

PSU

UNITED NATIONS DEVELOPMENT PROGRAMME

Programme of Assistance to the Palestinian People

PROJECT DOCUMENT

Number: PAL/01/J22/A/53/31

Title: Vocational Rehabilitation Center Hebron, ILO

Duration: 15 Months

Project Site: Hebron Area, West Bank

ACC/UNDP Sector: 1300 Health

Sub-sector: 1310 Health System Infrastructure

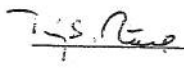
Local Implementing Institution: Ministry of Social Affairs

Executing Agency: United Nations Development Programme (UNDP)

Estimated Starting Date: December 2001

<u>Interagency Agreement</u>	
<u>UNDP:</u>	
SPR-PAPP	US\$
Other:	US\$
<u>Contribution:</u>	
Programme Amount	US\$ 773,500
Support Cost	US\$ 61,880
Total Contribution	
From ILO	US\$ 835,380

This project aims at enhancing an improved livelihood of people with disabilities and youth with special needs, by providing them with social and vocational skills necessary for promoting their socio-economic integration opportunities. The overall project will provide a fully operational vocational rehabilitation center in Hebron Area, which will provide training and rehabilitation programs for disabled youth and youth with special education needs. Under the current project UNDP/PAPP will implement all design and construction activities for the Vocational Rehabilitation Center in Beit Ummar, Hebron.

On behalf of	Signature	Date	Name/Title
United Nations Development Programme		7 Dec. 2001	Mr. Timothy Rothermel Special Representative

United Nations Official exchange rate at date of signature of project document:	\$1.00 = 4.19 NIS
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A. CONTEXT

Although there are no precise statistics on the number of disabled persons in the Palestinian Territories (PT), it is estimated that the number is extremely high. The prevailing economic, social, psychological and political conditions under occupation, strongly suggest that the disability prevalence rate in the PT is higher than the internationally recognized rate.

The available information indicates that the number of disabled persons, especially the youth, has increased significantly during the last few years, since the Palestinian uprising (Intifadah) began. Several sources estimate the number of disabled youths and adults between 25,000 and 30,000 persons.

Since the eruption of the recent Intifadah in September 2000, about 16,000 Palestinian people were reported injured during the confrontations with the Israeli forces. It is estimated that around 30% of those injured civilians are expected to end up with moderate or severe disability.

During the last ten years, the development of medical rehabilitation services in the PT received reasonable attention, mainly to address the medical needs of the victims of the Israeli military violence in response to the Intifadah. Nevertheless, vocational rehabilitation services remain very limited, and until very recent no vocational rehabilitation system exists in the PT. As a result, the great majority of disabled youths have been left with no vocational training or employment opportunities. Because of this and other economic and social factors, disabled persons in general have been marginalized and excluded from the workforce in the Occupied Territories. This has restricted their participation and integration in community life, hindered their self-reliance and put a further burden on their families.

Hebron is one of the largest Governorates in West-Bank which lacks the availability of reasonable vocational rehabilitation services. It has only one rehabilitation center known as "Youth Rehabilitation Center - Hebron" which is located in a rented building of 350m². This center lacks the basic technical and physical requirements needed for vocational training. The pressing need to create vocational rehabilitation services in Hebron was identified as a priority by an ILO mission to the PT in February 2000. This need was also clearly expressed at different occasions by the Ministry of Social Affairs.

According to the 1999 census, the population of Hebron Governorate is estimated at 443,000. The number of disabled persons in the working age group was estimated at 8,000. This number is expected to increase considerably because of disabilities resulting from the Israeli military violence which practiced against the Palestinian people during the recent Intifadah. The street children/youth with special difficulties is another disadvantaged group which needs rehabilitation. It is estimated that about 1700 teenagers leave school annually because of socio-economic pressures and other reasons. The great majority of these school leavers suffer from mild disability, learning and academic problems and/or behavior difficulties which severely effect their integration in their communities, and required intervention to improve their employability skills.

B. PROJECT JUSTIFICATION

1. The Present Situation

Based on the above, 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 not possess the necessary skills. Therefore what ever opportunities they find are restricted to low-paying jobs which require no skills. The same applies to the increasing number of the disabled which continue to mount due to the "Intifadah". This is further aggravated by the presence of only one center with limited capabilities. The result is an automatic exclusion of the young from the labor market and their prevention from contributing to economic development. This will undoubtedly lead to social problems, the burden of which has to be borne by the Ministry of Social Affairs.

