To reinforce the health service network at both primary and secondary level through provision of equipment and construction of a health facility.

3.3 The Program includes a grant component amounting to 3,000,000 Euro (three million).

3.4 Part of the grant component, amounting to 1,650,000 Euro, will be transferred to MOFP as earmarked budget support for the benefit of the Ministry of Health. The remaining part of the grant component, amounting to 1,350,000 Euro will be managed by AICS.

3.5 All the transactions on the grant component – budget support shall be recorded in financial reports issued by the Ministry of Health, according to Art. 5 and Art. 9 of the present Technical 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 the MOFP will be the contracting authority.

Article 4. Management structure and procedures

4.1 The main Institutions and Bodies involved in the implementation of the Program are:

4.1.1 For Palestine side:

- (a) The MOFP, acting as the Palestinian counterpart for this Technical Agreement, ensuring that all Palestinian bodies involved in the Program will fulfill their obligations,
- (b) The MOH, acting as implementing agency of the program in partnership with the AICS.

4.1.2 For the Italian side:

- (a) The DGCS, acting as:
 - the Italian Counterpart for this Technical Agreement, ensuring that all Italian bodies involved will fulfill their obligations,
- (b) The AICS that will contribute to the supervision of the overall Program 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 Program control system.
- 4.2 The Parties, having properly informed all the above-mentioned Institutions, will provide them with a copy of the present Technical Agreement. The Parties will ensure that such Institutions will fulfill, for what concerns each of them, the obligations of the Technical Agreement.
- 4.3 The Program will be implemented on the basis of an annual Operational & Financial Plan, prepared by the Ministry of Health and AICS in accordance with the activities planned and described in the Program Document (Annex 1).
- 4.4 The overall supervision of the Program will be granted by the Advisory Committee (hereafter "AC"), which will: provide guidelines, approve the annual Operational & Financial Plan prepared by the Ministry of Health 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:
- Two representative of MOH – Chairperson and one member
 - One representative of the MOFP
 - 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 Finance and Planning, Ministry of Social Affairs, Ministry of National Economy, Ministry of Women Affairs, Women Business Associations and Cooperatives' Associations, as well as other parties and any other institution and/or body working on the Program goals.
- 4.7 AC meetings will be held on a six-month basis and will approve Annual Operational & Financial Plans provided by the Ministry of Health. 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 Program related to the execution of the Biannual Work Plans:
- 4.8.1 The procedures adopted for procurement related to the execution of the Program shall be carried out under the responsibility of the Ministry of Health with the support and assistance of AICS.
- 4.8.2 Purchases of goods and services not exceeding EUR 40.000 (forty thousand) under the present Technical Agreement will abide to the local rules and procedures.
- 4.8.3 Procurement activities, for amount exceeding Euro 40.000 (forty thousand) 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 Euro 300.000.



Article 5. Disbursement procedures of the earmarked budget support funds

- 5.1 The financial resources of 1,650,000 Euro will be transferred by AICS to MOFP as earmarked budget support for the benefit of the Ministry of Health.
- 5.2 Funds will be transferred by AICS to a dedicated Single Treasury Account (STA) to be opened by MOFP at the Arab Bank — Al Masyoun Branch n. 9090-100084-594 named “STA – CRONO”.
- 5.3 The MOFP will in turn transfer the funds to a Special Account at the Bank of Palestine, Nablus Main Branch n. 2181826, opened by/for the Ministry of Health and named “Special Account – CRONO” (hereafter, “Special Account”).
- 5.4 The Special Account will be managed by the Ministry of Health; the Ministry of Health, according to the Annual Operational & Financial Plan, will prepare Biannual Work Plans for the proposed biannual expenditures. Expenditures will be performed upon request from the Ministry of Health and prior approval by AICS of the Biannual Work Plans.
- 5.5 Expenditures will be performed through bank drafts with mandatory signatures of authorized signatories of the Ministry of Health.
- 5.6 Upon signature of the present Technical Agreement, approval of the Annual Operational & Financial Plan by the AC and request from the MOFP containing the bank account details as per above paragraph 5.2, AICS will transfer the funds into one instalment.
- 5.7 The Ministry of Health will have responsibility on: accounting system, financial management, expenditure tracking and records filing, and will provide to the MOFP and AICS full accessibility to all documents, for financial reconciliation purpose.
- 5.8 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 Program, for implementing activities, after formal agreement between the Parties.
- 5.9 At Program conclusion, a Final Report, as described at Art. 9 will be prepared by the Ministry of Health and submitted to the MOFP and AICS, after analysis and endorsement by the AC.
- 5.10 The Final Report shall be complemented by a Report audited by an independent Chartered Accountant.
- 5.11 After completion of the Program any unused money shall be returned to AICS.
- 5.12 The MOFP and AICS may, either jointly or separately, and at any time during the duration of this Technical Agreement or any renewal or extension thereof, evaluate the implementation of the Program. The cost of such evaluation shall be borne by the Party 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 and an amendment to the present Technical Agreement.
- 6.3 All Budget line reallocations shall be carefully reflected in the Program reporting documents.

