

## **INTER-AGENCY AGREEMENT**

### **BETWEEN**

**THE INTERNATIONAL LABOUR ORGANIZATION**

### **AND**

**THE UNITED NATIONS DEVELOPMENT PROGRAMME/PROGRAMME  
OF ASSISTANCE TO THE PALESTINIAN PEOPLE**

WHEREAS, the International Labour Organization, represented by the International Labour Office (“ILO”) received support from the Islamic Development Bank (IDB) (“the Donor”) for the establishment of Sheikha Fatima Rehabilitation Center in the city of Beit Ummar /Hebron Governorate to be named “Sheikha Fatima Rehabilitation Center”;

WHEREAS, in the framework of project PAL/01/MO1/UAE, the United Nations Development Programme/Programme of Assistance to the Palestinian People (“UNDP/PAPP”) and the ILO signed an Inter-Agency Agreement on November 9<sup>th</sup> 2001 to start the construction of Sheikha Fatima Rehabilitation Center;

WHEREAS, UNDP/PAPP and ILO have agreed to cooperate in the implementation of the Project PAL10-14205 “Establishment of Sheikha Fatima Rehabilitation Center for People with Disabilities and Youth with Special Needs - Phase III Works” (“the Project”) which is described in the Project Summary, attached as Annex 1 to this Agreement, to complete electrical, civil and mechanical finishing works at Sheikha Fatima Rehabilitation Center;

WHEREAS, the Palestinian Authority responsible institution has been duly informed of the Contribution of the Donor to the Project and the intention of the ILO to utilize UNDP/PAPP services in the implementation of the Project;

WHEREAS, UNDP/PAPP is prepared to receive and administer the Contribution for the implementation of the planned activities under the Project related to completion of the construction of Sheikha Fatima Rehabilitation Center;

NOW THEREFORE, the ILO and UNDP/PAPP (“the Parties”) hereby agree as follows:

## **Article I. Objective and Scope of the Agreement**

1. This Agreement sets forth the general terms and conditions of cooperation between the Parties for the performance of the services (“the Implementation Services”), as described in Annex 2 to this Agreement.
2. The Parties agree to join efforts and to maintain close working relationships in order to fulfil the objectives of the Project.

## **Article II. Duration of the Agreement**

1. The performance of the Implementation Services shall commence on February 1<sup>st</sup> 2010 and be completed on November 30<sup>th</sup> 2010.
2. Should it become evident to either Party during the implementation of the Project that an extension of the completion date prescribed in paragraph 1 above is necessary for the conclusion of the performance of the Implementation Services, the Party shall immediately inform the other Party in order that a new termination date may be established by an agreement between the Parties in writing.

## **Article III. Contribution**

1. The ILO shall make available to UNDP/PAPP funds in the maximum amount of US\$ 234,142 (USD two hundred thirty four thousand hundred forty two) (“the Contribution”). As agreed by the Parties, the Contribution is inclusive of UNDP's fee to recover the costs of general management support services [0%] and all direct costs of implementation, including the costs of executing entity or implementing partner, which will be identified in the project budget against a relevant budget line and borne by the project accordingly.
2. The Contribution shall be utilized exclusively for PAL10-14205 ‘Establishment of Sheikha Fatima Rehabilitation Center Phase III Works’ to complete electrical, civil and mechanical finishing works.
3. The Contribution will be administered in accordance with the regulations and rules applicable to UNDP.
4. Upon signature of this Agreement, the ILO shall deposit the Contribution in one installment into the following account:

UNDP Contributions Account  
No. 015-002284  
JP Morgan Chase Bank  
1166 Avenue of the Americas, 17th Floor  
New York.  
SWIFT Address: CHASUS33

5. The ILO shall inform UNDP/PAPP when the Contribution is paid via an e-mail message with remittance information to contributions@undp.org. UNDP/PAPP shall immediately in writing acknowledge receipt of the funds.
6. All financial accounts and statements shall be expressed in United States dollars.
7. If unforeseen increases in expenditures or commitments are expected (whether due to inflationary factors, fluctuation in exchange rates or unforeseen contingencies) UNDP/PAPP shall immediately submit to the ILO a supplementary estimate showing the further financing that will be necessary. In this event, the Parties shall consult for the purpose increasing the contribution so as to cover the cost of Implementation Services or modifying the Implementation Services to the level where the activities are covered by the Contribution.

UNDP/PAPP shall not make any financial commitments or incur any expenses which would exceed the budget for implementing the Project as set forth in this Agreement, unless the ILO has expressly agreed in writing to effect corresponding payments prior to the expenditure by UNDP/PAPP. UNDP/PAPP shall regularly consult with the ILO concerning the status and use of funds.