As mentioned under the previous section, this project was developed as a result of the ILO Multidisciplinary mission to Palestine during February 2000, and was accorded a priority following discussion with the competent authorities. The project has become particularly more meaningful in view of the increasing number of disabled youth, and those who drop out of schools due to the closure policy which

is practiced by the Israeli forces.

2. Problems to be addressed

Please refer to the above in which a detailed description of the problem situation is provided.

The Project:

Under this project, which will be implemented under an Interagency Agreement between ILO and UNDP/PAPP, UNDP/PAPP will be responsible for the construction of a 2000m² vocational rehabilitation center in Beit Ummar, Hebron, the remaining project activities will be implemented by the ILO.

The center will include the following two components:

- (a) *Center Based Programme* consisting of several training workshops, vocational assessment unit, placement services and basic academic training unit.
- (b) *Community Based Rehabilitation (CBR) programme*. This programme will work for mainstreaming and integrating people with disabilities into the ordinary vocational training programmes and open labor market opportunities. The CBR programme will also implement a US\$ 150,000/- revolving fund to support income generation for people with disabilities. The CBR services under this project may be started immediately if funds become available.

3. Strategies adopted by UNDP

UNDP/PAPP is participating in this project in the light of its emergency response programme, which has, since the beginning of the recent political turmoil in the area, been focusing on emergency relief activities in the Palestinian Territories. UNDP/PAPP has identified several sectors in which short-term assistance can alleviate the immense hardships with which the Palestinian people are currently faced, until long-term solutions are found. The areas of the highest priority for emergency assistance are employment generation in the West Bank and Gaza, support to the health sector, restoration of municipal and social infrastructure and agricultural restoration and rehabilitation.

Labor intensive development projects implemented by UNDP/PAPP are designed to mitigate the overall unemployment situation existing in the West Bank and the Gaza Strip, where for many families, the primary bread-winners used to be employed in Israel. The projects that UNDP/PAPP implements or participates in target sectors with potential to absorb high numbers of laborers, prioritizing the interventions in accordance with the following considerations: the sustainability of the activities selected, constraints (such as lack of materials in Gaza) presently impeding the work and production cycle, the priority areas identified by the Palestinian Authority and equitable distribution of works to reach the most severely hit sectors.

Secondly, the difficulties encountered by the Palestinian health sector in dealing with this massive increase in patients needing care is compounded by the closures and curfews imposed on the territories, which have had a severe debilitating effect on the ability of emergency aid and health care workers to operate and provide services. In response to this crisis situation, UNDP/PAPP has formulated emergency relief projects that address four main areas within the health sector: medical relief, emergency mental health care, long-term care for the permanently disabled and employment generation.

In this respect the current project will contribute to the health sector through providing a facility for the rehabilitation of people that were injured during the recent "Intifadah", but also through using labor intensive methods the project will generate a maximum number of working days for the inhabitants of Hebron.

4. Expected End of Project Situation: Benefits to the Community

The UNDP component of the project will have the following outputs:

- A Modern vocational rehabilitation center of 2000 M2.
- Employment opportunities will be created on short and long-term basis.

The overall project's main outputs will include the following:

- Community based vocational rehabilitation programme.
- Vocational guidance and counseling services.

- Revolving fund for income generation activities.
- Trained vocational rehabilitation personnel.

5. Target Beneficiaries

Disabled Persons and Youth with Special Needs will be the target beneficiaries of this project. Both groups are generally known for their low academic and vocational skills. Also, the Ministry of Social Affairs will benefit from the project. Hence, a number of national staff members will be trained. Accordingly, it is expected that the quality and geographical coverage of the vocational rehabilitation services provided by the Ministry will be improved. Furthermore, through the adoption of labor intensive methods the project will provide employment opportunities to the inhabitants of Hebron.

6. Project Strategy and Institutional Arrangements

The first phase of the overall project will be implemented by the UNDP/PAPP, in close cooperation with the ILO. The ILO will be responsible for all coordination with the Ministry of Social Affairs in defining exact needs and priorities.