Article 7. Obligations of DGCS and AICS

- 7.1 To assure, through assigned staff, Program 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 1,650,000 euro (one million six hundred fifty thousand euro) to MOFP as earmarked budget support for the benefit of the Ministry of Health. The grant fund provided as earmarked budget support will be allocated as reported in the Program Document (Annex 1).

Article 8. Obligations of the MOFP

- 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 Program by the present Technical Agreement, ensuring that funds will be used according to criteria of transparency, competitiveness and good governance.
- 8.3 To assure that the Ministry of Health will:
 - Open the Special Account, as described in Art. 5.3
 - Submit to the AC all Technical and Financial Reports foreseen in this Technical Agreement, to be forwarded to AICS.



- 8.4 To facilitate a fruitful collaboration between Palestinian institutions involved in the Program and AICS, including the possibility of AICS personnel to access to the Program areas and to the Program technical documentation for monitoring and evaluation purposes.

Article 9. Reporting

9.1 The Final Report will be composed by the following documents:

- (a) The Final Technical Report on 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 Annual Operational & Financial Plan, detailing activities, components and beneficiaries;
 - a detailed description of implemented activities and achieved results, in comparison to the Annual Operational & Financial 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 Final Financial Report on expenditures performed. This report shall include:
- a copy of the approved budget, as per the Annual Operational & Financial Plan, split according to budget items, detailing planned expenditures per activity, component and beneficiaries.
 - the list of performed expenditures, 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.
 - the list of financial issues/problems faced by the Program, together with the related implemented solutions.
- (c) The Final Procurement Report, related to the purchase of goods and/or services through the grant component – budget support. Such a report should illustrate the number of procurement processes implemented in the period, as well as the used bidding procedures, their outcome and a list of issues/problems faced, with 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. Parties will use reasonable efforts to ensure that the utilization of the Contribution conforms to the highest standard of ethical conduct and that every part of the organization, observe the highest standard of ethics and integrity.
- 10.2 The Parties, in accordance with its regulations, rules and directives, will ensure that any allegations of fraud and corruption in connection with the implementation of the Project are reported to the qualified Office in a timely manner. Credible allegations



will be investigated by the Parties in accordance with its regulations, rules, policies, procedures and best practice. The parties will, in a timely manner and consistent with its regulations, rules, policies and procedures, provide details to the Donor 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 a Contribution made under this Technical Agreement, the Parties will:
- (a) Use reasonable efforts to recover any part of the Contribution, which the qualified Office has established as being diverted through fraud or corruption.
 - (b) In connection with (a) above, in consultation with the qualified office, give proper consideration to referring the matter to the appropriate authorities of the State where the fraud or corruption is believed to have occurred; and
 - (c) As required by the Donor, and following consultations between the Parties, reimburse to the Donor 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 Program due to causes of *force majeure* recognized by both Parties according to practice (such as war, flood, fire, typhoon, earthquake, labour 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 Program activities shall be suspended and the residual funds shall be frozen until the impediment finishes and AICS authorizes resumption of Program 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, notifying each other the conclusion of the internal approval procedures.

Article 12. Suspension of the Technical Agreement by DGCS

- 12.1 DGCS reserves the right to terminate this Technical Agreement in the following events:
- 12.2 In case of serious non-fulfillment by the MOFP and/or by Ministry of Health; this includes the following events:
- Untimely Program startup, i.e. within the first semester after reception of the funds;
 - Extended unmotivated delays in the utilization of the granted funds, jeopardizing program implementation;



- Utilization of granted funds for implementing activities not relevant to the Program, as described in this Technical 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 Account shall remain operational until all expenditures incurred by the Ministry of Health 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 Technical Agreement shall be settled amicably by consultations or negotiations between the Parties.
- 13.2 The Parties may modify this Technical Agreement, including its Annexes, at any time. Any modification must be set out in written form such as an exchange of verbal notes by Parties.
- 13.3 This Technical Agreement shall enter into force upon its signature by both Parties.
- 13.4 This Technical Agreement shall remain into force until Program's completion.

