

SPECIFIC AGREEMENT

between

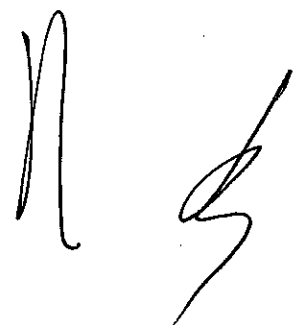
the Kingdom of Belgium

and

the Palestinian Authority

concerning

***“ Local government reform and development programme
Phase II - LGRDP II”***



The Government of the Kingdom of Belgium, on the one hand

and

the Palestinian Authority, on the other hand,

hereinafter jointly referred to as **“the Parties”**;

Considering the existing relations of friendship and solidarity between the two Parties;

Considering the General Agreement on Co-operation between the Parties signed on November 12th, 2001;

With regard to the fourth meeting of the Belgian-Palestinian Cooperation Joint Committee held in Ramallah on November 23rd, 2011 and in particular to the approved Indicative Co-operation Programme 2012-2015;

With regard to the request of the Ministry of Local Government (MOLG) and the project identification formally approved at the Extended Partner Committee Meeting of July 30th, 2010;

Hereby agree the following

ARTICLE 1 – Object of the Agreement

1.1. Under the present Specific Agreement, the Parties undertake to fund the development and implementation of the project *“ Local government reform and development programme Phase II – LGRDP II ”*, hereinafter referred to as *“the project”*, with the following objectives:

1.2. **The general objective of the project is:**

“The management, the development and the administration system of the Local Government Sector in the Palestinian Territory are improved within a decentralized framework”.

1.3. **The specific objective is:**

“The capacities of Local Government Units to collaborate in providing services, promoting local economic development and contributing to territorial integration are strengthened.”

ARTICLE 2- Responsibilities

2.1 The Palestinian Authority designates:



the Ministry of Local Government, hereinafter referred to as MOLG, as the administrative entity responsible for the implementation of the project. MDLF is the implementation agency for Result 4 of the programme.

2.2. Belgium designates:

2.2.1. The Directorate general for Development Co-operation of the Federal Public Service for Foreign Affairs, Foreign Trade and Development Cooperation hereinafter referred to as "DGD", as the entity responsible for the Belgian financial contribution to the Project. DGD is represented in the occupied Palestinian territory by the Head of Development Co-operation at the Belgian Consulate General in Jerusalem.

2.2.2. Belgium entrusts the follow up, guidance, monitoring, evaluation and auditing of the project to the "Belgian Technical Cooperation - BTC", a public-law company with social purposes hereinafter referred to as the "BTC". BTC is represented in the occupied Palestinian territory by its Resident Representative. BTC performs this task pursuant to an agreement concluded with the Belgian State.

ARTICLE 3 – Cost of the Project and sources of its funding.

3.1 The total cost of the Project has been estimated at 12 095 000 €, of which:

3.2 95 000 € in kind to be contributed by the Palestinian Party.
This contribution notably includes office space and national staff.

3.3 12 000 000 € (twelve Million Euros) to be contributed by the Belgian Party.

3.4 The modalities for use of this budget are further detailed in the Technical and Financial File, annexed to this Agreement.

ARTICLE 4 – Technical and Financial File (TFF)

4.1. The Project will be implemented according to the Technical and Financial File, attached to this Specific Agreement, hereinafter referred to as TFF.

4.2. With the exception of the specific objective of the Project (art.1.3), of the duration of the Specific Agreement (art.12.1) and of the budgets (art.3), for which a modification needs an Exchange of Letters between the Parties, MOLG and BTC may adapt the TFF according to the evolution of the general context and/or the course of the Project.

4.3. BTC shall inform the DGD on the following modifications made to the Project :

- The way in which the Belgian and/or the Palestinian contribution is made available to the Project;
- Results, including their respective budgets;

- Responsibilities, attributions, composition and operating mode of the Steering Committee (SC);
- Approval mechanism for adapting the TFF;
- Indicators for the specific objective and for the results;
- Financial modalities for the implementation of the contribution of the Parties.

An adapted indicative financial programme will be included, if deemed necessary.

ARTICLE 5 – Obligations of the Parties

Each of the Parties shall take timely all institutional, administrative and budgetary measures required for the correct implementation of the commitments described in this Specific Agreement.

ARTICLE 6 - Steering Committee (SC)

- 6.1. The Parties agree to entrust the Steering Committee with the follow-up, the monitoring and the control of the implementation of the Project.
- 6.2. The composition, the attributions, the responsibilities and the operating mode of the SC are specified in the TFF.
- 6.3. The SC sets up its internal regulations with respect to the other articles of this Specific Agreement. Minutes of the meetings will be prepared by the Program Director and signed by the SC members. One copy will be sent to the Head of Development Co-operation at the Consulate General in Jerusalem.
- 6.4. The SC shall meet two times a year and at the latest three months after the signature of the present Agreement. Extraordinary meetings can be called by the Chair, according to the needs.
- 6.5. Not later than three months before the end of the Project, the SC will meet to examine the final draft report of the Project, prepared according to the regulations defined in the TFF, and to clarify the modalities for ending the Project as stipulated in article 12.2.