UNDP/PAPP staff will carry out the overall monitoring and supervision of the construction activities under Phase I of the project. The engineering designs and tender documents will be prepared by the UNDP/PAPP Engineering Division. UNDP/PAPP will undertake the tendering and awarding of contracts. The construction will be undertaken by Palestinian contractors and supervised by UNDP/PAPP engineers. The procurement of needed materials and equipment for the construction will be carried out by the UNDP/PAPP according to standard UNDP procedures.

As an executing agency of the overall project, the ILO will assume full responsibility for the implementation, supervision and technical backstopping of all the project's activities. The project will be administered by the ILO Multi Advisory Team at the Regional Office for Arab States, using existing and established ILO procedures for trust-fund for technical assistance activities, including the preparation of periodic financial and progress reports required by the donor. For implementation, the Multi Advisory Team and the Regional Office for Arab States will draw upon their personnel resources and other technical resources available from technical departments of the ILO.

Given the limited resources of the Palestinian Authority, the ILO will be responsible for the establishment of the center and for its administration for a period of thirty months after its operation. During the operation period, the ILO will prepare for a gradual transfer of the administration of the center to the national authority, while up-dating the donor regularly on its progress, consulting with it when the need arises, and presenting yearly reports.

An advisory committee will also be established consisting of representatives from the Ministry of Social Affairs, the social partners and other interested parties. The project will also seek expertise in the fields of physical, functional and medical therapy from NGOs with interest in these areas.

The project's implementation will spread over (48) months divided into two phases as follows:

Phase I (18 months):

This 18-month phase will be devoted for the design and construction of the premises, which will be implemented by UNDP/PAPP. The ILO will perform procurement of the necessary equipment for the training workshops. The CBR component will be started during the first 3 months. Recruitment of the national professionals will be completed by ILO during the last 6 months of this phase.

Phase II (30 months):

This 30-month phase is the operational phase, which will be fully implemented by ILO, where the center based services will be provided for target beneficiaries and where training of national staff will be intensified.

7. Reasons for Assistance by UNDP

Several reasons recommend this Programme for support by UNDP and the international donor community. The first of these is the very high priority which the Palestinian National Authority and all other agencies

associated with the Peace Process place on the expansion of employment opportunities in the Palestinian expanded self ruled areas and visible improvement in the quality of life throughout the area.

Progress is being made in these directions through the projects currently underway in the Gaza Strip, but these efforts have to be extended now to cover the West Bank specifically the rural areas which continue to live in great poverty and below standard basic services. Even greater efforts are needed to improve living conditions more quickly if the situation is not to get out of hand.

A second reason for UNDP support is the close bearing, which the objectives of this project have on major themes of concern to UNDP, both in Palestine and worldwide. These are as follows:

(a) **Poverty Alleviation:** Poverty means much more than low-incomes and lack of money. Fundamentally it means poor living conditions; inadequate housing; being forced to live in polluted areas; being deprived of essential services such as vocational training and rehabilitation for people with low education and disabilities. The direct aim of the project is to lay the foundation for the alleviation of these conditions for the inhabitants of Hebron area, while simultaneously increasing family incomes through employment on socially useful projects.

(b) **Human Development:** This is now a major objective of all UNDP activities and is not possible in the area unless poverty is alleviated, and the conditions in which people are living are vastly improved. It is also sometimes overlooked that there is an important psychological requirement for human development. People cannot develop their capacities fully unless they have basic peace of mind, a sense of security, freedom from fear of violence and crime and a sense of social stability.

8. Counterpart Support Capacity

This project will be implemented jointly by the ILO and UNDP/PAPP. The ILO will act as the facilitator, coordinator and supervisor of the project. Through contribution from His Highness Sheikh Khalifa Ben Zayed Al-Nahyan, the Crown Prince of Abu Dhabi, the ILO has been executing a Vocational Rehabilitation Center in Nablus-Palestine in collaboration with the Ministry of Social Affairs. This center is the only truly vocational rehabilitation programme in Palestine. The ILO is the only organization with the experience of the establishment of a vocational rehabilitation center and thus the most suitable partner for UNDP/PAPP in the project.

9. Coordination Arrangements

UNDP will ensure all project activities that will be implemented by UNDP/PAPP under Phase I of the overall project are fully coordinated with the ILO. In addition the ILO will be responsible for the coordination of the project activities with the Ministry of Social Affairs, Community Representatives and other national and international organizations and donors implementing projects of similar nature. Such coordination will be ensured through regular meetings, to monitor project's implementation, as well as special meetings to evaluate project outcomes and impact.