In witness thereof the undersigned, duly authorized, have signed the present Agreement.

Done on December 7th 2016 in Ramallah, in two originals, each in English language, both texts being equally authentic.

For and on behalf of DGCS



For and on behalf of MOFP

SHUKRI BISHARA
Minister of Finance & Planning





*Agenzia Italiana per
la Cooperazione allo Sviluppo*



PALESTINE

CRONO

**TACKLING NONCOMMUNICABLE DISEASES
IN PALESTINE**

Project Document

April 2016

A. ACRONYMS

A handwritten signature in blue ink, consisting of stylized, overlapping loops and lines.

AICS = Italian Agency Development Cooperation

CR = Computed Radiography

FNA = Fine-Needle aspiration

IC = Italian Cooperation

MAECI = Italian Ministry of Foreign Affairs and International Cooperation

MOH = Palestine Ministry of Health

MOFP = Palestine Ministry of Finance and Planning

NPA = National Policy Agenda

PACS = Picture Archiving Communication System

PHC = Primary Health Care

PNA = Palestinian National Authority

PNDP= Palestinian National Development Plan

RIS = Radiological Information System

UNFPA = United Nation Fund Population Agency

WHO = World Health Organization



1. PROJECT FICHE				
Country	Palestine			
Title	Tackling noncommunicable diseases in Palestine – CRONO Project			
Channel	Bilateral (“fondo in loco” managed by AICS and budget support as per Art. 7 Law 125/2014)			
Funding	Grant			
Promoting party	AICS			
Implementing party	<ul style="list-style-type: none"> - Ministry of Finance & Planning (MOFP) - Ministry of Health (MOH) - AICS 			
Duration	12 months			
Total budget	Euro	3.000.000	%	100
AICS contribution	Euro	3.000.000	%	100

2. PRESENTATION OF THE PROJECT	
2.1 Summary	
<p>This project proposal is part of the Italian Cooperation programming for 2016 in Palestine, in continuity and synergy with the initiatives already on going in the health sector including the POSIT project aimed at strengthening the Primary Health Care system in Palestine.</p> <p>The CRONO project, with a total budget of 3 Million Euro, intends to strengthen prevention and control of noncommunicable diseases (NCDs: cardiovascular diseases, cancer, chronic respiratory diseases, diabetes) that represent a key priority for the Palestinian health system both in term of health status of the population and health spending.</p> <p>With the general objective of reducing the burden of NCDs that are responsible of the vast majority of morbidity, premature mortality and disability, the one-year long CRONO project aims at strengthening the healthcare services to tackle NCDs and the primary and secondary prevention programs including the mammographic screening for breast cancer detection, in coordination with other donors and thus in the perspective of improving aid effectiveness.</p> <p>Through the budget support component of funding (1,650,000 Euro; 55% of the total budget) the Ministry of Health will reinforce the healthcare services enlarging the hospital in Qalqilia, completing the PHC center in Shyouk, and providing equipment to four primary health care centers and to hospitals, including dialysis machines for Beit-Jala hospital.</p> <p>Direct beneficiary of the initiative is the entire Palestinian population, while the Ministry of Finance and Planning and the Ministry of Health will benefit for the impact on the health expenditures due to the reduced burden of diseases.</p> <p>AICS will implement this project aligned to the National Health Strategy 2014-2016, strengthening its role as lead donor among EU Member States at the time of development of the new National Policy Agenda and sectoral strategies, and of the European Joint programming for Palestine.</p>	

2.2 Financial overview					
N.	Activities	Sources		Cost (Euro)	%
		<i>Italy – "fondo in loco" (managed by AICS)</i>	<i>Italy – budget support</i>		
1	Equipment	700.000	1.100.000		60,00
2	Training	100.000			3,33
3	Information campaigns	400.000			13,33
5	Health education		100.000		3,33
6	Constructions		450.000		15,00
7	Coordination and management	150.000			5
	Total by source of funding	1.350.000	1.650.000		
	% by source of funding				
	Grand Total		3.000.000		100,00