ARTICLE 7 – Means by which the international technical assistance funded by the Belgian contribution is made available.

- 7.1. The BTC can recruit and appoint technical assistance, both short term and long term, for the implementation of the project. MOLG will approve them prior to appointment.
- 7.2. The expatriate personnel, put at the disposal of the project by BTC, benefits from the privileges mentioned under article 8 of the General Agreement on Direct Bilateral Cooperation between the Kingdom of Belgium and the Palestinian Authority.

ARTICLE 8 – Privileges and immunities.

- 8.1. No part of the Belgian contribution shall be used to pay any taxes, customs or import duties or other tax-related fees on supplies, equipment, works and services.
- 8.2. If duties or taxes are due according to the legislation, they will be covered by the Palestinian Party.

ARTICLE 9 – Reciprocal information

Each Party shall transmit to the other Party all information deemed relevant to the smooth and efficient implementation of the Project.

ARTICLE 10 – Reports, monitoring and evaluation

- 10.1. Procedures for administrative and operational, accounting and financial reporting are detailed in the TFF.
- 10.2. Either Party may, at any time, subject to preliminary information from the other Party, jointly or separately carry out an appraisal or an evaluation of the project. In case the evaluation or appraisal is carried out separately, each Party communicates to the other its findings and conclusions.

ARTICLE 11 – Sustainability of the results

In order to assure the sustainability of the results of the Project, the Palestinian Authority will take all institutional, administrative and budgetary measures deemed necessary.

ARTICLE 12: Duration, Extension, Suspension, Denunciation, Modifications and Disputes

- 12.1. The present Agreement shall enter into force on the date of signature by both Parties, and is concluded for a period of 72 months. The duration of the implementation of the project is 60 months.
- 12.2. Funds available for activities started before the expiration of this Specific Agreement will be automatically used beyond this date in case the related contracts have not been fully executed at the end of the said duration.
- 12.3. After the financial closure of the intervention, any unspent funds will be recovered by the Belgian State.

To this end, the Palestinian Party commits itself to refund to the BTC the bank balances and ineligible amounts within three months of the Steering Committee's approval of the financial closure.

- 12.4. Either Party may suspend the implementation of the present Agreement. If one of the Parties deems that the other has failed to respect one of its

fundamental obligations under the present Agreement, an obligation arising from the respect of human rights, democratic principles or the rule of law, as well as in cases of corruption, it shall notify the other Party of the relevant information required for a thorough examination of the situation, as well as of its intention to suspend the present Agreement in case of absence of an acceptable solution within three months. The Parties shall consult and determine the appropriate actions to be taken, within three months of the notification.

- 12.5 Either Party may suspend the implementation of the present Agreement in case of force majeure during the duration of this force majeure. The Party invoking a case of force majeure shall notify the other Party of the relevant information required for a thorough examination of the situation in order to find an acceptable solution for the Parties. The Parties shall consult and determine the appropriate actions to be taken, within three months of the notification.
- 12.6 This Agreement may be denounced by either Party by 'note verbale', subject to a three months' notice. In such case, any unused funds will be recovered by the Belgian State, as described in article 12.3. In any case, the contracts concluded in compliance with the TFF before the denunciation of this Agreement will be honoured as foreseen.
- 12.7 The maximum duration of 72 months cannot be changed. The amount of the present Agreement as stipulated in article 3 and its Specific Objective as described in article 1.3, can only be changed by an Exchange of Letters between the Parties.
- 12.8 Any dispute arising from the implementation or interpretation of the present Agreement shall be settled by negotiation.

ARTICLE 13 – Addresses

- 13.1 All notifications related to the Specific Agreement and, more specifically, any such notifications pertaining to its **modification or interpretation**, shall be handled via diplomatic channels at the following addresses:

for Belgium:

the Head of Development Co-operation
Belgian Consulate General
Baibars Street, 5, Sheikh Jarrah
97200 Jerusalem
POBOX 1150 91010 Jerusalem

for the Palestinian Authority:

the Ministry of Finance and Planning
P.O. Box 1336 Ramallah
Palestine

- 13.2 All notifications and communications related to **the implementation** of the Specific Agreement shall be communicated to :

for Belgium :

BTC Resident Representative
BTC Office
26 Salah ed-Din Street
91190 Jerusalem

for the Palestinian Authority

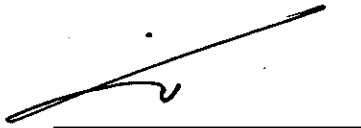
the Ministry of Local Government
P.O. Box 731 Ramallah
Palestine

Done in Ramallah, on 11 June 2015 in four originals in the English language, all four copies equally authentic, each Party hereby acknowledging receipt of its copy.

In witness whereof the undersigned, duly authorised hereto by their respective Governments, have signed this agreement.

For the
Palestinian Authority

For the Government of the
Kingdom of Belgium



H.E. Dr Nayef Abu Khalaf
Minister of Local Government



H.E. Dr. Shukry Bishara
Minister of Finance
and Planning

H.E. Mr. Bruno Jans
Consul General of Belgium
in Jerusalem