C. DEVELOPMENT OBJECTIVE

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

D. IMMEDIATE OBJECTIVES, OUTPUTS AND ACTIVITIES

The immediate objective of the overall project is to provide for disabled youth and youth with special education needs a fully operational vocational rehabilitation center, which will provide training and rehabilitation programs.

(See table on the following page)

□ PRIVATE □ □ Outputs	Activities	Responsible Agency
(a) Establishment of a fully operational modern and fully equipped center for vocational rehabilitation	a.1 The design of a building that fulfills all the required needs for an operational vocational rehabilitation center	UNDP/PAPP
	a.2 The construction of the vocational rehabilitation center	UNDP/PAPP
	a.3 The procurement of all equipment for the center	ILO
(b) A Community Based Vocational Rehabilitation Programme including revolving fund for income generation loans have become operational.	b.1 The development of the vocational rehabilitation programme	ILO

E. INPUTS

The Ministry of Social Affairs will provide the project with the necessary land plot for the construction of premises. The total area of the land will be around 6000m².

Being the executing agency, ILO will make available to the project the expertise of its personnel and the services of outside consultants if the need arise.

UNDP/PAPP will make available its staff from as well Programming as Engineering Units and all administrative services needed for the successful implementation of all construction activities under Phase I of the project.

The project's budget made available by the ILO for implementation of all construction activities under Phase I by UNDP/PAPP amounts to US\$ 835,380.

The contribution of the ILO for project activities implemented by UNDP/PAPP will be disbursed as follows:

Activity	Donor Input in US\$
Design and site supervision (including site engineer for 12 months at US\$ 1,250/month)	50,000
Construction Works	723,500
Project Activities Total	773,500
UNDP Support Cost @ 8%	61,880
Project Total	835,380

The funds will be disbursed by UNDP under the terms of the Inter Agency Agreement with the ILO.

F. RISKS

- Unrest in the political situation such as closures of the areas might delay the realization of the project activities.

G. PROJECT REVIEW, REPORTING AND EVALUATION

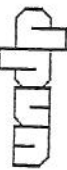
- UNDP will
- Provide the ILO with project work plans.
 - Prepare biannually financial and operational progress reports to be submitted to the ILO.
 - prepare any additional report, as requested by the Donor.
 - prepare a comprehensive terminal report not later than six months after project completion.
 - Prepare a final financial statement within twelve months after the date of expiration or termination of the Agreement between the ILO and UNDP.



Main Source of Funds: 53 - UNDP/PAPP Trust Funds
Executing Agency: UNOPS - UNDP Office for Project Services

Budget "A"

SBLN	Description	Implementing	Funding	Total	2001	2002	2003	2004
010.	PERSONNEL							
017.	National Consultants	UNOPS						
017.01	Site Engineer			Net Amount AOS Total		15,000 1,200 16,200		
017.99	Line Total			Net Amount AOS Total		15,000 1,200 16,200		
019.	PROJECT PERSONNEL TOTAL			Net Amount AOS Total		15,000 1,200 16,200		
020.	CONTRACTS							
021.	Contract A	UNOPS						
021.01	Designs			Net Amount AOS Total		35,000 2,800 37,800		
021.02	Subcontracts			Net Amount AOS Total		720,000 57,600 777,600		
021.99	Line Total			Net Amount AOS Total		755,000 60,400 815,400		
029.	SUBCONTRACTS TOTAL			Net Amount AOS Total		755,000 60,400 815,400		
050.	MISCELLANEOUS							



Main Source of Funds: 53 - UNDP/PAPP Trust Funds
 Executing Agency: UNOPS - UNDP Office for Project Services

SBLN	Description	Implementing	Funding	Total	2001	2002	2003	2004
053.	<i>Sundries</i>							
053.01	Miscellaneous	UNOPS		3,500		3,500		
				280		280		
				3,780		3,780		
053.99	<i>Line Total</i>			3,500		3,500		
				280		280		
				3,780		3,780		
059.	MISCELLANEOUS TOTAL			3,500		3,500		
				280		280		
				3,780		3,780		
099.	BUDGET TOTAL			773,500	0	773,500	0	0
				61,880	0	61,880	0	0
				835,380	0	835,380	0	0