3. PRESENTATION OF THE PROJECT
3.1 General objective
General objective of the initiative is to improve the health status of the Palestinian population by reducing the burden of noncommunicable diseases. This group of diseases includes, according to the WHO classification, cardiovascular diseases, cancers, chronic respiratory diseases and diabetes.
3.2 Specific objective
Strengthening primary and secondary prevention programs of noncommunicable diseases, with particular reference to the screening of breast cancer, and the related healthcare services.
3.3 Beneficiaries
<p>Direct beneficiary of the initiative is the Palestinian population as a whole, in the West Bank (2.8 million) and Gaza (1.8 million), as it is exposed to the risk of premature mortality and permanent disability from noncommunicable diseases throughout their life. Prevention is able to significantly reduce the risk of morbidity and mortality at a population level, by acting on cohorts of young population. Women between 40 and 69 years (approximately 350,000), eligible under the current guidelines, will be direct beneficiaries of the strengthening of the mammographic screening program.</p> <p>Because the control of chronic diseases has an important effect on health spending for both the households and the government, the Palestinian Ministry of Health and the Ministry of Finance and Planning are to be considered as indirect beneficiaries of the program.</p>
3.4 Activities
<p><u>Provision of equipment:</u> for the strengthening of the breast cancer screening program will be completed the digitization of the mammographic equipment in the screening units at primary health care level with the provision of Computed Radiology (CR) that allow to upgrade the analogic equipment already in use.</p> <p>Seven screening units in the central and northern districts of the West Bank will be upgraded and will be provided and installed a radiology information system with a centralized archive for storage of digital images (RIS / PACS). A close coordination with UNFPA was established aimed at strengthening the screening program on a country basis; the UN Agency will fund the digitization of the screening units in the south of the West Bank and in Gaza complementary to the CRONO initiative, which will act in the central and northern West Bank. This synergy will enable to complete the digitalization of the screening network at the level of primary health care. Two screening units will also be upgraded to perform the function of the second-level diagnostic services, with provision of ultrasounds and fine-needle aspiration/biopsy equipment.</p> <p>Digitization of mammography and provision of other diagnostic equipment for the breast cancer screening will be carried out by AICS to ensure the compatibility of new equipment with the</p>

existing CR equipment already provided through POSIT project in the units of Ramallah and Bethlehem with an integrated technical assistance of clinical engineering and consultant in mammography screening.

Through the budget support mechanism, will be acquired medical equipment for four primary care centers, and several hospitals in the West Bank in order to strengthen services dedicated to the diagnosis of chronic diseases, including the dialysis center in Beit Jala Hospital.

Training. Professionals of the two second-level screening units and staff (technical and radiological) in charge of the RIS/PACS system in all screening units will be trained.

With funds directly managed by AICS according to the new Palestinian strategy to combat NCDs, a national information and communication campaign for the contrast of the main risk factors and prevention of chronic diseases will be implemented, including radio and television advertising programs, posters / video and interventions through social media, as well as public events, workshops and conferences. Part of the campaign will be specifically aimed at women breast awareness and will include the dissemination of a telephone call system to the invitation to screening.

With the budget support, a health education campaign at community level on health promotion and risk factors of NCD will be implemented, after training the districts' health educators.

Construction of new health infrastructure will include the enlargement of Qalquilia hospital, completion the construction of PHC center in Shyouk, in order to strengthen the network of services dedicated to the management of chronic diseases.

With funds from the budget support, the MOH will also carry out the accounting audit at the end of the project.

3.5 Results and indicators

1. Mammography screening program reinforced with digitization (CR, Computed Radiology) of 7 analogic machines and radiologic information system with centralized storage for archiving digital images (RIS / PACS), and set up of two second-level screening units, equipped and able to perform fine needle aspirations

Indicators:

- N° CR supplied, installed and operational
- RIS and PACS installed and operational
- N° of screening units capable to carry out breast ultrasound and fine-needle aspirations

Conditions: coordination with UNFPA will be necessary to assure the digitization of mammographic equipment overall Palestine (West Bank and Gaza)

2. National information and communication campaign on NCD carried out

Indicators:

- No. of TV messages on prevention of NCDs
- No. of public events / workshop / conference on prevention of NCDs
- No. of TV messages on breast cancer prevention
- No. of screening unit with phone calls system activated

