

EUROPEAN UNION CONTRIBUTION AGREEMENT WITH AN INTERNATIONAL ORGANISATION

ENPI/2013/ 322-480

(the "Agreement")

The European Union, represented by the European Commission, (the "Contracting Authority")

of the one part,

and

United Nations Development Programme – Programme of Assistance to the Palestinian People (UNDP/PAPP) with its Head office at:

United Nations Development Programme
One United Nations Plaza
New York, NY 10017 USA, (the "Organisation")

of the other part,

(Individually a "Party" and collectively the "Parties"), have agreed as follows:

Special Conditions

Article 1 - Purpose

- 1(1) The purpose of this Agreement is a contribution by the Contracting Authority for the implementation of the action entitled: "**Safeguarding of Cultural Heritage in the Old City of Jerusalem World Heritage Site**" (the "Action") as described in Annex I.
- 1(2) The Organisation will be awarded the contribution on the terms and conditions set out in this Agreement, which complies with the provisions of the Financial and Administrative Framework Agreement between the European Union and the United Nations and consists of these special conditions (the "Special Conditions") and their annexes, including General Conditions.
- 1(3) The Organisation accepts the contribution and undertakes to do everything in its power to implement the Action under its own responsibility.
- 1(4) The Action is a Joint Management Action for all purposes of this Agreement.
- 1(5) The Action is not a Multi-donor Action for all purposes of this Agreement.



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Article 2 – Entry into force, Implementation Period and Execution Period

- 2(1) This Agreement shall enter into force on the date when the last of the two Parties signs.
- 2(2) The implementation period of this Agreement (the "Implementation Period") will begin on:
- 1 July 2013
- 2(3) The Implementation Period, as laid down in Annex I, is **24 months**.
- 2(4) The execution period of this Agreement shall start at the entry into force of this Agreement as provided for in Article 2(1) and shall end at the moment of the payment of the balance by the Contracting Authority in accordance with Article 17 of Annex II or when the Organisation repays any amounts paid in excess of the final amount due pursuant to Article 18 of Annex II. In cases where there is no final payment by the Contracting Authority or final repayment by the Organisation, the end of the execution period shall be the end date referred to in Article 12.5 of Annex II.
- 2(5) Individual contracts implementing the activities under this Agreement shall be signed within 3 years from the date of entry into force of this Agreement.

Article 3 - Financing the Action

- 3(1) The total cost of the Action eligible for financing by the Contracting Authority is estimated at EUR 2.400.000, as set out in Annex III.
- 3(2) The Contracting Authority undertakes to finance a maximum of EUR 2.400.000, equivalent to 100 % of the estimated total eligible cost specified in paragraph 1; the final amount will be established in accordance with Articles 14 and 17 of Annex II.
- 3(3) Pursuant to Article 14.4 of Annex II, 7 % of the final amount of direct eligible costs of the Action to be reimbursed by the Contracting Authority to the Organisation in accordance with Articles 14 and 17 of Annex II, may be claimed by the Organisation as indirect costs.
- 3(4) Interest yield by pre-financing payments is not due.

Article 4 - Narrative and financial reporting and payment arrangements

- 4(1) Narrative and financial reports shall be produced in support of payment requests, in compliance with Articles 2 and 15.1 of Annex II.
- 4(2) Payment will be made in accordance with Article 15 of Annex II; of the options referred to in Article 15.1, the following will apply¹:

¹ "Option 2" details the instalments to be released upon commitment of 70% of the immediately preceding instalment (and 100% of the previous ones). Unless there is an amendment to the budget only the final payment requires recalculation (see FAQ 40).

Option 2

First installment	EUR 1.185.287
Second installment	EUR 1.104.945
Forecast final payment	EUR 109.768

(all subject to the provisions of Annex II)

Article 5 - Contact addresses

Any communication relating to this Agreement shall be in writing, shall state the number and title of the Action, and shall use the following addresses

For the Contracting Authority:

Payment requests and attached reports, including requests for changes to bank account arrangements shall be sent to:

European Commission
Office of the European Union Representative (West Bank and Gaza Strip, UNRWA)
For the attention of the Head of Finance, Contracts and Audit Section
5 George Adam Smith, Sheikh Jarrah - P.O. Box 22207, Mount of Olives, Jerusalem
Tel: +972 2 541 5888
Fax: +972 2 541 5848

Copies of the documents referred to above, and correspondence of any other nature, shall be sent to:

European Commission
Office of the European Union Representative (West Bank and Gaza Strip, UNRWA)
For the attention of the Head of Operations
5 George Adam Smith, Sheikh Jarrah - P.O. Box 22207, Mount of Olives, Jerusalem
Tel: +972 2 541 5888
Fax: +972 2 541 5848

For the Organisation:

UNDP/PAPP
For the attention of the Special Representative
4A, Yaqubi Street
P.O. Box: 51359
Jerusalem 91191
Tel: +972 2 626 8200
Fax: +972 2 626 8222

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Article 6 - Annexes

6(1) The following documents are annexed to these Special Conditions and form an integral part of the Agreement:

- Annex I: Description of the Action
- Annex II: General Conditions applicable to European Union contribution agreements with international organisations
- Annex III: Budget for the Action
- Annex IV: Financial identification form
- Annex V: Standard request for payment

6(2) In the event of a conflict between the provisions of the present Special Conditions and any Annex thereto, the provisions of the Special Conditions shall take precedence. In the event of a conflict between the provisions of Annex II and those of the other annexes, the provisions of Annex II shall take precedence.

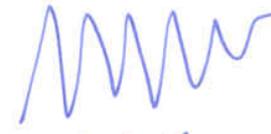
Done in Jerusalem in three originals in the English language, two for the Contracting Authority and one for the Organisation.

For the Organisation

Name Frode Mauring
Position Special Representative of the Administrator - UNDP/PAPP
Signature 
Date 26/6/15



For the Contracting Authority

Name John Gatt-Rutter
Position EU Representative
Signature 
Date 25.6.15



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ANNEX I

DESCRIPTION OF THE ACTION

1 THE CONCEPT

1.1. SUMMARY OF THE ACTION

Title of the action:	Safeguarding of Cultural Heritage in the Old City of Jerusalem World Heritage Site
Location(s) of the action: - <i>specify country(ies), region(s) that will benefit from the action</i>	Old City of Jerusalem, Jerusalem, Occupied Palestinian Territory
Total duration of the action (<i>months</i>):	24 months
Amount of requested EU contribution	EUR 2,400,000
Objectives of the action	<p>Overall objective is: To contribute to the development and protection of Palestinian Cultural Heritage in the Old City of Jerusalem</p> <p>Specific objectives of this project are:</p> <ol style="list-style-type: none"> 1. To contribute towards conservation and restoration of cultural heritage sites in the Old City of Jerusalem; 2. To contribute towards raising awareness of the local community on the importance of the cultural heritage sites in the Old City of Jerusalem by providing them with restored public spaces. and supporting the access to their enjoyability; 3. To enhance local capacities in conservation, rehabilitation and management of historic buildings and sites, as well as providing job opportunities for the short and medium term to young professionals (restoration, tourism and cultural management); 4. To improve the liveability, hygiene standards and environmental conditions in the Old City through the rehabilitation of some public spaces; 5. To contribute towards improving socio-economic conditions of the inhabitants of the Old City by providing tourist services as well as enhancing the quality of housing buildings.
Target group(s)	Palestinians living in the Old City of Jerusalem, and the local population at large.
Final beneficiaries	Palestinian community at large
Estimated results	<ol style="list-style-type: none"> 1. Comprehensive technical studies for selected sites produced; 2. Cultural heritage sites in the Old City restored and used by

	<p>the local community;</p> <p>3. Cultural heritage sites better-preserved and managed by the local community;</p> <p>4. Enhanced tourist, economic and commercial potential opportunities of the Old City.</p>
Main activities	<p>1. Rehabilitation of the Madrasa al-Kilaniyya and relative housing units;</p> <p>2. Rehabilitation of the Hammam al Ayn and Hammam al Shifa;</p> <p>3. Business management plan and training in situ for maintenance and management of the revitalized sites</p>

1.2. RELEVANCE OF THE ACTION

1.2.1. Relevance to the objectives/sectors/themes/specific priorities of the call for proposals

Jerusalem has always been and remains the political, administrative and spiritual heart of the Palestinians. Occupied East Jerusalem is the natural socio-economic and political center for the Palestinian state given its cultural importance, commercial vitality, historical significance, and geographic centrality connecting the northern and southern parts of the Palestinian territories. It is an integral part of the Occupied Palestinian Territory (oPt), as recognized by the international community and relevant United Nations (UN) resolutions. Consequently, there can be no viable Palestinian state without East Jerusalem as its capital.

Only weeks after its occupation of the Palestinian Territory in 1967, Israel unilaterally and illegally expanded the municipal borders of Jerusalem, enlarging occupied East Jerusalem ten-fold to 72 square kilometres or 1.3 percent of the occupied West Bank. The new borders were drawn to incorporate Palestinian agricultural lands from other Districts, such as Ramallah and Bethlehem, while excluding main population centres. During the 1970s, Israel confiscated further Palestinian lands, including developed and agricultural land, to build Israeli settlements in blatant violation of international law. In 1980, Israel adopted the "Basic Law" on Jerusalem, which ratified the annexation of occupied East Jerusalem into Israel. The international community does not recognize this annexation, in line with the UN Security Council Resolution 478. This Resolution rejected the Israeli measures as a violation of the Fourth Geneva Convention and determined that "all legislative and administrative measures and actions taken by Israel, the occupying Power, which have altered or purport to alter the character and the status of the Holy City of Jerusalem, and in particular, the recent 'basic law' on Jerusalem, are null and void".

In line with Palestinian national plans, namely, the National Development Plan (2011-2013) Social and Infrastructure Sector Strategy Objectives, the Strategic Plan of the Ministry of Tourism & Antiquities (MoTA 2010-12), the Strategic Multi Sector Development Plan for East Jerusalem funded by the EU through the Jerusalem Unit of the Office of the President and UNDP/PAPP programming framework "Development for Freedom", UNDP/PAPP in cooperation with MoTA, proceeded to conduct an assessment of the executed works carried out in the 39 buildings and sites identified by the UNESCO "Action Plan for the safeguarding of the cultural heritage of the Old City of Jerusalem" as "conservation and rehabilitation profiles for individual monuments and sites". On that basis MoTA, UNDP/PAPP identified a number of conservation and rehabilitation projects for a period of 24 months and a total budget of USD 5.7 million, as per the activities listed below.

The current project foresees a second and much larger phase of interventions based on the results achieved during the upcoming phase in order to ensure the holistic and sustainable conservation of the historic urban fabric of Jerusalem.