Main Source of Funds: 53 - UNDP/PAPP Trust Funds
Executing Agency: UNOPS - UNDP Office for Project Services

SBLN	Donor	Funding	Total	2001	2002	2003	2004
999.	NET CONTRIBUTION						
		Net Contrib.	773,500	0	773,500	0	0
		AOS	61,880	0	61,880	0	0
		Total	835,380	0	835,380	0	0

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Reference: PAL/01/MO1/UAE

9 November, 2001

INTER-AGENCY AGREEMENT

Between

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

AND

THE INTERNATIONAL LABOUR ORGANIZATION

WHEREAS:

The United Nations Development Programme / Programme of Assistance to the Palestinian People (hereinafter referred to as "UNDP/PAPP") and the International Labour Organization, (hereinafter referred to as "ILO") have on the basis of their respective mandates, a common aim in the furtherance of sustainable human development;

The ILO has been entrusted by its donors with certain resources to be allocated for programs and projects, and is accountable to its donors and to its Executive Board for the proper management of these funds and can, in accordance with the ILO Financial Regulations and Rules, make available such resources for cooperation in the form of a Project;

The ILO is committed to the principles of participatory sustainable human development and development cooperation, has demonstrated the capacity needed for the activities involved, in accordance with the UNDP/PAPP requirements for management; is apolitical and not profit-making;

The ILO and UNDP/PAPP agree that activities shall be undertaken without discrimination, direct or indirect, because of race, ethnicity, religion or creed, status of nationality or political belief, gender, handicapped status, or any other circumstances:

THEREFORE

The ILO and UNDP/PAPP hereby agree as follows:

Article I. Definitions

For the purpose of the Agreement, the following definitions shall apply:

- (a) 'Agreement' shall mean the present Project Inter-Agency Agreement, and shall include The Project Document, hereto attached as Annex I.

Approved by Director
[Signature]
Date: 10/10

[Signature]

- (b) 'Authority' shall mean the Palestinian Authority;
- (c) 'Expenditure' shall mean the sum of disbursements made and valid outstanding obligations incurred in respect of goods and services rendered in connection with the implementation of the Project;
- (d) '*Force majeure*' shall mean acts of nature, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force;
- (e) 'ILO' shall mean the International Labour Organization a specialized organ of the United Nations, created independently and recognized by the General Assembly of the United Nations, represented by the International Labour Office;
- (f) 'Income' shall mean the interest on the Project funds and all revenue derived from the use or sale of capital equipment, and from items purchased with funds provided by the ILO or from revenues generated from Project outputs;
- (g) 'Parties' shall mean ILO and UNDP/PAPP;
- (h) 'Project' shall mean the activities to be implemented by UNDP/PAPP on behalf of the ILO, which are more fully described in the Project Document;
- (i) 'Project Document' shall mean the ILO project document: PAL/01/M01/UAE 'Establishment of Sheikha Fatima Rehabilitation Centre', which describes the activities that will be implemented in the Palestinian Territories by UNDP/PAPP;
- (j) 'Project Personnel' shall mean the agents, employees, contractors or other persons recruited at the international and local levels by UNDP/PAPP in consultation with the ILO, to perform tasks in connection with the implementation of the Project;
- (k) 'UNDP' shall mean the United Nations Development Programme, a subsidiary organ of the United Nations, established by the General Assembly of the United Nations;
- (l) 'UNDP/PAPP' shall mean the United Nations Development Programme/ Programme of Assistance to the Palestinian People;
- (m) 'Works' shall mean activities and services to be performed by UNDP/PAPP in accordance with the Agreement.

Article II. Objective and Scope of the Agreement

1. The Agreement sets forth the general terms and conditions of cooperation between the Parties for the performance of the Works.
2. The Parties agree to join efforts and to maintain close working relationships in order to fulfil the objectives of the Project.