Conditions: screening centers are functioning and able to receive an increased demand of eligible women

3. Health education on NCDs prevention at a community level implemented

Indicators:

- No. personnel trained for the prevention and control of chronic diseases
- No. of health education activities at the community level

<p>Conditions: The budget support mechanism performs efficiently</p> <p>4. Health care services for control of NCDs strengthened with the supply of equipment to primary care centers and hospitals (including dialysis service in Beit Jala hospital), enlargement of Qalquilia hospital and completion of the PHC center in Shyouk.</p> <p>Indicators:</p> <ul style="list-style-type: none"> - No. of primary care centers and hospitals equipped - No. of tenders (for design and construction) performed by the MOH <p>Conditions: The budget support mechanism performs efficiently</p>
3.6 Duration
12 months.
4 IMPLEMENTATION METHODOLOGY
4.1 Executive responsibility
The Palestinian Ministry of Finance and Planning of the Palestinian Ministry of Health will have the executive responsibility of the initiative in partnership with the AICS Office.
4.2 Methodology and procedures
<p>The project will be regulated by a Technical Agreement signed between the Ministry of Finance and Planning, representing the PNA, and AICS, representing the Italian Government. The Technical Agreement and Annexes will define the objectives, beneficiaries, results and the allocation of total funding between "fondo in loco" (managed by AICS) and budget support (managed by MOH and MOFP).</p> <p>To supervise the implementation and provide guidelines, an Advisory Committee (AC) will be established, gathering representatives from the MOFP, MOH and AICS. The AC will meet at least bi-annually.</p> <p>As for the budget support funds, they will be transferred following the approach adopted for the 2013-2015 programs:</p> <ul style="list-style-type: none"> - Upon the signature of the Technical Agreement, MOH will prepare the Annual Operational Plan, with the AICS technical assistance. - The Annual Operational Plan will be approved by the AC. - The MOFP asks for the disbursement of the budget support (EUR 1,650,000) from AICS. - AICS disburses the funds to the "single treasury account", opened by MOFP. - MOH prepares the respective Biannual Work Plans, where the activities and related costs are detailed. - The Biannual Work Plans are approved by AICS. - The MOFP proceeds with disbursing the related funds to the MOH "special accounts".

At the end of the projects, MOH will present to AICS an exhaustive narrative and financial report on the activities carried out through the budget support. The report will also evaluate the impact of the project, against the expected results and indicators. Finally, the MOFP will take care of presenting an audit report to AICS on the use of the budget support funds.

5 BUDGET

ACTIVITY	"FONDO IN LOCO"	BUDGET SUPPORT
1. EQUIPMENT		
1.1 Digitalization mammographic machines with CR	300,000	
1.2 Radiological information system and image storage (RIS/PACS)	250,000	
1.3 Ultrasounds and equipment for FNA in screening units	150,000	
1.4 Medical equipment for PHC units and Hospitals		1,100,000
2. TRAINING		
2.1 For screening program	100,000	
3. INFORMATION & COMMUNICATION CAMPAIGN		
3.1 Radio-TV campaign	280,000	
3.2 Social media and telephone	70,000	
3.3 Conferences / workshops	50,000	
4. HEALTH EDUCATION		
4.1 Health education at community level (with training of health educators)		100,000
5. CONTRUCTIONS		450,000
6. COORDINATION AND MANAGEMENT		
6.1 Human Resources AICS	100,000	
6.2 Current management AICS	50,000	
TOTAL	1,350,000	1,650,000
GRAND TOTAL		3.000.000

6 ACTION PLAN				
	Q1	Q2	Q3	Q4
1. EQUIPMENT				
1.1 Digitalization mammographic machines with CR				
1.2 Radiological information system and image storage (RIS/PACS)				
1.3 Ultrasounds and equipment for FNA in screening units				
1.4 Medical equipment for PHC units and Hospitals				
1.5 Medical equipment for Hospitals				
2. TRAINING				
2.1 For screening program				
3. INFORMATION & COMMUNICATION CAMPAIGN				
3.1 Radio-TV campaign				
3.2 Social media and telephone				
3.3 Conferences / workshops				
4. HEALTH EDUCATION				
4.1 Health education at community level (with training of health educators)				
5. CONTRUCTIONS				
6. COORDINATION AND MANAGEMENT				
6.1 Human Resources AICS				
6.2 Current management AICS				

ANNEX 2 PROCUREMENT GUIDELINES

ELIGIBILITY CRITERIA, ETHICAL CLAUSES, CONTRACT GENERAL PRINCIPLES

This Annex harmonizes the latest edition of the “*Rules and Procedures for service, supply and works contracts financed from the general budget of the European Commission in the context of cooperation with third countries*” with the fundamental principles of Italian law on procurement and development aid.