Notwithstanding the foregoing, the ILO shall have no obligation to provide UNDP/PAPP with any funds in excess of the total budget as set forth in this Agreement.

8. The ILO shall not be liable for any expenses not outlined in the Bill of Quantities (BOQ) attached as Annex 3 to this Agreement. UNDP/PAPP shall return to the ILO all funds that have not been used in accordance with this Agreement.

#### **Article IV. General Responsibilities of the Parties**

1. UNDP/PAPP shall be fully responsible for implementing the Project, as described in this Agreement, in accordance with UNDP policies and procedures. In particular, UNDP/PAPP shall undertake the responsibility of monitoring the implementation of the Project in close coordination with the ILO.
2. Each Party shall communicate to the other Party the name and contact details of its focal point assigned for the Project, which will closely coordinate with the [focal point of the] other Party the implementation of the Implementation Services in accordance with this Agreement.
3. If matters other than those already foreseen in this Agreement arise during the implementation of the Project, which are considered by UNDP/PAPP of substantive character, UNDP/PAPP shall inform and consult with the ILO focal point in order to arrive at a mutually agreeable solution.

4. The Parties shall inform each other of all activities pertaining to the Project and hold regular coordination meetings on a monthly basis. Should circumstances arise which may influence the status of either Party in the territories under Palestinian authority or which may affect the implementation of the Project, the Parties shall meet more frequently and review the Work Plan, as required, and they may agree on amending the Work Plan in accordance with this Agreement.
5. The Parties may use the name and emblem of the ILO and UNDP/PAPP only in direct connection with the Project and subject to prior written consent of the Party concerned.
6. UNDP/PAPP shall be responsible for obtaining any licenses and permits required by local laws for the implementation of the Project.
7. UNDP/PAPP shall keep accurate, current records and other relevant documents, including original invoices, bills, and receipts in respect of all expenditure incurred in connection with this Project, for a period of ten years following the completion of the Project or the termination of this Agreement, unless otherwise agreed upon between the Parties. The ILO may perform an inspection on the Implementation Services provided under this Agreement.
8. For any matter not specifically covered by this Agreement, the appropriate provisions of the rules, regulations, directives and procedures of the ILO shall apply.

#### **Article V. Personnel and sub-contractors**

1. UNDP/PAPP shall be fully responsible for all actions or omissions of Project personnel and of its sub-contractors and their personnel in the Implementation of Services under this Agreement.
2. In carrying out the Implementation Services under this Agreement, the personnel and sub-contractors of UNDP/PAPP shall not be considered in any respect as being the employees or agents of the ILO.
3. The ILO does not accept any liability for claims arising out of acts or omission of UNDP/PAPP or its personnel, or of its contractors or their personnel, in performing the Services under the Project or any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by UNDP/PAPP, and its personnel and sub-contractors, and their personnel arising out of or in any way connected with the performance of the Implementation Services under this Agreement.
4. Any subcontractors assigned by UNDP/PAPP to the Project, and under contract with UNDP/PAPP, shall work under the supervision of the designated official of UNDP/PAPP. These subcontractors shall remain accountable to UNDP/PAPP for the manner in which assigned functions are discharged.

UNDP/PAPP shall be responsible for ensuring the provision of adequate medical and life insurance for the Project personnel, as well as insurance coverage for illness, injury, disability or death sustained during the implementation of the Project.

5. UNDP/PAPP shall ensure that Project Personnel and its sub-contractors meet the highest standards of qualification and technical and professional competence necessary for the satisfactory performance of the Implementation Services.
6. UNDP/PAPP and its sub-contractors shall conform to all applicable local laws and regulations and respect the International Labour Standards of the ILO, In particular, UNDP/PAPP and its sub-contractors shall in all circumstances respect the basic principles of these standards which are:
  - (a) the freely exercised right of workers, without distinction, to organise, to further and defend their interest as well as the protection of those workers who exercise their right to organise;
  - (b) prohibition of forced or compulsory labour in all its forms;
  - (c) equal remuneration for men and women for work of equal value;
  - (d) prohibition of employment of children below 14 (fourteen) years of age or the minimum age for employment permitted by the law of the country where the Work is carried out or the age of the end of compulsory schooling in that country, whichever is higher;
  - (e) equality of opportunity and treatment in respect of employment and occupation without discrimination on grounds of race, colour, sex, religion, political opinion, national extraction or social origin.
7. UNDP/PAPP shall ensure that wages are paid in legal tender in full and directly to the workers concerned.
8. UNDP/PAPP shall ensure that the wages of its personnel and those of the personnel of its sub-contractors, their hours of work and the other labour conditions including social security are at least as favourable as those established for work of the same character in the trade or industry concerned in the area where the Implementation Services are carried out.