Article III. Duration of the Agreement

1. The Works shall commence on 30 November 2001 and be completed on 29 November 2002.
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 herein is necessary for the termination of project activities, that 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 IV. General Responsibilities of the Parties

1. The Parties agree to carry out their respective responsibilities in accordance with the provisions of the Agreement, and to implement the Project in accordance with UNDP/PAPP and the ILO policies and procedures as set out in the UNDP/PAPP and the ILO Programming Manuals.
2. Each Party shall communicate to the other Party the name and contact details of the official or unit assigned the ultimate authority and responsibility for the Project.
3. The Parties shall inform each other of all activities pertaining to the Project and shall hold monthly consultations in order to review the Work Plan and Budget of the Project. Should circumstances arise which may influence the status of either Party in the Palestinian territories or which may affect the implementation of the Project, the Parties shall meet more frequently, as required.
4. The Parties shall cooperate with each other in obtaining any licenses and permits required by local laws for the implementation of the Project. The parties shall also cooperate in the preparation of any reports, statements or disclosures which are required by the local law.
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 representatives designated pursuant to paragraph 2 herein.
6. The ILO General Coordinator in the West Bank and Gaza will be responsible for initiating daily contacts with the relevant local authorities and UNDP/PAPP on operational matters during the implementation of the Project. The UNDP/PAPP Special Representative will act as the principal channel for communicating with the ILO regarding the activities under the Agreement unless otherwise agreed by the Parties and the Authority.
7. The UNDP/PAPP Special Representative will facilitate the ILO's access to information, advisory services, technical and professional support available to UNDP/PAPP and will assist the ILO to access the advisory services of other United Nations organizations, whenever necessary.
8. The Parties shall cooperate in any public relations or publicity exercises which may be deemed appropriate or useful by both Parties.

Article V. Personnel Requirements

1. UNDP/PAPP shall be fully responsible for all actions or omissions of Project Personnel.
2. Project Personnel shall not be considered as the employees or agents of the ILO.
3. The ILO shall not be liable for death, bodily injury, disability, damage to property or other hazards suffered by Project Personnel arising out of or in any way connected with the performance of the Works.
4. UNDP/PAPP shall be responsible for ensuring the provision of adequate medical and life insurance for 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 meet the highest standards of qualification and technical and professional competence necessary for the satisfactory performance of the Works.

VI. Special Conditions

1. UNDP/PAPP shall conform to all applicable laws and regulations of the country concerned and respect the International Labour Standards of the ILO. In particular, UNDP/PAPP 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 organize;
 - (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, color, sex, religion, political opinion, national extraction or social origin.
2. UNDP/PAPP shall ensure that wages are paid in legal tender in full and directly to the workers concerned.
3. UNDP/PAPP shall ensure that the wages of the Project Personnel, their hours of work and other labour conditions including social security are at least as favorable as those established for work of the same character in the trade or industry concerned in the area where the Works are performed.

Article VII. Terms and Obligations of Project Personnel

1. UNDP/PAPP undertakes to be bound by the terms and obligations specified below, and shall accordingly ensure that the Project Personnel comply with these obligations:
 - (a) The Project Personnel shall be under the direct charge of UNDP/PAPP and shall neither seek nor accept instructions relating to the performance of the Works from any authority external to UNDP/PAPP;
 - (b) The Project Personnel shall refrain from any conduct that would reflect adversely on the United Nations or the ILO and shall not engage in any activity which is incompatible with the respective mandates of both the ILO and UNDP/PAPP;
 - (c) Subject to the requirements outlined in the document "UNDP/PAPP Public Information Disclosure Policy", information that is considered confidential shall not be disclosed for profit or without the authorization of UNDP/PAPP.

Article VIII. Financial and Operational Arrangements

1. The ILO shall make available to UNDP/PAPP, funds in the maximum amount of US\$ 835,380. (USD Eight hundred thirty five thousand three hundred and eighty). These funds shall be used exclusively for the implementation of the Project activities described in the budget summary in Annex II and shall also cover at a flat rate of 8%, the managerial and support services and administrative and operational support to be provided by UNDP/PAPP as described in Annex III.
2. Upon signature of the Agreement, the ILO shall deposit the funds referred to in paragraph 1. herein to account # 015-0-02284 at the Chase Manhattan Bank, United Nations Office, New York, N.Y. 10017. The deposit shall state the UNDP/PAPP Project Reference, PAL/01/J22/53/31 and the ILO Project Reference, PAL/01/MO1/UAE.
3. The funds shall be paid in four installments as follows:
 - First Installment: US\$. 200,000. - to be effected within two weeks following the signature of the Agreement;
 - Second Installment: US\$. 200,000. - to be effected following the ILO's acceptance of the UNDP/PAPP's financial and technical progress report indicating the satisfactory completion of at least 20% of the construction work;
 - Third Installment: US\$. 200,000. - to be effected following the ILO's acceptance of the UNDP/PAPP's financial and technical progress report indicating the satisfactory completion of at least 45% of the construction work;
 - Fourth and Final Payment: The outstanding balance of US\$. 235,380. following the ILO's acceptance of the UNDP/PAPP's progress financial and technical report indicating the satisfactory completion of at least 75% of the construction work.
4. UNDP/PAPP agrees to utilize the funds and any supplies provided by the ILO in strict accordance with the Project Document. UNDP/PAPP shall notify the ILO of any expected