1. CONTRACTOR ELIGIBILITY

1.1 THE RULE ON OBJECTIVITY AND IMPARTIALITY

To avoid any conflict of interest, any natural or legal person, including entities within the same legal group, members of consortia, temporary associations, and sub-contractors, involved in the preparation of the Project shall be excluded from participating in tenders or from submitting offers aimed at the implementation of the Project.

1.2 THE RULE ON ECONOMIC, FINANCIAL, PROFESSIONAL, AND TECHNICAL CAPACITY

The candidates/bidders must prove that their economic, financial, professional and technical capacity is suitable for the implementation of the contract. Unless otherwise established in the Technical Agreement, the candidates/bidders must prove:

1.2.1 *Economic and financial standing*: the total turnover of the candidates/bidders in the last three years in the same field of the bid must be at least equivalent to the maximum budget of the contract; enterprises that have been established for less than three years may prove their economic and financial standing with any document which the contracting authority may deem appropriate.

1.2.2 *Professional and technical capacity*: candidates/bidders shall provide a full record of the activities performed during the last three years; enterprises that have been established for less than three years may prove their professional and technical capacity with any document which the contracting authority may deem appropriate.

1.2.3 Italian enterprises shall qualify for works contracts pursuant to decree of the President of the Republic n. 34/2000 (and further modifications/amendments thereof). Non-Italian enterprises shall qualify according to their respective national law.

1.3 GROUND FOR EXCLUSION FOR PARTICIPATION IN CONTRACTS

Natural or legal persons are not entitled to participate in competitive tendering or be awarded contracts if:



1.3.1 They are in the conditions as referred to in the Italian Legislative Decree 11.06.2011, n. 159 ("Antimafia). Italian tenderers/offerers must provide a self-declaration that they are not in the conditions as referred to in the Italian Legislative Decree 11.06.2011, n. 159 ("Antimafia). Non-Italian tenderers/offerers must provide an equivalent self-declaration, if issuable under their respective National law.

1.3.2 They are bankrupt, or being wound up, or are having their affairs administered by the courts, or have entered into an arrangement with creditors, or have suspended their business activities, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations.

1.3.3 They are the subject of proceedings for a declaration of bankruptcy, for winding-up, for administration by the courts, for an arrangement with creditors or for any similar procedure provided for in national legislation or regulations.

1.3.4 They or their directors or partners have been convicted of an offence concerning professional conduct by a judgement which has the force of *res judicata*.

1.3.5 They are guilty of grave professional misconduct proven by any means which the contracting authority can justify.

1.3.6 They have not fulfilled obligations related to the payment of social security contributions in accordance with the legal provisions of the country where they are established.

1.3.7 They have not fulfilled obligations related to the payment of taxes in accordance with the legal provisions of the country where they are established.

1.3.8 They are guilty of serious misrepresentation in supplying the information required by the AICS as a condition of participation in a tender procedure or contract.

1.3.9 They have been declared to be in serious breach of contract for failure to comply with obligations in connection with another contract with the MAECI-DGCS, AICS or another contract financed with Italian funds.

2. CONTRACT GENERAL PRINCIPLES

2.1 Contract award and execution shall assure proper quality of performance, and respect the principles of economical convenience, efficiency, timeliness, and fairness. Contract award must also abide by the principles of free competition, equal treatment, non-discrimination, transparency, proportionality, and, whenever possible, publicity.

2.2 Upon prior Technical Agreement of the parties, economical convenience may be counterbalanced by social fairness, protection of public health, conservation of environment, and promotion of sustainable development.

2.3 Award procedures shall be cancelled if there are fewer than three eligible candidates/bidders. In presence of adequately motivated technical reasons, even less than three eligible offers may be accepted, shall the fundamental principles mentioned in art. 2.1 be respected.

2.4 Contracts may not be modified, unless the modification is approved by the AICS pursuant to following clauses. Contractors are not entitled to any payment or reimbursement whatsoever for activities carried out without prior authorization. If AICS or



the contracting authority so requires, contractors may be forced to restore, at their own expenses, the original state before the unauthorized modification.