#### **Article VI. Reporting**

1. **Substantive progress Reporting:** UNDP/PAPP shall provide the ILO with two progress reports which shall detail achievements, constraints and impacts with regards to the utilization of the Contribution. A preliminary final substantive report shall be submitted to the ILO within six months after the date of completion of the Implementation Services or termination of this Agreement and no later than on 15 April 2011. This report will be

accompanied by the preliminary final financial report signed by the Resident Representative of UNDP/PAPP in the occupied Palestinian territory (oPt).

2. Financial Reporting: UNDP/PAPP shall provide the ILO with two financial reports which shall reflect the amount received in relation to expenditure from the Contribution. A preliminary final financial report signed by the Resident Representative of UNDP/PAPP shall be submitted to the ILO within six months after the date of completion of the Implementation Services or termination of this Agreement and no later than 15 April 2011. This report will be accompanied by the preliminary final substantive report (see paragraph above on substantive progress reporting).
3. Financial reports signed by the Resident Representative will provide information according to the following categories:
  - a. Amount received
  - b. Staff and other personnel costs
  - c. Travel
  - d. Contractual services
  - e. Procurement
  - f. Fellowships, Grants and other
  - g. Sub-total
  - h. Cost recovery
  - i. TOTAL EXPENDITURES
4. Final Reporting: A final substantive report detailing achievements, constraints and impact with regard to the utilization of the Contribution from UNDP/PAPP country office and the final financial report, certified by the Office of Finance and Administration of UNDP, will be provided to the ILO no later than 30 June of the year following the financial closing of the Project.

#### **Article VII: Equipment**

1. If any equipment is purchased by UNDP/PAPP for the Project, UNDP/PAPP shall prepare a report of non expendable equipment within thirty (30) days of its closure. It shall be disposed of in accordance with the ILO's regulations, rules, directives and procedures.

#### **Article VIII. Amendments**

1. This Agreement and its Annexes may be amended only by written agreement between the Parties.

### **Article IX. Termination of the Agreement**

2. 1. After consultations have taken place between the ILO and UNDP/PAPP, either Party may give the other Party written notice of termination of this Agreement. Termination shall take effect 30 (thirty) days after receipt of the notice. Notwithstanding termination of this Agreement, UNDP/PAPP shall continue to hold unutilised funds until all commitments and liabilities incurred in implementation of the Implementation Services before the date of the notice of termination have been satisfied and the Implementation Services brought to an orderly conclusion.
3. After completion of the Implementation Services, any interest or unexpended or uncommitted part of the Contribution shall be returned to the ILO, unless otherwise agreed in writing by the Parties.

### **Article X. Privileges and Immunities**

1. Nothing in this Agreement or relating thereto shall be construed as constituting a waiver of the privileges and immunities enjoyed by the United Nations, UNDP/PAPP or the ILO.

### **Article XI. Arbitration**

1. The Parties shall use their best efforts to settle amicably all disputes, controversies or claims arising out of or in connection with this Agreement or the interpretation thereof.
2. Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof - which cannot be settled amicably within sixty (60) days - shall be settled by arbitration in accordance with the United Nations Commission on International Trade Law Arbitration Rules (UNCITRAL). The Parties agree to be bound by any arbitration award rendered in accordance with this provision as the final adjudication of any dispute.

### **Article XII. Entry into Force**

1. This Agreement shall enter into force on the date of its signature and shall remain in force until both Parties have fulfilled all obligations arising from it, and all commitments and liabilities incurred in the implementation of the Project have been satisfied. Without prejudice to Art. XI above, whether these obligations shall be regarded as fulfilled shall be determined in consultations between the Parties.

**Article XIII. Annexes**

1. Annex I “Project Summary”, Annex II “Implementation Services to be provided by UNDP/PAPP” and Annex III “Bill of Quantities” form an integral part of this Agreement. In the event that the terms contained in the annexes are incompatible with those contained in this Agreement, then the latter shall govern and prevail.

IN WITNESS WHEREOF, the undersigned, acting on behalf of their respective institutions, have signed the present Agreement in the English language in two copies.