1.2.2. Relevance to the particular needs and constraints of the target country and relevant sectors (including synergy with other EU initiatives and avoidance of duplication)

The rich Palestinian cultural heritage encompasses innumerable archaeological and historical sites, renowned architectural monuments, and typical rural and urban buildings and constructions. Moreover, intangible heritage, including craft-making, oral expressions, performing arts, and traditional knowledge, is part of the national wealth. Yet, many factors threaten the survival and continuity of the cultural heritage in the occupied Palestinian territory. The safeguard and renewal of Palestinian cultural heritage is part of an overall national strategy endorsed in the PNDP to preserve and rebuilt the social cohesion and societal values that have traditionally been, and continue to be, a source of strength of the Palestinian nation.

The occupied Palestinian territory - oPt (West Bank, East Jerusalem, and the Gaza Strip) is exceptional in having approximately 10,000 archaeological sites, of which many of them are internationally-known and recognized. Some of these sites have helped change historical assumptions, perceptions and theories, and added new aspects to international cultural history. Most Palestinian cities, towns and villages have archaeological sites beneath or close to their historic centres that reflect their cultural identity and continuity.

Unfortunately, architectural heritage in the occupied Palestinian territory has faced alarming deterioration, destruction, and negligence, due to the occupation (especially in Area C and East Jerusalem), in addition to lack of resources.

The site of Jerusalem (Old City of Jerusalem and its Walls) was nominated in 1981 as UNESCO World Heritage Site by Jordan; it being agreed at the time that inscription should in no way be regarded as a means for registering political or sovereignty claims by any State. Its subsequent inscription on the List of World Heritage in Danger in 1982 there was a recognition by the World Heritage Committee of the danger to religious properties, threats of destruction following uncontrolled urban development and of the general deterioration of the state of conservation of the city's monuments due to the disastrous impact of tourism and to lack of maintenance.

The safeguarding of the monumental, religious and cultural heritage of the Holy City of Jerusalem has been one of UNESCO's main concerns since 1967 and particularly since its inscription on the List of World Heritage in Danger in 1982. Unfortunately, the architectural heritage of the Christian, Armenian and Muslim Quarters of the Old City is facing alarming deterioration, destruction, and negligence, due to the current situation, in addition to lack of resources.

Over the past ten years, UNDP/PAPP has worked actively in supporting the culture and tourism sectors in the occupied Palestinian territory (oPt) through the restoration/rehabilitation of cultural heritage sites and upgrading of touristic facilities and networks. Through a number of donor-funded programmes, UNDP/PAPP restored and preserved several historical sites in the Old Cities of Bethlehem and Hebron, seven historical and archaeological sites in the northern West Bank, upgraded the Ein es-Sultan Spring in Jericho, restored Al-Basha Palace in Gaza and constructed the Cultural Palace in Ramallah among others, as part of developing cultural infrastructure in the oPt. Moreover, UNDP/PAPP is currently implementing a housing rehabilitation project in the Old City of Jerusalem aims at improving the physical living conditions of the local residents.

Currently, UNDP/PAPP is working within the MDG-Fund Joint Programme for "Culture and Development in the oPt", contributing towards the achievement of MDG 1 (eradicating extreme poverty), MDG 3 (promoting gender equality and empowering women) and MDG 7 (ensuring environmental sustainability), through the promotion of culture, as a venue for development.

Following the preparatory workshop on East Jerusalem to coordinate and create synergies between actions funded by the EU, the project is looking forward to liaising closely with the Bisan Center for Research and Development which just started a project entitled "Economic Development and

Promotion of the Tourism and Cultural Sectors in East Jerusalem" as well as with the Welfare Association which is implementing a "Rehabilitation housing project in the Old City of Jerusalem". Moreover the project will coordinate and create synergies with the 'Hammamed', a three-year project under the EU-funded Euromed Heritage IV programme: in the specific three project staffs will be offered with study-tours to two revitalized hammams in Morocco and Turkey.

1.2.3. Describe and define the target groups and final beneficiaries, their needs and constraints and how the action will address these needs

The population of East and West Jerusalem number 796,600, of which Palestinians accounted for 35 percent, or 281,800, in 2010. According to the Palestinian Central Bureau of Statistics (PCBS) in 2009, the Palestinian population in Jerusalem was estimated to be 368,394. The Jerusalem Governorate includes two refugee camps, one internal (Shufat) and one external (Qalandia) to the municipal boundaries, with an approximate population of 14,600 people. Palestinians under the age of 24 years consist of approximately 54.8 percent of the population, with 46.7 percent under the age of 19.¹⁶ The composition of the Palestinian population in East Jerusalem raises several issues that need to be taken into consideration. The high percentage of young people signifies the population growth rate is likely to increase in the future. It also indicates an increasing number of young people entering the labour market, as well as an increasing demand for housing and public services.

As the traditional historical, economic, religious and cultural centre of oPt Jerusalem's isolation from its hinterland is contributing to its atrophy with a range of economic consequences. Like all aspects of life in East Jerusalem, the economy is heavily influenced by the overall legal and political situation, especially the repressive policies and measures imposed by Israel on Palestinian Jerusalemites.

The Israeli policies and measures have forced Palestinians in East Jerusalem to depend on the Israeli system of services which is based on ethno-national affiliation with approximately 8-12 percent of the municipal budget services allocated to Palestinian Jerusalemites who comprise, according to Israeli statistics, 35 percent of the total population. In addition, deliberate and discriminatory actions against the Palestinian population continue and include, inter alia:

1. Land expropriation;
2. Construction of settlements in and around Jerusalem with recent developments in the Old City and its environs;
3. Construction of settlement roads and infrastructure;
4. Building restrictions;
5. Destruction and confiscation of homes;
6. Lack of adequate public and social infrastructure;
7. Prejudicial land and zoning laws and regulations;
8. Severe closures coupled with the erection of the Separation Wall, deviating from the 1949 armistice line, which facilitates further settlement expansion and severely impacts the daily lives of Palestinians;
9. Lack of consideration for the environment and natural resource degradation;
10. ID card confiscation;
11. Changing residency rights and permits.

All this results in a chronic public and social infrastructure shortage, and constrains access to employment, schooling housing and public services amongst which cultural sites/places in addition to

other ramifications, thus affecting the overall enjoyment of a normal social life as well as the basic right of the Palestinians to a decent existence. Based on the above, this project proposal is addressing the needs and constraints of the local target groups and final beneficiaries by preserving and reaffirming the livability of the Palestinian cultural sites in the Old City of Jerusalem and by providing social and public services (housing and cultural places) as well as stimulating the socio-economic development of the inhabitants community through the planning of new viable business opportunities.

1.2.4. Particular added-value elements

In order to ensure the promotion of internationally agreed goals and of international norms and standards as part of its development programming, UNDP has aimed to incorporate the following principles throughout this initiative in the Old City of Jerusalem: environmental sustainability, human rights based approach, gender equality and women's empowerment, capacity development, and results based management. In addition, the following issues were also identified to be of particular relevance for the implementation of the project: refugees' protection, youth, children, people with disabilities, social protection, regional disparities, conflict sensitivity, and transition from humanitarian assistance to development.

It is also worth to mention that a particular added-value element for this project in East Jerusalem is the implementation through the United Nations agencies.

A strengths-weaknesses-opportunities-threats (SWOT) analysis carried out with UN agencies, complemented by individual interviews of UN partners, yielded the following main strengths which are vital for such important project to be implanted in the core of the Old City of Jerusalem:

1. **Impartiality.** It is recognized that the UN agencies do their best to work with all parties within the prevailing context of Israel's occupation of the oPt and are "honest brokers". This perception is stronger in the West Bank. The PA ministries, donors, and civil society generally view UN agencies as trustworthy.
2. **Human rights and advocacy.** The work of UN agencies is guided by the promotion of international norms and conventions and internationally agreed goals. Collectively, UN agencies gain force when unifying their message.
3. **In-depth field knowledge and potential leveraging power.** Because the UN has been operating for a long time in the oPt, and it covers a range of social, economic and other sectors both at the grass-root and at the national level, the UN has accumulated an in-depth collective knowledge of the local social, humanitarian, political, cultural and economic situation in the oPt.
4. **Coordination and convening power.** UN agencies have well established inter-agency coordination mechanisms. The UN's clout (brand recognition) and convening power can also be used in support of development interventions by other stakeholders. The UN has a relatively stable set of agencies. The coordination amongst UN agencies active in the oPt is seen as having improved in recent years.
5. **Technical competence.** In general, UN agencies are appreciated for their technical expertise and their ability to bring regional and global knowledge. The complementarity of their mandates and their ability to work beyond existing obstacles, provide the collective of agencies a comprehensive and specialized know-how which can be of benefit.

1.3. DESCRIPTION OF THE ACTION

The project outcome is to contribute towards a developed and protected Palestinian cultural heritage in the Old City of Jerusalem.

As mentioned in the Section 1.1 above, the specific objectives of this project are to contribute towards conserving and restoring of cultural heritage sites, as well as raising awareness of the local community regarding the importance of the cultural heritage sites in the Old City of Jerusalem by providing them with restored public places (museums, sites, etc.). Moreover, the project will reinforce the local capacities in conservation and rehabilitation of historic buildings and sites, as well as providing job opportunities for the short and medium term to young professionals (restoration, tourism and cultural management) improving socio-economic conditions of the inhabitants of the Old City.

Key stakeholders were contacted and consulted during the planning phase of the project in order to get their comments and endorsement to the project proposal. Specific key stakeholders are: Palestinian Ministry of Tourism and Antiquities, Islamic Waqf, Al-Quds University, Jerusalemites and Palestinians at large.

Foreseen activities – which will be implemented over 24 months - are namely the rehabilitation of the Madrasa al-Kilaniyya, the rehabilitation of the Hammam al Ayn and Hammam al Shifa and the business management plan and training in situ for maintenance and management of the revitalized sites.

2 THE ACTION

2.1. BUDGET OF THE ACTION, AMOUNT REQUESTED FROM THE CONTRACTING AUTHORITY AND OTHER EXPECTED SOURCES OF FUNDING

See in Annex III of the Contract the following information:

- the budget of the action (worksheet 1), for the total duration of the action and for its first 12 months;
- justification on the budget (worksheet 2), for the total duration of the action and,
- amount requested from the Contracting Authority and other expected sources of funding for the action for the total duration (worksheet 3).

2.2. DESCRIPTION OF THE ACTION

2.2.1. Description

In line with the above mentioned overall objective and specific objectives, the expected results will be:

1. Comprehensive technical studies for selected sites produced;
2. Cultural heritage sites in the Old City restored and used by the local community;
3. Cultural heritage sites better-preserved and managed by the local community;
4. Enhanced tourist, economic and commercial potential opportunities of the Old City

Specifically the foreseen activities will be:

1. Rehabilitation of the Madrasa al-Kilaniyya

1.1 Significance and current status

The building – owned by the Islamic Waqf – is a very fine example of Mamluke religious architecture, situated in the Muslim Quarter, in the central section of Bab Silsila near one of the main entrances to the Haram es-Sharif. The typology of the madrasa (school) is enriched by the presence of a turba (Islamic funerary building), and the main facade is one of the most distinguished in the

neighbourhood. The building is seriously threatened in its architectural integrity by additions and damages to its precious stonework, which reflect an overall condition of decay due to its present usage as an overcrowded housing complex. Its rehabilitation would address the major social issue of improving housing conditions of the resident families (there are 10 housing units), and may become the opportunity to raise awareness and develop participation and ownership in the neighbourhood community, in particular on the conservation of the sites. A conservation and rehabilitation project is needed in order to preserve its historic architectural features along with the improvement of the living conditions of the resident population. This should be intended as a “model project”, with an emphasis on housing and a multiplier effect on the Bab Silsila residential neighbourhood.