variations in expenditure during the monthly consultations provided for in Article IV, paragraph 3 herein.

5. The ILO shall not be liable for any expenses, fees, tolls or any other financial cost not outlined in the Project Work Plan or Project Budget unless the ILO has expressly agreed in writing to effect corresponding payments prior to the expenditure by UNDP/PAPP.

Article IX. Maintenance of Records

1. 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 the Project, and shall ensure that all such expenditure is in conformity with the provisions of the Project Work Plan and Project Budgets.
2. UNDP/PAPP shall maintain all records for a period of at least four years following the completion of the Project or the termination of the Agreement, unless otherwise agreed upon between the Parties.


Article X. Reporting Requirements

1. UNDP/PAPP shall provide the ILO with periodic reports on the progress, activities, achievements and results of the Project. UNDP/PAPP shall submit to the ILO a progress report detailing the progress of the Project on a quarterly basis or within such other period as may be agreed by the Parties.
2. Within three months of the completion of the Project or of the termination of the Agreement as per Article XIII herein, UNDP/PAPP shall submit a final progress and financial report on the Project activities.

Article XI. Audit Requirements

1. The funds deposited by the ILO pursuant to Article VIII herein shall be subject to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP. UNDP shall hold the funds in a ledger account and shall provide the ILO with a certified annual statement of the account as of 31 December. Should an audit report of the External Auditors of UNDP to its governing Body contain observations relevant to these funds, a copy of such report and of UNDP's published comments shall be made available to the ILO by the UNDP.

Article XII. Responsibility for Claims



1. UNDP/PAPP shall indemnify, hold harmless, and defend at its own expense, Project Personnel and other persons recruited for the performance of the Works, from and against all suits, claims, demands and liability of any nature and kind, arising from the acts or omissions of UNDP/PAPP or such persons.
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2. UNDP/PAPP shall be responsible for all claims brought against it by its personnel, employees, agents or subcontractors, in connection with the Agreement.

Article XIII. Suspension and Early Termination

1. UNDP/PAPP shall consult with ILO if any circumstances arise that, in the judgment of UNDP/PAPP, interfere or threaten to interfere with the successful completion of the Project or the accomplishment of its purposes. ILO shall promptly inform UNDP/PAPP of any such circumstances that might come to its attention. The Parties shall cooperate towards the rectification or elimination of the circumstances in question and shall exert all reasonable efforts to that end. The Parties shall also cooperate in assessing the consequences of possible termination of the Project on the beneficiaries of the Project.
2. The ILO may at any time after occurrence of the circumstances referred to in paragraph 1. herein, and after appropriate consultations, suspend the Project by written notice to UNDP/PAPP. The ILO may indicate to UNDP/PAPP the conditions under which it is prepared to authorize management of the Project to resume.
3. If the cause of suspension is not rectified or eliminated within 14 days after the ILO has given notice of suspension to UNDP/PAPP, ILO may, by written notice at any time thereafter during the continuation of such cause:
 - (a) Terminate the Project; or
 - (b) terminate the management of the Project by UNDP/PAPP, and entrust such management to another organization. The effective date of termination under the provisions of the present paragraph shall be specified by written notice from the ILO.
4. UNDP/PAPP may terminate the Agreement upon the occurrence of any event that prevents UNDP/PAPP from successfully fulfilling its responsibilities under the Agreement, by providing the ILO with written notice of its intention to terminate the Agreement at least 30 days prior to the effective date of termination if the Project has a duration of less than six months, and at least 60 days prior to the effective date of termination if the Project has a duration of six months or more.
5. Prior to the issuance to the ILO of a written notice of termination referred to in paragraph 4. herein, UNDP/PAPP shall consult with the ILO with a view to eliminating the impediment, and shall give due consideration to proposals made by the ILO in this respect.
6. Upon receipt of a notice of termination by either Party under the present Article, the Parties shall take immediate steps to terminate activities under the Agreement, in a prompt and orderly manner, so as to minimize losses and further expenditure. UNDP/PAPP shall undertake no forward commitments and shall return to the ILO within 30 days, all unused funds, supplies and other property provided by the ILO unless the ILO has agreed otherwise in writing.