**For UNDP/PAPP**

**Name:**

**Title:**

**Date**


  
  
Special Representative  
4 / March / 2010

**For ILO**

**Name: Nada Al-Nashif**

**Title: Regional Director**

**Date: 25.01.2010**





## ANNEX I

### PROJECT SUMMARY

It is estimated that large numbers of school-age youth drop out of schools every year with no hope of finding lucrative employment, since they do lack the necessary skills. Therefore, whatever opportunities they find are restricted to low-paying jobs that require minimal skills. The same applies to the increasing number of the disabled, whose numbers continue to mount due to the “Intifada” events and developments on the ground. This is further aggravated by the presence of few centres with limited capabilities. The result is an automatic exclusion of the young from the labour market and their prevention from contributing to economic development.

Due to this and other economic and social factors, disabled persons and people with special needs, in general, have been marginalized and excluded from the workforce in the OPT. This has restricted their participation and integration into community life, hindered their self-reliance, and placed a further burden on their families. This will undoubtedly lead to social problems, the burden of which has to be borne by the Ministry of Social Affairs.

#### **Construction of the Center**

The pressing need to create vocational rehabilitation services in Hebron was identified as a priority by the International Labour Organization (ILO) mission to the OPT in February 2000. This need was also clearly expressed on different occasions by the Ministry of Social Affairs.

Funding for the construction of the center was secured through a generous contribution of USD 1.66 million by H.E Sheikha Fatima Bent Mubarak and through the U.A.E Red Crescent.

Under this project, and implemented under an Interagency Agreement between ILO and UNDP/PAPP, UNDP/PAPP was entrusted with the responsibility to construct a 2000m<sup>2</sup> vocational rehabilitation centre in the town of Beit 'Ummar, some 10 kilometres south of the Hebron City Centre.

The development objective to the project will be to enhance an improved livelihood for people with disabilities and youth with special needs, by providing them with social and vocational skills necessary for promoting their socio-economic integration opportunities.

At the end of the project, the major outputs of the project will be the construction of a modern 2000m<sup>2</sup> vocational rehabilitation centre, as well as the creation of both long and short-term job opportunities.

After the completion of the construction of the center, the ILO has secured additional funds from the Islamic Development Bank (IDB) for the amount of USD 550,000 for the purpose of

purchasing the necessary equipment and furniture for the center as well as for completing the unfinished works for the construction of the Center.

The center included 7 workshops in addition to the photography and video at the multipurpose hall. The workshops include: Carpentry, Aluminum, Sewing, Maintenance of electrical equipment and mobiles, Computer, Ceramics and hair design.

The procurement of equipment will include:

1. Supplying all necessary equipment and machinery to the 7 workshops
2. Supplying the furniture items, desktop computers and office equipment for the administration offices of the center as well as the trainers.
3. Some additional items (equipment) that were not completed during the construction process due to lack of sufficient funds. These items include the electrical generator and boiler, the telephone and alarm system and the heat radiators

Under this agreement, ILO has commissioned UNDP to carry out the necessary remaining works for the completion of the construction of the center in preparedness for the procurement of equipment and furniture for the Center's workshops and administration offices.

## ANNEX II

### **Implementation Services to be provided by UNDP/PAPP**

#### **Financial, Execution and Monitoring**

- A. Provide procurement services, including purchase, importation and delivery of any equipment, tools and materials when required.
- B. Prepare tender documents for the required construction works.
- C. Provide the ILO with two copies of the tender documents including priced bill of quantities.
- D. In consultation with the ILO, identify a list of eligible contractors, issue bids to contractors, review offers, and enter into agreement with the winning bidder for implementation.
- E. Supervise and monitor daily construction activities at all stages of the implementation.
- F. Verify the technical quality and cost effectiveness of works undertaken.
- G. Check, approve, and process payment requests to the contractor and suppliers.
- H. Arrange and participate in the regular coordination meetings with the ILO and other partners during project implementation.

#### **Reporting**

- A. Provide the ILO with the project work plan.
- B. Prepare financial and operational progress reports to be submitted to the ILO.
- C. Prepare any additional report, as requested by the ILO.
- D. Prepare a comprehensive terminal report.
- E. Prepare a final financial statement.

- F. Provide the ILO with a record for the handover by UNDP/PAPP and final acceptance by the ILO of the Works, which shall contain the Contractor's maintenance guarantee on the Works and all other guarantees from suppliers of equipment.

### **Contracting Procedures**

Pre-qualified contractors will be invited to participate in the tendering on the basis of competitive bidding in accordance with UNDP rules and regulations will undertake Works.

The bidding procedures to be followed will be based on bill of quantities with particular specifications and general conditions.

The General Conditions governing the works will be similar to those applied on UNDP contracts, being a simplified version of the FIDIC conditions of contracts for civil engineering works.

**ANNEX III**

**BILL OF QUANTITIES**