1.2 Proposed Conservation Interventions

A detailed technical and architectural survey and an assessment of the building state of conservation are needed, in order to identify the conservation interventions to be undertaken. However, based on the evidence observed during the visits, the following can be proposed as for the restoration of the stone work:

- Pre-consolidation of the stone surfaces affected by de-cohesion or desegregation;
- Remove of salt marks;
- Improvement of all coat plaster surfaces affected by the presence of sulphate salts;
- Removal of waste material;
- Removal of the plasterworks and fillings made with inconsistent cement mortar;
- Removal of inconsistent additions on the street facade;
- Stonework cleaning.

In line with the UNESCO Action Plan’s proposed intervention of adaptive reuse, the project will seek to improve the housing conditions of the resident population, to be maintained in the building, whilst ensuring the conservation of the building fabric and particularly the restoration of the Mamluke architectural and decorative elements in danger. In this process, the present housing units could be reorganised in order to fit better with the historic building typology, whilst improving the access to the turba from the street.

2. Rehabilitation of the Hammam al Ayn and Hammam al Shifa

2.1 Significance and Current Status

The buildings – owned by the Islamic Waqf and rented to the Al Quds University - are located in Suq al-Qattanin (Market of Cotton Merchants): a huge commercial centre comprising a long covered market street with shops on either side and monumental entrances at each end (one to Haram Al Sharif Compound), living quarters above the shops, the two public bath-houses known as Hammam al-Shifa (the Bath of Healing) and Hammam al-Ayn (the Bath of Spring) and a khan or caravanserai.

The plans of these bath-houses, derived from the Roman baths, varied little in the Mamluke period. Latrines were generally isolated from the changing room by a long passageway. From the changing room bathers progressed through cold and warm rooms to the hot room. The bathing rooms were roofed by domes perforated with little circular windows through which shafts of light penetrated the steamy atmosphere. Next to the hot room, water was heated in a boiler room which, along with its associated fuel store, had a separate service access. Both bath houses connected with Suq al-Qattanin have this sequence of rooms, but their disposition varies in each.

The buildings are seriously threatened in its architectural integrity by damages to its precious structure, which reflect an overall condition of decay due to their disuse. Their rehabilitation would also contribute to the preservation of the identity of the urban culture since the hammam is part of the collective memory in the Arab Islamic world and specifically of the Old City of Jerusalem: it is an architectural legacy and a living cultural heritage and as such it combines tangible and intangible heritage; it is well embedded in urban communities, filling an important role for neighbourhoods.

A conservation and rehabilitation project is needed in order to preserve their historic architectural features along with the improvement of the living conditions of the resident population since the two hammams were playing an integral role in public life: a place serving multiple purposes – hygienic, social and religious.

While one hammam will be restored to be used as a cultural centre for the Al-Quds University, the other will be brought back to life, and make it work again within its historical and social context: the project is aiming at bringing people back to the hammam, especially young people, reconnecting the building with its unique social function in the neighbourhood.

2.2 Proposed Conservation Interventions

A detailed technical and architectural survey and an assessment of the buildings' state of conservation are needed, in order to identify the conservation interventions to be undertaken.

In line with the UNESCO Action Plan's proposed intervention of adaptive reuse, the project will seek to address the physical restoration, the sustainability of hammams as a viable business operation, while at the same time to re-establish their role as a meeting place in the neighbourhood.

3. Business management plan and training in situ for maintenance and management of the revitalized sites

A capacity-building component is vital to current and future interventions in the field of cultural heritage preservation and maintenance in the Old City of Jerusalem, and the oPt more in general.

A specialized on-the-job seminar training will be devised through the implementation of the identified conservation interventions: Technical training will be a major component for the technical staff involved in the implementation of the project and in the subsequent management of the sites; and tailored management, communication and business orientation trainings will be designed for the Al Quds University staff in order to explore viable business opportunities for the newly restored historical spaces.

The component of capacity building on management and business orientation training will be developed building on a SWAT analysis of the real possibilities of the local context. The aim is to bring the involved staff in the drafting of a business model and a business plan for short and long-term strategies and actions. The team will benefit also from the sharing of good practices through exchanges or informal workshops which include the participation of hammam managers from other regions.

The capacity-building component will ensure the sustainability of the project, and will equip local professionals with the needed knowledge and expertise to take part in future interventions as well as maintenance of the current ones, therefore strengthening the ownership and reinforcing the sense of community.

2.2.2. Methodology

The funding relation between the UNDP and the EU is governed by the 2003 Financial and Administrative Framework Agreement (FAFA). UNDP/PAPP will work in close coordination with the MoTA. The project will be managed by the Infrastructure & Engineering Unit (I&E) of UNDP/PAPP.

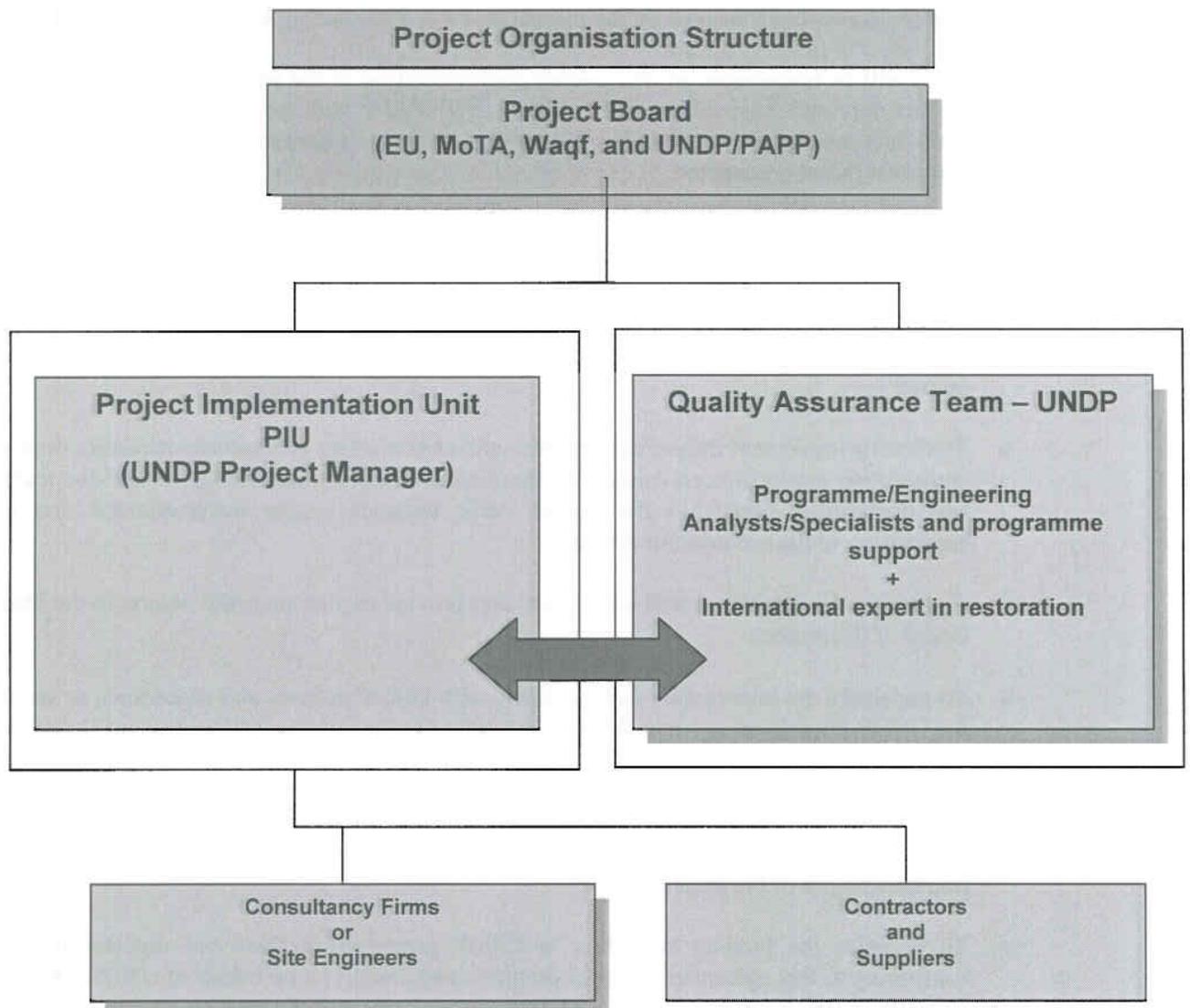
UNDP/PAPP will be responsible for the overall implementation of the project. In particular, availing of the Infrastructure and Engineering (I&E) Unit, UNDP/PAPP will design, implement and monitor the proposed interventions. UNDP/PAPP will be responsible for regular and final reporting to the EU, according to established procedures.

Specific responsibilities of UNDP/PAPP

UNDP acts as the Designated Institution for the Project responsible thereafter for the following:

- The establishment and administration of the Project, achievement of Project outcomes and output;
- To directly implement the project activities and ensure safety and security measures during the construction works in accordance with the local practice and standards; To lead the technical and operational aspects of the project while ensuring proper documentation and upper supervision of the construction works;
- To prepare the project overall work-plans and provide regular progress reports to the Steering Board of the project;
- To undertake the intervention in accordance with UNDP policies and procedures as set out in the UNDP Programming Manual and in the 2004 EU Project Cycle Management Guidelines;
- To appoint competent staff and experts for the quality assurance of the project including an international expert in restoration/rehabilitation and architectural construction which will provide a technical support on ad-hoc bases (approx. 60 days in total) during the implementation of the project;
- To organize the bidding according to UNDP procurement rules and regulations, and in conformity to this agreement, sign the contract with contractor on behalf of UNDP/PAPP;
- To provide upper supervision responsibilities of the implementation and management of the project;
- To review and approve the project design schemes;
- To submit the request for fund disbursement to the EU in line with the progress of the work and disbursements, and assure the funds are utilized as per the Project Document;
- To provide monitoring, quality assurance and quality control of the implementation activities and use of fund in accordance with the regulations, rules procedures and directives of UNDP, maintain separate financial records, and submit the operational and financial progress to the Donor on a quarterly basis;
- Upon the completion and internal check and acceptance of the project, submit the related report for final as-built acceptance by the EU.

EU



The project supervision will be undertaken by UNDP proposed team while the final evaluation will be undertaken by an external consultant/firm.