2.5 Bidding documents shall specify the financial amount available for the contract to be awarded. This amount has to be intended as starting bid. Any offer above such starting bid shall not be considered.

2.6 Modifications of supply and service contracts shall be effective upon AICS prior authorization, which may only be granted in the following cases:

2.6.1) modifications of applicable laws and regulations;

2.6.2) unforeseen and unforeseeable circumstances, including the implementation of new materials, components or technology not existing when the award procedure was commenced, provided that the modifications ameliorate the quality of the performance, without increasing the contract total amount;

2.6.3) events related to the nature or the quality of the goods or places where the contract activities take place, which occur during the contract execution and were unforeseeable when the contract was made;

2.6.4) unless otherwise provided, the above-mentioned modifications may not increase or reduce the total contract amount beyond 20%;

2.6.5) modifications, which, in the interest of the contracting authority, increase or reduce the total contract amount, necessary to improve the quality and performance of the project are allowed up to 5%, provided that the funding is available and no substantial modification is made; the modifications shall be only due to objective reasons, unforeseeable when the contract was made;

2.6.6) contractors may not refuse the above-mentioned modifications; such modifications shall be executed at the same contractual conditions;

2.6.7) contractors shall execute any non-substantial modification that the contracting authority may see fit, provided that the nature of the activity is not fundamentally altered and no additional costs are imposed.

2.7 Modifications of works contracts shall be effective upon AICS prior authorization, which may only be granted in the following cases:

2.7.1) modifications of applicable laws and regulations;

2.7.2) unforeseen and unforeseeable circumstances, including the implementation of new materials, components or technology not existing when the project was made, provided that the modifications ameliorate the quality of the performance, without altering the initial project and without increasing the contract total amount;


2.7.3) events related to the specific nature of the contract activities which occur during the contract execution;

2.7.4) geological problems not predictable in the executive project;

2.7.5) errors or omissions of the project which prevent the contract implementation; in this case, the engineering consultants are responsible for the damages;

2.7.6) unless otherwise provided, the above-mentioned modifications may not increase or reduce the total contract amount beyond 20%; the contractor may not refuse to perform such modifications if their value do not exceed 20% of the total contract amount;

2.7.7) modifications, which increase or reduce the total contract amount, necessary to improve the quality and performance of the project are allowed up to 5%, provided that the funding is available.



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2.8 Contracts may not be assigned to a third party. In case of assignment, the contract shall be automatically terminated.

2.9 Subcontract is allowed up to an amount of 30% of the total contract amount. The bidding documents must specify if subcontract is allowed and the conditions thereof. Upon submitting their bids, bidders must declare which supplies/services/works they intend to subcontract. Contractors must deposit subcontracts with the contracting authority at least 20 days before commencing the execution of the subcontracts. Subcontractors must be eligible for the supplies/services/works they are assigned.

2.10 Contract prices shall be firm, fixed, and non-revisable.

2.11 Contract prices shall be denominated and paid exclusively in euros. Exchange rate risk or variations may not be subject to compensation whatsoever.

2.12 The contract shall be automatically terminated if the contractors are the subject of proceedings for a declaration of bankruptcy, for winding-up, for administration by the courts, for an arrangement with creditors or for any similar procedure provided for in national legislation or regulations.

2.13 In case of malice or grave negligence, contractors' liability may not be limited.

2.14 Contract execution shall be governed by the law of the beneficiary state.

2.15 Disputes arising between the contractors and the contracting authority shall not be submitted to the jurisdiction of the Italian courts.

2.16 Bidding documents shall include the above-mentioned principles.

2.17 The Italian party reserves the right to apply the fundamental principles of Italian law, should any legal gap arise.

3 ELIGIBLE AND INELIGIBLE COSTS

3.1 The costs included in the contract(s) shall be eligible if they are actual, economic, and necessary for carrying out the Project pursuant to Project document.

3.2 In any case, the following items shall not be considered eligible:

- a) voluptuary or luxury goods (e.g. perfumes, cosmetics, art objects, spirits, sports goods, etc.);
- b) goods, services and civil works directly or indirectly connected to police or military activities;
- c) non-income / non-profit taxes (including VAT) and import duties;
- d) provisions for outstanding debts and future losses of the beneficiary or the final users;
- e) interests owed by the beneficiary or the final users to any third party.