Article XIV. Force Majeure

1. As soon as possible after the occurrence of any event constituting *Force Majeure*, the Party affected by such *Force Majeure* shall give the other Party notice and full particulars in
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writing of such occurrence if such Party is thereby rendered unable, in whole or in part, to perform its obligations under the Agreement. The Parties shall consult on the appropriate action to be taken, which may include suspension of the Agreement by the ILO in accordance with Article XIII, paragraph 3 herein, or termination of the Agreement upon the issuance of at least seven days' written notice by either Party.

2. In the event that the Agreement is terminated owing to causes constituting *Force Majeure*, the provisions of Article XIII, paragraph 6 above shall apply.

Article XV. Arbitration

1. The Parties shall try to settle amicably through direct negotiations, any dispute, controversy or claim arising out of or relating to the Agreement, including breach and termination of the Agreement. If these negotiations are unsuccessful, the matter shall be referred to arbitration in accordance with United Nations Commission on International Trade Law Arbitration Rules. The Parties shall be bound by the arbitration award rendered in accordance with such arbitration, as the final decision on any such dispute, controversy or claim.

Article XVI. Privileges and Immunities


1. Nothing in or relating to the Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, UNDP/PAPP or the ILO.

Article XVI. Amendments

2. The Agreement and its Annexes may be modified or amended only by written agreement between the Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have on behalf of the Parties hereto signed the Agreement at the place and on the day below written.

For ILO:

Signature: 

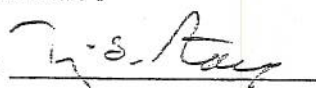
Name: Jean Michel Servais

Title: Director of Operations
For the Arab States

Place: Jerusalem

Date: 12 November 2001

For UNDP/PAPP:

Signature: 

Name: Timothy S. Rothermel

Title: Special Representative

Place: Jerusalem

Date: 12 November 2001

ANNEX II

PROJECT SUMMARY

(a summary of the project activities based on the project document will be provided here)

Budget Summary

	Activity Description	Estimated Budget
1.	Design and site supervision (including site engineer for 12 months at US\$ 1,250/month)	50,000
2.	Construction Works	723,500
	Subtotal Activities	773,500
	UNDP AOS at 8% flat rate	61,880
	Total ILO Contribution	835,380

ANNEX III

Implementation Services to be Provided by UNDP/PAPP

Financial, Execution and Monitoring

- A. Assign a Programme Management Officer (PMO) from amongst its staff working in the Infrastructure and Employment Generation Unit to participate on behalf of UNDP/PAPP in the project execution and monitoring.
- B. Assign a Project Engineer, an Electrical Engineer and a Mechanical Engineer from amongst its staff working in the Engineering department to manage all technical issues related to the project.
- C. Provide procurement services, including purchase, importation and delivery of any equipment, tools and materials when required.
- D. Review existing designs and adapt them to the ILO requirements and the new site location.
- E. If need be, select and contract a qualified local design firm to adapt existing designs or prepare new ones against a clear job description in consultation with ILO.
- F. Prepare tender documents for the required construction works.
- G. Provide the ILO with two copies of the tender documents including priced bill of quantities.
- H. Identify a list of eligible contractors, issue bids to contractors, review offers, and enter into agreement with the winning bidder for implementation.
- I. Supervise and monitor daily construction activities at all stages of the implementation.
- J. Verify the technical quality and cost effectiveness of works undertaken.
- K. Check, approve, and process payment requests to the contractor and suppliers.
- L. 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 plans.
- B. Prepare quarterly 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 not later than six months after completion or termination of project activities.
- E. Prepare a final financial statement within six months after the date of expiration or termination of the Agreement between the ILO and UNDP.

Contracting Procedures

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

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

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