On-line bi-weekly meetings will be held among teams and experts involved to evaluate the undertaken works, and contribute inputs to the intermediate reports, including:

- Progress of the project in terms of the timeframe and expected outcomes;
- Quality of the completed work and areas to be improved;
- Obstacles and problems during the previous phase, reasons and solutions;
- Unexpected outcomes and their effects on the project in the next stage;
- Feasibility of the work plan, and necessary modification of the plan;
- Potential difficulties and possible solutions.

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- Project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Annually

Annual Review Report. An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.

Annual Project Review. Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

A comprehensive terminal report and a final financial statement will be prepared within six months after the end of the implementation period.

Moreover a visibility plan will be developed in line with the “Communication and Visibility Manual for EU External Actions” and the “Joint Visibility Guidelines for EC-UN Actions in the Field” in order to ensure that UN actions funded by the European Union (EU) incorporate information and communication activities designed to raise the awareness of specific or general audiences of the reasons for and impact of the UN-EU cooperation, and identify EU support for the action in the oPt, as well as the impact of this particular project in the Old City of Jerusalem. On top of general communication activities, the plan also foresees a final conference presenting the results of the project along with a publication, and a comprehensive historic study/research on the Hammam Al Shifa, Hammam Al Ayn and Madrasa Al Killaniya.

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2.2.3. Duration and indicative action plan for implementing the action

The duration of the action will be 24 months.

Indicative action plan:

Year 1													
	Semester 1						Semester 2						
Activity	Month 1	2	3	4	5	6	7	8	9	10	11	12	Implementing body
Technical and architectural survey and assessment of the buildings' state of conservation													UNDP, Local consultants
Comprehensive historic study/research on the Hammam Al Shifa, Hammam Al Ayn and Madrasa Al Killaniya													
Design conservation interventions for the two sites													UNDP, Local consultants
Seminar on planning and awareness events													
Municipality and Antiquities Authority licensing													UNDP, Local consultants
Rehabilitation of Hammam Al Ain and Hammam Al Shifa													UNDP, Local consultants and local contractors
Rehabilitation of the Madrasa al-Kilaniyya													UNDP, Local consultants and local contractors
Business management plan and training in situ for maintenance and management of the revitalized sites													UNDP, Local consultants and local contractors

Year 2													
	Semester 1						Semester 2						
Activity	Month 1	2	3	4	5	6	7	8	9	10	11	12	Implementing body
Rehabilitation of Hammam Al Ain and Hammam Al Shifa													UNDP, Local consultants and local contractors
Rehabilitation of the Madrasa al-Kilaniyya													UNDP, Local consultants and local contractors
Business management plan and training in situ for maintenance and management of the revitalized sites along with visibility events													UNDP, Local consultants and local contractors
Final conference and presentation of the publication													UNDP, Local consultants and local contractors

2.2.4. Sustainability of the action

UNDP plays a significant role in the cultural heritage - housing sector in the occupied Palestinian territory including East Jerusalem. The expected impact of this project could be summarized as follow:

- Protection and preservation of the Palestinian Cultural Heritage (tangible and intangible) in the Old City of Jerusalem by rehabilitating Madrasa al Kilanniya, Hammam Al Shifa and Hammam Al Ayn;
- Improvement of the living standards and conditions in addition to creating a suitable environment for many Palestinian families (10 families living the Madrasa Al-Kilanniya; Approximately 33.000 Palestinians in the Old City of Jerusalem and 368,394 Palestinians in East Jerusalem who have access to the restored Hammam and cultural places);
- Enhancement of the performance of some of the Palestinian institutions (Al-Quds University and Islamic Waqf) by renovating and rehabilitating their buildings;
- Provision of about 8,400 working days for Palestinians and creation of permanent job opportunities related to the management and operation of the restored cultural centre and Hammam Al-Shifa;
- Reduction of the migration of inhabitants from the Old City by supporting them to have their own shelters and job opportunities in Jerusalem;

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- Reduction of the percentage of the occupancy ratio in many Palestinian families' housing units especially in the Old City of Jerusalem;
- Training of local professionals (architects, engineers, restorers, etc.), contractors and semi-skilled labour as well as residents and owners on housing/cultural places maintenance and rehabilitation;
- Provision of new touristic trails/attractions/sites in the Old City of Jerusalem.

The capacity-building component will ensure the sustainability of the project, providing to the local stakeholders the needed knowledge and expertise to take part in future interventions as well as maintenance of the current ones.

There are serious risks that may hinder the implementation of the project, or may affect the achievement of expected results and outcomes. These risks are related to:

- Problems in timely implementation due to issuing permits from the Municipality of Jerusalem and Israel Antiquities Authority;
- Unforeseeable difficulties to bring the materials at the work site, or for the workers to be allowed to work on regular basis due to Israeli decisions;
- Hostile Settlers activities;
- Instability of internal political conditions;
- The increase in cost of construction materials. With a fluctuating dollar and decreased access, the cost of materials has increased well beyond initial budget projections. Working to increase the flow of goods and materials will help mitigate rising costs;
- Weather conditions.

OFFLINE RISK LOG

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Obstacles imposed by Israeli Authorities		Environmental Financial Operational Organizational <u>Political</u> Regulatory Strategic Other	Delay in Implementation Enter probability on a scale from 1 (low) to 5 (high) P = 4 Enter impact on a scale from 1 (low) to 5 (high) I = 4	Construction permits will be issued from Jerusalem Municipality / competent authorities to mitigate any expected obstacles and risks.	Project Manager and Project Assurance	Engineering Analyst	TBD	TBD
2	Political instability		Environmental <u>Financial</u> Operational Organizational <u>Political</u> Regulatory Strategic Other	Delay in Implementation P = 4 I = 4	<u>Financial:</u> The expected delay encountered by the mentioned risk should be addressed. Any noted supervisory cost or other costs to be reviewed <u>Political:</u> Discuss possible scenarios with Donor and Beneficiary.	Project Manager and Project Assurance	Engineering Analyst	TBD	TBD
3	Limited numbers of Palestinian contractors in Jerusalem Area.		Environmental <u>Financial</u> Operational Organizational <u>Political</u> Regulatory Strategic Other	Delay in Implementation P = 3 I = 3	Implementation through the LPJ	Project Manager and Project Assurance	Engineering Analyst	TBD	TBD
4	The increase in cost of construction materials.		Environmental <u>Financial</u> Operational Organizational <u>Political</u> Regulatory Strategic Other	Delay in Implementation P = 1 I = 1	<u>Financial:</u> The expected delay encountered by the mentioned risk should be addressed. Any noted supervisory cost or other costs to be reviewed	Project Manager and Project Assurance	Engineering Analyst	TBD	TBD
5	Weather Conditions		Environmental Financial Operational Organizational Political Regulatory Strategic Other	Minor Delays in Implementation P = 1 I = 1	The said risk should be considered in the implementation period.	Project Manager and Project Assurance	Engineering Analyst	TBD	TBD

The project is aiming at ensuring sustainability in many dimensions (financial, institutional and environmental) through the direct involvement of the beneficiaries, target groups and stakeholders since the planning stage and the very beginning of the project until the completion of the activities and the handover to the local actors. The project aims at establishing an enabling environment including institutional, administrative and financial frameworks to facilitate replication.

Financial Sustainability

The project proposal sets the basis for the financial sustainability of the activities envisaged by the project. Through a tailored capacity building component on hammam maintenance and management for the staff of Al Quds University, feasible short-term and long-term action plans for the exploring of viable business opportunities will be developed, and integrated strategies (i.e. communication plan, business plan) will be put in action. Potential opportunities to increase revenues include, amongst others: tourist routes, cultural activities in the adjacent Al Quds University's premises, private and public sponsorships, provision of other services connected to the hammam, such as basic cafeteria for the hammam users and Palestinian artisanal olive oil soap and hammam products sale.

Social Sustainability

The social sustainability of the project, i.e. the ownership, builds on the following components:

-a capacity-building component (training) which will target the owners, residents, local professionals (architects, engineers, restorers, etc.), contractors and semi-skilled labour workers which are in charge of the daily maintenance of the restored housing/cultural places and contributes to the sense of community.

- Implementation of the project through building sustainable systems and human capacities of local counterparts to internalize the participatory approaches and innovative ideas developed during planning and implementation phase;

- Fully merging the international and the local capacities in the conceptualization, design, implementation and monitoring and evaluation;

- Incorporation of gender-equality and youth-focused policies for the business development plan. In this sense it has to be stressed the role of the hammams as social places for women which favor social aggregation in a protected, socially safe, space. Youth-focused policies may include, amongst other, visits of pupils from schools in the Old City and East Jerusalem in order to increase the children awareness of their historical/cultural tradition of hammam, make them experience the ritual of hammam, be acquainted with the restoration process through didactic videos or 3D projections on how the hammam was brought back to life. Al Quds University premises can play a fundamental role in providing the space for cultural activities.

Institutional Sustainability

The project proposal aims at undertaking all activities and decisions in a transparent and participatory manner including all relevant stakeholders, therefore ensuring the institutional sustainability of the project;

In detail, the owner of the cultural heritage sites, the Islamic Waqf, participated since the beginning of the planning phase of this project and through the Al-Quds University (for the rehabilitation of the two Hammams) and the families of Madrasa Al-Kilanniya, the Islamic Waqf will remain on board as an active members during the entire implementation of the activities so that a full financial and institutional sustainability will be secured by the end of the project. The MOTA plays a role of institutional hat on the project, therefore ensuring continuity in the PNDP strategy.

Environmental Sustainability

The project proposal aims at ensuring environmental sustainability through the implementation of eco-sustainable interventions strategies:

- sustainable management of the main resources needed: water and electricity: conservation, energy efficiency and consumption reduction strategies, provision through renewable/alternative sources i.e. solar panels

- eco-sustainable construction materials aimed at preserving the temperature inside the building, use of low cost/low maintenance housing features

- integration of an environmental-friendly/local development oriented management protocol, which builds on good practices such as: use of non-polluting detergents and disinfectants through specific market agreement with distributors; use of locally produced olive oil soap; waste management protocol.

2.2.5. Logical Framework

See attached table.