4. ETHICAL CLAUSES

4.1 Any attempt by candidates or bidders to obtain confidential information, enter into unlawful agreements with competitors or influence the contracting authority during the process of examining, clarifying, evaluating, and comparing tenders will lead to the rejection of his candidacy or tender and may result in administrative penalties;



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4.2 Without the contracting authority's prior written authorisation, contractors and their staff or any other company with which the contractor is associated or linked may not, even on an ancillary or subcontracting basis, supply other services, carry out works or supply equipment for the Project. This prohibition also applies to any other Projects that could, owing to the nature of the contract, give rise to a conflict of interest on the part of the contractors.

4.3 When putting forward their candidacy or participating in a tender, candidates or bidders must declare that they are affected by no potential conflict of interest, and that they have no particular link with other bidders or parties involved in the Project. Should such a situation arise during the performance of the contract, the contractors must immediately inform the contracting authority.

4.4 Civil servants or other officials of the public administration of the beneficiary country, regardless of their administrative situation, must not be engaged as experts by the tenderers unless the prior approval of the AICS has been obtained.

4.5 Contractors must at all times act impartially and as a faithful adviser in accordance with the code of conduct of their profession. They must refrain from making public statements about the Project or services without the contracting authority's prior approval. They may not commit the contracting authority in any way without its prior written consent.

4.6 For the duration of the contract, contractors and their staff must respect human rights and undertake not to offend the political, cultural and religious mores of the beneficiary state. In particular, tenderes who have been awarded contracts shall respect core labour standards as defined in the relevant International Labour Organisation conventions (such as the conventions on freedom of association and collective bargaining; elimination of forced and compulsory labour; elimination of discrimination in respect of employment and occupation; abolition of child labour).

4.7 The contractors may accept no payment connected with the contract other than that provided for therein. The contractors and their staff must not exercise any activity or receive any advantage inconsistent with their obligations to the contracting authority.

4.8 The contractor and their staff are obliged to maintain professional secrecy for the entire duration of the contract and after its completion. All reports and documents drawn up or received by the contractor are confidential.

4.9 The contract shall govern the contracting parties' use of all reports and documents drawn up, received or presented by them during the execution of the contract.

4.10 The contractors shall refrain from any relationship likely to compromise their independence or that of their staff. If contractors cease to be independent, the contracting authority may, regardless of injury, terminate the contract without further notice and without the supplier having any claim to compensation.

4.11 Either MAECI- DGCS or AICS reserve the right to suspend or cancel Project financing if corrupt practices of any kind are discovered at any stage of the award process and if the contracting authority fails to take all appropriate measures to remedy the situation. For the purposes of this provision, "corrupt practices" are the offer of a bribe, gift, gratuity or commission to any person as an inducement or reward for performing or refraining from any act relating to the award of a contract or implementation of a contract already concluded with the contracting authority.

A handwritten signature in blue ink, consisting of a stylized 'M' followed by a vertical line and a small '5' at the bottom right.

4.12 More specifically, all tender dossiers and contracts for works, supplies and services must include a clause stipulating that tenders will be rejected or contracts terminated if it emerges that the award or execution of a contract has given rise to unusual commercial expenses. Such unusual commercial expenses are commissions not mentioned in the main contract or not stemming from a properly concluded contract referring to the main contract, commissions not paid in return for any actual and legitimate service, commissions remitted to a tax haven, commissions paid to a recipient who is not clearly identified or commissions paid to a company which has every appearance of being a front company.

4.13 Contractors undertakes to supply the AICS on request with supporting evidence regarding the conditions in which the contract is being executed. Either MAECI- DGCS or AICS may carry out whatever documentary or on-the-spot checks it deem necessary to find evidence in cases of suspected unusual commercial expenses.

4.14 Contractors found to have paid unusual commercial expenses on Projects funded by the AICS are liable, depending on the seriousness of the facts observed, to have their contracts terminated or to be permanently excluded from receiving AICS funds.

4.15 Failure to comply with one or more of the ethics clauses may result in the exclusion of the candidate, bidder or contractor from other AICS contracts and in penalties. The individual or company in question must be informed of the fact in writing.

4.16 It is the obligation of the contracting authority to ensure that the procurement procedure is concluded in a transparent manner, based on objective criteria and disregarding any possible external influences.