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ANNEX I
LOGICAL FRAMEWORK

LOGICAL FRAMEWORK FOR THE PROJECT				
	Intervention logic	Objectively verifiable indicators of achievement	Sources and means of verification	Assumptions
Overall objectives	<p>What are the overall broader objectives to which the action will contribute?</p> <p>To contribute to the development and protection of Palestinian Cultural Heritage in the Old City of Jerusalem</p>	<p>What are the key indicators related to the overall objectives?</p>	<p>What are the sources of information for these indicators?</p>	
Specific objective	<p>What specific objective is the action intended to achieve to contribute to the overall objectives?</p> <p>To contribute in conservation and restoration of cultural heritage sites in the Old City of Jerusalem;</p> <p>To contribute towards raising awareness of the local community regarding on the importance of the cultural heritage sites in the Old City of Jerusalem by providing them with restored public spaces (museums, sites, etc.) and supporting the access to their enjoyability</p>	<p>Which indicators clearly show that the objective of the action has been achieved?</p> <p>Number of cultural heritage sites restored</p> <p>Participation of the local people in restoration and conservation activities as well as in the management of the restored public spaces</p>	<p>What are the sources of information that exist or can be collected? What are the methods required to get this information?</p> <p>UNESCO/ICOMOS reports on the status of the Cultural Heritage in the Old City of Jerusalem World Heritage Site</p> <p>Reports edited and published by UNESCO/Palestinian Authority/Palestine Liberation Organization/Local NGOs; Monitoring reports and surveys</p>	<p>Which factors and conditions outside the Beneficiary's responsibility are necessary to achieve that objective? (external conditions) Which risks should be taken into consideration?</p> <p>Factors/Conditions are: Access to the cultural heritage sites due to the potential restrictions imposed by the Israeli and stable political-social conditions</p> <p>Risks are: <ul style="list-style-type: none"> • Problems on time due to issuing permits as part of the political strategy of the Municipality of Jerusalem; • Israeli military operations due to the fact that projects activities are located in East Jerusalem; • Hostile Settlers activities; • Instability of internal political conditions; • The increase in cost of construction materials. With a fluctuating dollar and decreased access, the cost of materials has increased well beyond initial budget projections. Working to increase the flow of goods and materials will help mitigate rising costs; • Weather conditions. </p>
	<p>To enhance local capacities in conservation, and rehabilitation and management of historic buildings and sites, as well as providing job opportunities for the short and medium term to young professionals (restoration, tourism and cultural management);</p> <p>To improve the liveability, hygiene standards and environmental conditions in the Old City through the rehabilitation of some public spaces</p> <p>To contribute to improving socio-economic conditions of the inhabitants of the Old City by providing tourist services as well as enhancing the quality of housing buildings</p>	<p>Number of short and long term job opportunities provided and number of students/workers trained during the implementation of the project</p> <p>Number of public spaces and housing units restored and improved up to the hygiene and environmental standards</p> <p>Number of tourists visiting the restored sites</p>	<p>Palestinian Central Bureau of Statistics' (PCBS) reports on the status of the employment in Jerusalem as well as the UNDP/UNESCO/Local NGOs' reports on ongoing and past projects programmes, Monitoring reports</p> <p>Local NGOs/CBOs/Institutions reports</p> <p>Palestinian Hotel Association, Palestinian Ministry of Tourism and Antiquities, PCBS's reports, Survey/interview with residents</p>	

ANNEX I
LOGICAL FRAMEWORK

Expected results	The results are the outputs envisaged to achieve the specific objective. What are the expected results? (enumerate them)	What are the indicators to measure whether and to what extent the action achieves the expected results?	What are the sources of information for these indicators?	What external conditions must be met to obtain the expected results on schedule?
	1. Comprehensive technical studies about the selected sites produced 2. Cultural heritage sites in the Old City restored and used by the local community 3. Cultural heritage sites better preserved and managed by the local community 4. Enhanced tourist, economic and commercial potential opportunities in the Old City	Number of designs/photos data produced during the survey, planning and intervention Number of sites (also in sqm.) restored and opened to the local community Number of activities organized by the local community (NGOs, CBOs, etc.) in the restore sites Number of visitors to the restored sites and income generated the above mentioned visits; 1 business plan produced; 1 communication strategy produced.	UNDP project reports, Technical engineering studies UNDP project reports as well as UNESCO/ICOMOS reports on the status of the Cultural Heritage in the Old City of Jerusalem World Heritage Site NGOs/CBOs/Local institutions' reports and data NGOs/CBOs/Local institutions' reports and data, Business plan, Communication strategy	Access to the cultural heritage sites due to the potential restrictions imposed by the Israeli and stable political-social conditions
Activities	What are the key activities to be carried out and in what sequence in order to produce the expected results? (group the activities by result)	Means: What are the means required to implement these activities, e.g. personnel, equipment, training, studies, supplies, operational facilities, etc.	What are the sources of information about action progress? Costs What are the action costs? How are they classified? (breakdown in the Budget for the Action) UNDP quarterly and annual reports	What pre-conditions are required before the action starts? What conditions outside the Beneficiary's direct control have to be met for the implementation of the planned activities? Award letter from the European Union and endorsement of the activities by the Islamic Waqf as owner of the sites Access to the cultural heritage sites due to the potential restrictions imposed by the Israeli, stable political-social conditions and timely procurement/human resources process
	1. Rehabilitation of the Madrasa al-Kilaniyya and relative housing units; 2. Rehabilitation of the Hammam al Ayn and Hammam al Shifa 3. Business management plan and training in situ for maintenance and management of the revitalized sites	Survey instruments (Total station, Disto, GPS, cameras and video-cameras) Construction material and equipment/furniture to make the Hammams operational Training material Trainers Softwares, personal computers and printers Project operational space	Actions costs are related to rehabilitation and training activities. See budget attached.	

ANNEX II

General Conditions applicable to European Union contribution agreements with international organisations

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GENERAL AND ADMINISTRATIVE PROVISIONS

Article 1 - GENERAL OBLIGATIONS

- 1.1 The Organisation shall ensure that the Action is carried out in accordance with the Description of the Action contained in Annex 1 and is responsible for achieving the objectives set out therein. The Organisation shall report on the indicators of achievement specified in the Description of the Action.
- 1.2 The Organisation shall implement the Action with the requisite degree of care, efficiency, transparency and diligence, as required by best practice in the field concerned, and in compliance with this Agreement.

The Organisation shall make every effort to mobilise all the financial, human and material resources required for full implementation of the Action, as specified in the Description of the Action.

- 1.3 The Organisation may act either alone or in partnership with one or more organisations mentioned in the Description of the Action (implementing partners or partners). Partners shall actually participate in implementing the Action, and the costs they incur shall then be eligible under the same conditions as those incurred by the Organisation.

It may also contract parts of the Action, in accordance with the provisions of article 10 hereof.

Where the EU contribution has been awarded to the Organisation in the form of a grant following a call for proposals or a direct award, and therefore not as a Joint Management Action, and in particular where the implementation of the Action requires financial support to be given to third parties, the Organisation may only award grants to third parties ("sub-grants") as provided for in the Special Conditions, and only in order to support the achievement of the objectives of the Action. The Description of the Action shall include a list and description of the types of activity which may be eligible for sub-grants, together with the criteria for the selection of the beneficiaries of these sub-grants. The Description of the Action shall also establish the total amount which may be used for awarding sub-grants as well as the criteria for fixing the exact amount per sub-grant. The maximum amount of a sub-grant shall be limited to EUR 60 000 per third party, except in cases where the financial support in the form of grants and sub-grants is the primary aim of the action and it is not funded by the European Development Fund. The sub-grants awarded by the Organisation are subject to the nationality and eligibility rules for selection provided for in Article 10.3.

Where the Action is not a Joint Management Action, the bulk of the Action shall be undertaken by the Organisation, and where applicable, its partners.

The Organisation shall remain fully responsible for the co-ordination and execution of all contracted activities.

- 1.4 The Organisation undertakes to ensure that the conditions imposed upon it under Articles 1, 3, 4, 5, 6, 7, 10, 14, 16 and 17 shall also apply to all partners and, where applicable, contractors involved.

- 1.5 The Organisation shall take appropriate measures to prevent irregularities, fraud, corruption or any other illegal activity in the management of the Action. All suspected and actual cases of irregularity, fraud and corruption related to this Agreement as well as measures related thereto taken by the Organisation shall be reported to the Contracting Authority without delay.

Where appropriate the Organisation shall terminate contracts with partners, contractors or agents involved in fraudulent behaviour or corrupt practices in connection with this or any other actions implemented by the Organisation and financed by the European Union, and shall take all reasonable measures to recover funds unduly paid.

- 1.6 Without prejudice to Articles 1.3 and 10, the Agreement and the payments attached to it shall not be assigned to a third party in any manner whatsoever without the prior written consent of the Contracting Authority.

- 1.7 The provisions regarding "Joint Management Actions" in these General Conditions may be applied if provided for in the Special Conditions and where at least one of the following conditions is met:

- the performance of the Action requires the pooling of resources from a number of donors, and it is not reasonably possible or appropriate to assign the share contributed by each donor to each type of expenditure (hereinafter, "Multi-donor Actions"), or
- the European Commission and the Organisation are bound by a long-term framework agreement laying down the administrative and financial arrangements for their cooperation; or
- the European Commission and the Organisation have jointly assessed the feasibility and defined the terms for implementation of the Action.

- 1.8 Where the European Commission is not the Contracting Authority, it shall not be a party to this Agreement, which shall only confer on it rights and obligations where explicitly stated. It will nevertheless endorse the Agreement to ensure that the Contracting Authority's contribution is actually paid by the EU budget, and the provisions on visibility in this Agreement will apply accordingly.

Article 2 - OBLIGATIONS REGARDING INFORMATION AND FINANCIAL AND NARRATIVE REPORTS

- 2.1 The Organisation shall provide the Contracting Authority with full information on the implementation of the Action. To that end, the Organisation shall provide before signature of this Agreement a work plan for the first period of implementation specified in the Description of the Action. The Organisation shall also draw up progress reports and a final report. These reports shall consist of a narrative part and a financial part. Reporting, narrative as well as financial, shall cover the whole of the Action, regardless of whether this Action is wholly financed or co-financed by the Contracting Authority.
- 2.2 The Contracting Authority may request additional information at any time, providing the reasons for the request. Such information shall be supplied within 30 days of the request.



- 2.3 The Organisation shall send progress reports to the Contracting Authority in accordance with the provisions below. Every report shall provide a complete account of all aspects of implementation for the period covered.

The report shall be laid out in such a way as to allow comparison of the objective(s), the means envisaged or employed (in particular separate information on the amounts subject to legal commitment and on costs incurred by the Organisation, and where applicable, its partners), the results expected and obtained and the budget details for the Action. The level of detail in any report should match that of the Description of the Action and of the Budget for the Action.

- 2.4 The narrative report shall directly relate to this Agreement and shall at least include:
- Summary and context of the Action;
 - Activities carried out during the reporting period (i.e. directly related to the Action and activities described in this Agreement);
 - Difficulties encountered and measures taken to overcome problems;
 - Changes introduced in implementation;
 - Achievements and results measured in accordance with the performance indicators prescribed in this Agreement;
 - Work plan for the following period including objectives and performance indicators of achievement. If the report cannot be sent before the end date fixed for the period covered by the preceding work plan, a new work plan, albeit provisional, shall be provided before such date.
- 2.5 The final report shall contain the above information on the activities and results of the Action (except for a work plan mentioned in the last indent, without purpose at the end of the Action) covering the whole Implementation Period, information on the measures taken to identify the European Union as the source of financing, and details on the transfers of assets provided for in Article 7.3 if relevant, plus a full summary of the Action's income, contributions received and cost incurred.
- 2.6 The reports shall be presented in the same language as this Agreement. They shall be submitted at the following intervals:

if payments follow option 1 in Article 15.1:

- a progress report shall be forwarded to the Contracting Authority at the end of every 12-month period, where the Implementation Period of this Agreement is longer;
- a final report shall be forwarded to the Contracting Authority within six months of the end of the Implementation Period of this Agreement as defined in Article 2 of the Special Conditions;

if payments follow option 2 in Article 15.1:

- a progress report shall accompany every request for pre-financing or interim payments;

- the final report shall be forwarded to the Contracting Authority within six months of the end of the Implementation Period of this Agreement as defined in Article 2 of the Special Conditions.
- 2.7 Reports shall be submitted in Euro and in the holding currency used by the Organisation, and may be drawn from financial statements denominated in other currencies as per the Organisation's legislative requirements. In such case and for the purpose of reporting, conversion into Euro shall be made using the rate of exchange at which the Contracting Authority's contribution was recorded in the Organisation's accounts (weighted average), unless otherwise specified in article 4(3) of the Special Conditions.
- 2.8 Any additional reporting requirement shall be set out in the Special Conditions.
- 2.9 If the Organisation fails to supply a final report by the final report deadline laid down in Article 2.6, and fails to furnish an acceptable written explanation of the reasons why it is unable to comply with this obligation, the Contracting Authority may refuse to pay any outstanding amount and recover any amounts unduly paid.

Furthermore, where the Organisation fails to present a progress report and where relevant a request for payment by the end of each 12-month period following the date laid down in Article 2(2) of the Special Conditions, the Organisation shall inform the Contracting Authority of the reasons why it is unable to do so, and shall provide a summary of the state of progress of the Action. If the Organisation fails to comply with this obligation, the Contracting Authority may terminate the Agreement in accordance with the first indent of Article 12.2, refuse to pay any outstanding amount and recover any amounts unduly paid.

- 2.10 In addition to the above mentioned reports, the Organisation will ensure that progress and situation reports, publications, press releases and updates, relevant to this Agreement, are communicated to the Contracting Authority as and when they are issued.

The Organisation and the Contracting Authority will further endeavour to promote close collaboration and exchange of information on the Action. The Organisation will invite the European Commission to join any donor committee which may be set up in connection with Multi-Donor Actions.

- 2.11 In any event the Organisation shall inform the Contracting Authority without delay of any circumstances likely to hamper or delay the implementation of the Action.

Article 3 - LIABILITY

- 3.1 The Organisation shall have sole responsibility for complying with all legal obligations incumbent on it.
- 3.2 The Contracting Authority may not under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Organisation while the Action is being carried out, or as a consequence of the Action. Therefore, the Contracting Authority may not accept any claim for compensation or increases in payment in connection with such damage or injury.

- 3.3 Subject to the rules governing the Organisation's privileges and immunities, the Organisation shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them in respect of or arising out of the Action. The Organisation shall discharge the Contracting Authority of all liability associated with any claim or action brought as a result of an infringement by the Organisation or the Organisation's employees or individuals for whom those employees are responsible of rules or regulations, or as a result of violation of a third party's rights.

Article 4 - CONFLICT OF INTERESTS

The Organisation shall take all necessary precautions to avoid conflicts of interests and shall inform the Contracting Authority without delay of any situation constituting or likely to lead to any such conflict.

There is a conflict of interests where the impartial and objective exercise of the functions of any person implementing this Agreement is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another party such as a contractor or grant beneficiary, or the final recipients of funds.

Article 5 - CONFIDENTIALITY

Subject to Article 16, the Contracting Authority and the Organisation shall preserve the confidentiality of any document, information or other material directly related to this Agreement and duly classified as confidential, until at least five years after the end date as specified in Article 12.5. Where the European Commission is not the Contracting Authority, it shall still have access to all documents communicated to the Contracting Authority, and will maintain the same confidentiality.

Article 6 - VISIBILITY AND TRANSPARENCY

- 6.1 Unless the European Commission requests or agrees otherwise, the Organisation shall take all appropriate measures to publicise the fact that the Action has received funding from the European Union. Information given to the press, the beneficiaries of the Action, all related publicity material, official notices, reports and publications, shall acknowledge that the Action was carried out "with funding by the European Union" and shall display in an appropriate way the European logo (twelve yellow stars on a blue background). Such measures will be carried out in accordance with the Communication and Visibility Manual for EU External Actions laid down and published by the European Commission, or any other guidelines agreed between the European Commission and the Organisation.

It is understood that the Organisation's equipment and vehicles may routinely carry its emblem and other indications of ownership prominently displayed. In cases where equipment or vehicles and major supplies have been purchased using funds provided by the European Union, the Organisation shall display appropriate acknowledgement on such vehicles, equipment and major supplies (including display of the European logo). Where such display could jeopardise the Organisation's privileges and immunities or the safety and security of the Organisation's staff, the Organisation shall propose appropriate alternative arrangements.

- 6.2 The size and prominence of the acknowledgement and European Union logo shall be clearly visible in a manner that does not create any confusion regarding the identification of the Action as an Activity of the Organisation, the ownership of the equipment and supplies by the Organisation, and the application to the Action of the Organisation's privileges and immunities.
- 6.3 All publications by the Organisation pertaining to the Action, in whatever form and whatever medium, including the internet, shall carry the following or a similar disclaimer: "This document has been produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union."
- 6.4 If the equipment bought with a European Union contribution is not transferred to local partners of the Organisation or the final recipient of the Action at the latest when submitting the final report, the visibility requirements as regards this equipment (in particular display of the European logo) shall continue to apply between submission of the final report and the end of the overall project, programme or action of the Organisation, if the latter is longer.
- 6.5 Publicity pertaining to European Union contributions shall quote these contributions in Euro (€ or EUR), in parenthesis if necessary. The Organisation's publications and reports prepared in response to, and in accordance with, its legislative directives are excluded from this provision.
- 6.6 The Organisation accepts that the Contracting Authority and the European Commission (where it is not the Contracting Authority) publish in any form and medium, including on their websites the name and address of the Organisation, the purpose of the contribution as well as the amount contributed and if relevant the percentage of co-financing.

Upon a duly substantiated request by the Organisation, the European Commission may agree to forego such publicity if disclosure of the above information would risk threatening the Organisation's safety or harming its interests.

- 6.7 With due regard to the applicable rules on confidentiality, security and protection of personal data, the Organisation shall publish, on an annual basis, on its website, the following information on grant and procurement contracts exceeding EUR 15.000 financed by the Contracting Authority: title of the contract/project, nature and purpose of the contract/project, name and locality of the contractor or grant beneficiary and amount of the contract/project. The term "locality" shall mean the address for legal persons and the Region on NUTS¹ 2 level, or equivalent, for natural persons.
- 6.8 The Organisation shall provide to the Contracting Authority the address of the website where this information can be found and shall authorise the publication of such address in the Contracting Authority's internet site.

The Organisation ensures that the obligation to publish this information shall be also applied by its implementing partners as described in Annex I of this Agreement, with

¹ Nomenclature of Territorial Units for Statistics, available at:
<http://ec.europa.eu/eurostat/ramon>

regard to their own grant and procurement contracts financed by the Contracting Authority.

Article 7 - OWNERSHIP/USE OF RESULTS AND EQUIPMENT

- 7.1 Ownership, title and industrial and intellectual property rights in the results of the Action and the reports and other documents relating to it shall vest in the Organisation, as the case may be together with third parties or as may otherwise be agreed by the Organisation.
- 7.2 Notwithstanding the provisions of the first paragraph and subject to Article 5, the Organisation shall grant the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use free of charge and as it sees fit all documents deriving from the Action, whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.
- 7.3 Unless otherwise specified in the Special Conditions, the equipment, vehicles and supplies paid for by the Contracting Authority's funding shall be transferred to local authorities or local partners (excluding commercial contractors) of the Organisation or to the final recipients of the Action at the latest when submitting the final report. The documentary proof of those transfers shall be kept for verification along with the documents mentioned in Article 16.3.

By way of derogation from the preceding paragraph, the equipment, vehicle and supplies purchased in the framework of multi-donor actions which continue after the end of the Implementation Period of this Agreement, may be transferred to these local authorities, partners or final recipients at the end of the project, programme or action of the Organisation. The Organisation pledges to use the assets to the benefit of those benefiting from the present Action. The Organisation shall inform the Contracting Authority on the end use of the assets in the final report.

In the event that there are no local authorities or partners to whom the equipment, vehicles and supplies could be transferred, the Organisation may transfer the assets to another action funded by the European Union or Contracting Authority or, exceptionally, retain ownership of the equipment, vehicles and supplies at the end of the Action. In such cases, it should submit a justified written request with an inventory listing the items concerned and a proposal concerning their use in due time and at the latest with the submission of the final report. In no event may the end use jeopardize the sustainability of the Action or result in a profit for the Organisation.

Article 8 - EVALUATION OF THE ACTION

- 8.1 Representatives of the European Commission shall be invited to participate in the main monitoring and in the evaluation missions relating to the performance of the Action. The results of such missions shall be reported to the European Commission.
- 8.2 Article 8.1 is without prejudice to any evaluation mission which the European Commission as a donor may wish to perform. Evaluation missions by representatives of the European Commission should be planned and completed in a collaborative manner between the Organisation's staff and the European Commission's representatives, keeping in mind the commitment of the Parties to the effective and efficient operation of this Agreement. These missions are to be planned ahead and procedural matters are to

be agreed upon by the European Commission and the Organisation in advance. The mission will offer to make a draft of its report available to the Organisation for comments prior to final issuance.

Article 9 - AMENDMENT OF THE AGREEMENT

- 9.1 Any modification to the Agreement, including the annexes thereto, shall be set out in writing in an amendment. This Agreement can only be modified during the execution period set out in Article 2(4) of the Special Conditions.

If the request for an amendment comes from the Organisation, the latter shall submit that request to the Contracting Authority one month before the amendment is intended to enter into force, and in any case no later than one month before the end of the execution period, unless there are special circumstances duly substantiated by the Organisation and accepted by the Contracting Authority.

- 9.2 Where a modification to the Description of the Action and/or the Budget does not affect the basic purpose of the Action and the financial impact is limited to a transfer within a single budget heading, including cancellation or introduction of an item, or a transfer between budget headings involving a variation (as the case may be in cumulative terms) of 15 % or less of the amount originally entered (or as modified by a formal amendment) in relation to each concerned heading for eligible costs, the Organisation may amend the Budget and shall inform the Contracting Authority accordingly in writing. This method shall not be used to amend headings for administrative costs or the contingency reserve.

Changes of address and changes of bank account may simply be notified in writing to the Contracting Authority. Changes of bank account must be specified in the request for payment, using the financial identification form attached as Annex IV.

- 9.3 An amendment shall not have the purpose or the effect of making changes that would call into question the award decision. In cases the Agreement follows a call for proposals the amendment may not be contrary to the equal treatment of applicants or increase the maximum amount referred to in Article 3.2 of the Special Conditions.

Article 10 - CONTRACTING

- 10.1 If parts of the Action are contracted, the contracting arrangements, including in particular the principles for the award of procurement and grants, shall be as specified in the Description of the Action. If they are not specified therein, the Organisation will present them to the Contracting Authority as soon as they are available. The Organisation will also inform the Contracting Authority, with as much prior notice as possible, of changes in these arrangements. The Organisation will provide detailed information on contracting arrangements in the final report.

- 10.2 Unless otherwise agreed by the Parties in writing, the procurement of any goods, works or services and the award of grants by the Organisation and its partners in the context of the Action shall be carried out in accordance with the applicable rules and procedures adopted by the Organisation.

This is based on the understanding that the Organisation's rules and procedures conform to internationally accepted standards, in compliance with the principles of transparency,

proportionality, sound financial management, equal treatment and non discrimination, care being taken to avoid any conflict of interests.

Without prejudice to the specific procedures and exceptions applied by the Organisation, the award by the Organisation of grants financed by the Contracting Authority's contribution shall comply with the following principles:

- grants shall not be cumulative, awarded retrospectively or have the purpose or effect of producing a profit for the grant beneficiary;
- grants must involve co-financing from other donors, save in cases of humanitarian and crisis situation, the protection of health and fundamental rights of people, where the grant beneficiaries are third countries or other international organisations and where it is in the interest of the European Union to be the sole donor.

10.3 Unless otherwise provided for in the Special Conditions, the origin of the goods and the nationality of the organisations, companies and experts selected for carrying out activities in the Action shall be determined in accordance with the Organisation's relevant rules. However, and in any event goods, organisations, companies and experts eligible under the applicable regulatory provisions of the European Union shall be eligible.

10.4 The Organisation shall adopt reasonable measures, in accordance with its own procedures, to ensure that potential candidates or tenderers and grant beneficiaries shall be excluded from the participation in a procurement or award procedure financed by the Contracting Authority's contribution, if :

- a. they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b. they or persons having powers of representation, decision making or control over them have been convicted of an offence concerning their professional conduct by a judgement of a competent authority of a Member State which has the force of res judicata;
- c. they or persons having powers of representation, decision making or control over them have been the subject of a judgement which has the force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity detrimental to the EU's financial interests;
- d. they are guilty of misrepresentation in supplying the information required as a condition of participation in the procedure or if they fail to supply this information.
- e. they are subject to a conflict of interests.

The Organisation shall inform the European Commission when a candidate or tenderer is in one of the situations under point (c) or when a contractor financed from the present contribution has been found guilty of making false declarations or committing substantial errors, irregularities and fraud.

Without prejudice to the power of the European Commission or of the Contracting Authority to exclude an entity from future contracts and grants financed by the EU, financial penalties may be imposed to contractors by the Organisation according to its own rules and procedures.

- 10.5 In the event of failure to comply with the above provisions the relevant costs may be declared ineligible for funding by the Contracting Authority or by the European Commission, at the latest before acceptance of the Final Report.

Article 11 - IMPLEMENTATION PERIOD OF THE AGREEMENT, SUSPENSION, FORCE MAJEURE

- 11.1 Irrespective of the starting date and implementation period of the project, programme or action of the Organisation, the Implementation Period of this Agreement shall be as set out in Article 2 of the Special Conditions.
- 11.2 The individual contracts implementing the Action under this Agreement shall be concluded as specified in Article 2.5 of the Special Conditions. This contracting deadline also applies to all the individual contracts signed by the Implementing partner(s). After this contracting deadline and up to submission of Final Report, only contracts concerning final audits, evaluation, closure activities and individual contracts concluded after early termination of an existing contract may be concluded. The deadline for conclusion of individual contracts implementing the Action under the Agreement set out in Article 2.5 of the Special Conditions cannot be extended.
- 11.3 The Organisation may suspend without delay implementation of all or part of the Action if circumstances so require, in particular in case of *force majeure*, and informs the Contracting Authority immediately providing all the necessary details. This Agreement may be terminated in accordance with Article 12.1. If the Agreement is not terminated, the Organisation shall endeavour to minimise the duration of the suspension and may resume implementation of the Action once the conditions allow, and shall inform the Contracting Authority accordingly.
- 11.4 The Contracting Authority may request the Organisation to suspend implementation of all or part of the Action if circumstances so require in particular in cases of *force majeure* and in cases such as crisis entailing a change of policy. This Agreement may then be subsequently terminated in accordance with Article 12.1. If the Agreement is not terminated, the Organisation and the Contracting Authority shall endeavour to minimise the duration of the suspension and shall resume implementation of the Action once the conditions allow, with the prior written approval of the Contracting Authority.
- 11.5 The Implementation Period of this Agreement is automatically extended by an amount of time equivalent to the duration of the suspension. This is without prejudice to any amendments to the Agreement which may be necessary to adapt the Action to the new implementing conditions or to Article 12.1, or to a termination in accordance with Article 12.1.
- 11.6 *Force majeure* shall mean any unforeseeable exceptional situation or event beyond the Parties' control which prevents either of them from fulfilling any of their obligations under this Agreement, was not attributable to error or negligence on their part (or of their partners, contractors, agents or employees), and could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making them

available, labour disputes, strikes or financial problems cannot be invoked as *force majeure* by the defaulting party. Neither of the Parties shall be held liable for breach of its obligations under the Agreement if it is prevented from fulfilling them by *force majeure*. Without prejudice to Articles 11.3 and 11.4 above, the Party invoking *force majeure* shall notify the other without delay, stating the nature, likely duration and foreseeable effect, and take any measure to minimise possible damage.

Article 12 - TERMINATION OF THE AGREEMENT

12.1 If, at any time, either Party believes that the purposes of this Agreement can no longer be effectively or appropriately carried out, it shall consult the other Party. Failing agreement on a solution, either Party may terminate this Agreement by serving two months' written notice. In this event, the Organisation shall be entitled to payment of the contribution only for the part of the Action carried out, and to reimbursement of commitments entered into by the Organisation for the implementation of the Action, which the Organisation cannot reasonably terminate on legal grounds. The part of the EU contribution unspent or not spent in accordance with this Agreement, shall be recovered by the Contracting Authority in accordance with Articles 17 and 18, after all liabilities incurred by the Organisation have been satisfied, including interest earned where applicable.

12.2 Where the Organisation:

- fails, without justification, to fulfil any of the obligations incumbent on it and, after being given notice by letter to comply with those obligations, still fails to do so or to furnish a satisfactory explanation within 30 days of sending of the letter;
- fails to comply with articles 1.5, 1.6 or 4;
- makes false or incomplete statements to obtain the contribution provided for in the Agreement or provides reports that do not reflect reality;
- commits financial irregularities or is guilty of grave professional misconduct;
- undergoes legal, financial, technical or organisational change that is liable to affect this Agreement substantially or to call the award decision into question;

the Contracting Authority will enter into discussions with the Organisation and, failing a proper solution within one month, may terminate this Agreement, after giving seven days' notice, and without paying compensation of any kind. In that event the Contracting Authority may demand full or partial repayment of any amounts unduly paid, after allowing the Organisation to submit its observations.

12.3 Prior to or instead of terminating the Agreement as provided for in Article 12.2, the Contracting Authority may suspend payments or the declaration of eligibility of expenses as a precautionary measure, informing the Organisation immediately.

12.4 This Agreement shall be automatically terminated if it has not given rise to a payment by the Contracting Authority (including pre-financing) within two years of its signature.

12.5 Unless this Agreement is terminated earlier pursuant to Article 12, the payment obligations of the European Union hereunder shall cease at the "end date", which shall

occur 18 months after the end of the Implementation Period as defined in Article 2 of the Special Conditions.

The Contracting Authority shall notify the Organisation of any postponement of the end date. The Contracting Authority shall postpone the end date, so as to be able to fulfil its payment obligations, in all cases where the Organisation has filed the payment request in accordance with contractual provisions or, in case of dispute, until completion of the dispute settlement procedure provided for in Article 13.

Article 13 - SETTLEMENT OF DISPUTES

- 13.1 The Parties shall endeavour to settle amicably any dispute or complaint relating to the interpretation, application or fulfilment of this Agreement, including its existence, validity or termination. In default of amicable settlement, any Party may refer the matter to arbitration in accordance with the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States in force at the date of conclusion of this Agreement.
- 13.2 The appointing authority shall be the Secretary General of the Permanent Court of Arbitration following a written request submitted by either Party. The Arbitrator's decision shall be binding on all Parties and there shall be no appeal.
- 13.3 Nothing in this Agreement shall be interpreted as a waiver of any privileges or immunities accorded to any Party hereto by its constituent documents or international law.

FINANCIAL PROVISIONS

Article 14 - ELIGIBLE COSTS

- 14.1 To be considered eligible as direct costs under this Agreement, costs must:
 - be necessary for carrying out the Action, be provided for specifically in this Agreement and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
 - have been actually incurred during the Implementation Period of this Agreement as defined in Article 2 of the Special Conditions, whatever the time of actual disbursement by the Organisation, in particular:
 - (i) Costs relating to services and works properly provided shall relate to activities performed during the implementation period. Costs relating to supplies shall relate to delivery and installation of items during the implementation period. Consequently, cash transfers between the Organisation and its partners, signature of a contract, placing of an order, or entering into any commitment for future delivery of services, works or supplies undertaken before or after expiry of the implementation period do not meet this requirement.
 - (ii) Except for multi-donor actions, costs incurred should be paid before the submission of the final reports. They may be paid afterwards, provided they are listed in the final report together with the estimated date of payment.

- (iii) An exception is made for costs relating to final reports, including expenditure verification, audit and final evaluation of the Action, which may be incurred after the implementation period of the Action.
 - (iv) Procedures to award contracts, as referred to in Article 10, may have been initiated and contracts may be concluded by the Organisation and its partners before the start of the implementation period of the Action.
- be recorded in the Organisation's or Organisation's partners' accounts, be identifiable, backed by effective supporting evidence (originals, as the case may be in electronic form), and verifiable pursuant to the provisions of Article 16.4.

14.2 Subject to the above and without prejudice to Article 10.5, the following direct costs of the Organisation or its implementing partners may in particular be eligible:

- the cost of staff assigned to the Action, corresponding to actual salaries plus social security charges and other remuneration-related costs (including in the form of provisions made in accordance with the Organisation accounting rules in case of Joint Management Action). Identifiable personnel costs at headquarters level arising as a direct consequence of the Action may be included. Salaries and costs shall not exceed those normally borne by the Organisation or partners;
- travel and subsistence costs for staff taking part in the Action, provided they do not exceed those normally borne by the Organisation or partners;
- purchase costs for equipment (new or used) which are attributable to the Action;
- purchase costs for goods and services (transport, storage and distributing, rent of equipment, etc.) which are directly attributable to the Action;
- costs directly arising out of, or related to, accepting or distributing contributions in kind;
- costs of consumables and supplies directly attributable to the Action;
- expenditure on contracting directly attributable to the Action;
- the proportion of field office costs that corresponds to the amount of activity directly attributable to the Action or to the proportion of funding by the Contracting Authority;
- costs deriving directly from the requirements of this Agreement (dissemination of information, evaluation specific to the Action, specific reporting for the needs of the Contracting Authority, translation, reproduction, insurance, targeted training for those involved in the Action, etc.) including financial service costs (in particular bank fees for transfers).
- taxes, duties and charges, including VAT, actually paid and that the Organisation cannot reclaim (or, where applicable, its partners), unless otherwise provided in the Special Conditions.

14.3 The following costs shall not be considered eligible:

- debts and debts service charges;
- provisions for losses or potential future liabilities;
- interest owed by the Organisation to any third party;
- items already financed from other sources;
- purchases of land or buildings;
- currency exchange losses.

14.4 Indirect costs are eligible provided that they do not include costs assigned to another heading of the budget of this Agreement.

Indirect costs may be charged on the value of in-kind commodities delivered by the Contracting Authority, including their associated costs.

A fixed percentage of direct eligible costs, not exceeding 7 %, may be claimed as indirect costs by the Organisation to cover the administrative overheads incurred for the Action. Funding in respect of indirect costs does not need to be supported by accounting documents.

Subject to the above, for comparable Actions and Actions where there is more than one donor the amount claimed as indirect costs shall not, in percentage terms, be higher or lower than for other comparable contributions.

Where the rates applied in accordance with the Organisation's governing bodies' decisions exceed 7%, the Organisation may recover the balance as direct eligible costs, subject to the provisions governing direct eligible costs referred to in this Article 14 being fulfilled.

Indirect costs shall not be eligible where the Agreement concerns the financing of an action where the Organisation is already receiving an operating grant from the European Union during the period in question.

14.5 Any contingency reserve included in the Budget of the Action, to cover any adjustment necessary in the light of changed circumstances on the ground, may not exceed 5% of eligible costs and shall only be used with the prior written (by letter) authorisation of the Contracting Authority, upon a duly justified request from the Organisation through an exchange of letters.

14.6 Contributions in kind made by the Organisation or its partners may be considered neither as co-financing nor as eligible costs. The cost of staff assigned to the Action is not a contribution in kind and may be considered as co-financing in the Budget for the Action when paid by the Organisation or its partners.

Article 15 - PAYMENTS

15.1 Payment procedures are set out in Article 4 of the Special Conditions and follow one of the two options below:

Option 1: When the implementation period of the Agreement does not exceed 12 months or the contribution is less than EUR 100 000

The Contracting Authority will provide a pre-financing from 80% up to 95% of the sum referred to in Article 3(2) of the Special Conditions less contingencies within 30 days of receiving the Agreement signed by both Parties.

The Contracting Authority will pay the balance within 90 days of receiving a request for payment accompanied by a final report. Approval of the report will be done within 45 days and in accordance with Article 15.2. The Contracting Authority will pay the balance within 45 days of approving the final report.

Option 2: When the implementation period of the Agreement exceeds 12 months and the contribution is of EUR 100 000 or more

The Contracting Authority will provide a pre-financing from 80% to 95% of that part of the budget for the first 12 months of the Action which is being financed by it (excluding contingencies) within 30 days of receiving the Agreement signed by both Parties.

Each further instalment will consist of (1) an interim payment that will cover the remainder of the Contracting Authority's part of the budget for the previous period (including any approved contingencies) and (2) a pre-financing from 80% to 95% of that part of the budget for the subsequent 12-month period (or of the remaining period if shorter as regards the last instalment of pre-financing) which is financed by it (excluding contingencies), provided that at least 70% of the immediately preceding instalment (and 100% of previous instalments if any) has been subject to a legal commitment between the organization or its partner and a third party as proven by the relevant report.

The instalments and final payment will be made by the Contracting Authority within 90 days of receiving a request for payment accompanied by a progress or final report. Approval of any report will be done within 45 days and in accordance with Article 15.2. The Contracting Authority will then pay within 45 days of approving the progress or final report.

- 15.2 Any report will be deemed approved 45 days after receipt, accompanied by a request for payment conforming to the model attached as Annex V, if the Contracting Authority has not reacted.

If the Contracting Authority does not intend to approve a report, as submitted, it shall revert to the Organisation with a request explaining the reason and specifying the additional information it requires within the first 45-day period. The deadline for approving the report shall be suspended pending the receipt of the requested information. If the Contracting Authority deems that a payment request cannot be met, it shall revert to the Organisation with a request explaining the reason and specifying the additional information it requires within the second 45-day period. The payment period shall be suspended pending the registration of a properly formulated payment request.

Reports shall be presented in accordance with Article 2.

Approval of a report does not imply recognition of the regularity, authenticity, completeness and correctness of the declarations and information contained therein.

- 15.3 On expiry of the payment period specified in Article 15.1, the Organisation, shall receive interest on late payment at the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the Official Journal of the European Union on the first day of the month in which payment was due, increased by three and a half percentage points.

The interest shall be payable for the period elapsing from the day following expiry of the time limit for payment up to the day of payment. Any partial payment shall first cover the interest.

By way of exception, when the interest calculated in accordance with this provision is lower than or equal to EUR 200, it will be paid to the Organisation only upon demand submitted within two months of receiving late payment.

The interest shall not be treated as an income for the purposes of determining the final amount of European Union financing within the meaning of article 17. The suspension of payment by the Contracting Authority may not be considered as late payment.

- 15.4 The level of pre-financing referred to in Article 15.1 above shall be set at a level of between 80% and 95 % in 5% increments taking into account past record of the Organisation in particular as regards timely submission of the final report.
- 15.5 The Contracting Authority will make payments in Euro into the bank account referred to in the financial identification form in Annex IV. Where payment is to be made to a bank account which is already known to the Contracting Authority, the Organisation may provide a copy of the relevant financial identification form.
- 15.6 Where feasible, the funds paid by the Contracting Authority shall be maintained in Euro denominated bank accounts. They may be pooled together with contributions from other donors. They may be exchanged for other currencies in order to facilitate their disbursement.
- 15.7 Where according to the Special Conditions interest earned by the Organisation on funds received from the Contracting Authority is due, it shall be deducted from the payment of the balance, re-used for the Action or recovered by the Contracting Authority. In that case, interest shall be identified as such and reflected in reports to the Contracting Authority.

Article 16 - ACCOUNTS AND TECHNICAL AND FINANCIAL CHECKS

- 16.1 The Organisation shall keep accurate and regular records and accounts of the implementation of the Action. Separate accounts or sub-accounts shall be kept for each Action, and shall detail all income generated by the Action, donor contributions and expenditure.

The accounting regulations and rules of the Organisation shall apply, provided that these regulations and rules conform to internationally accepted standards.

- 16.2 Financial transactions and financial statements shall be subject to the internal and external auditing procedures laid down in the Financial Regulations, Rules and directives of the Organisation. A copy of the audited financial statements shall be submitted to the European Commission by the Organisation.

- 16.3 The Organisation shall, until at least five years after the end date as specified in article 12.5:
- keep financial accounting documents concerning the activities financed by the contribution and,
 - make available to the competent bodies of the European Union, upon request, all relevant financial information, including statements of accounts concerning the Action, whether they are executed by the Organisation or by its implementing partners or contractors.
- 16.4 In conformity with its financial regulations, the European Union, including its Court of Auditors, may undertake, including on the spot, checks related to the Actions financed by the Contracting authority.
- 16.5 These provisions shall be applied in accordance with any specific agreement concluded in this respect by the Organisation and the European Union.

Article 17 - FINAL AMOUNT OF FINANCING BY THE CONTRACTING AUTHORITY

- 17.1 The total final amount to be paid by the Contracting Authority to the Organisation shall not exceed the maximum contribution established by Article 3(2) of the Special Conditions, even if the overall costs incurred exceed the estimated total budget set out in Annex III.
- 17.2 Where Article 3(2) of the Special Conditions sets out a maximum percentage of estimated total eligible cost to be financed by the Contracting Authority, and if the eligible costs at the end of the Action are less than the estimated total cost specified in Article 3(1) of the Special Conditions, the contribution of the Contracting Authority shall be limited to the amount resulting from multiplying the eligible costs by the percentage laid down in Article 3(2) of the Special Conditions.
- Where the percentage set out in article 3(2) of the Special Conditions is likely to change in the course of implementation, the Organisation shall consult the Contracting Authority without delay so as to agree on appropriate measures, in accordance with Article 9.
- 17.3 The Organisation accepts that the contribution of the Contracting Authority shall be limited to the amount required to balance income generated by the Action, donor contributions and expenditure for the Action and that it may not in any circumstances result in a surplus for the Organisation.

In the event of a final surplus balance of total financing over expenditures at the financial closure of the Action, the Organisation shall specify in the final report the amount of the surplus balance in the holding currency used by the Organisation together with the estimated amount in Euro and where the exchange rate of the Organisation can be consulted. This surplus in the Organisation's accounts expressed in holding currency used by the Organisation shall be converted into Euro using the rate of exchange of the Organisation in force on the day when the Contracting Authority's internal recovery order is established, which amount is later reflected in the debit note sent to the Organisation. The resulting Euro equivalent shall then be refunded to the Contracting Authority. This provision shall not apply to the exchange rates used for reporting.

- 17.4 In cases where the Action is suspended or not completed within the Implementation Period of this Agreement, the funds that remain unexpended after all liabilities incurred in this period have been satisfied will be reimbursed to the Contracting Authority, including, where applicable, interest earned.
- 17.5 Where the Action is not carried out at all, or is not carried out properly, in full or on time and without prejudice to its right to terminate this Agreement pursuant to Article 12.2, the Contracting Authority may, after allowing the Organisation to submit its observations and without prejudice to Article 13, reduce the contribution pro rata the actual implementation of the Action on the terms laid down in this Agreement.

Article 18 - RECOVERY

- 18.1 Where recovery is justified, the Organisation shall repay to the Contracting Authority within 45 days of the issuing of a letter (debit note) by which the Contracting Authority reclaims from the Organisation, any amounts paid in excess of the final amount due.
- 18.2 If the Organisation fails to repay by the due date, the sum due shall bear interest at the rate indicated in article 15.3. The interest shall be payable for the period elapsing from the day following expiry of the time limit for payment up to the day of payment. Any partial payment shall first cover the interest.
- 18.3 Amounts to be repaid to the Contracting Authority may be offset against amounts of any kind due to the Organisation, after informing it accordingly. The Organisation's prior consent is not required. This shall not affect the Parties' option to agree on payment in instalments.
- 18.4 Bank charges incurred from the repayment of amounts due to the Contracting Authority shall be borne entirely by the Organisation.

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ANNEX III
BUDGET FOR THE ACTION

Costs	All Years						Year 1						Year 2					
	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)		
1. Human Resources																		
1.1 Salaries (gross salaries including social security charges and other related costs, local staff) ⁴																		
1.1.1 Technical																		
1.1.1.1 Engineering Analyst (30%)	Per month	7.2	€ 6,355.69	€ 45,761	Per month	3.6	€ 6,355.69	€ 22,881	Per month	3.6	€ 6,355.69	€ 22,881	Per month	3.6	€ 6,355.69	€ 22,881		
1.1.1.2 Programme Analyst (20%)	Per month	4.8	€ 6,355.69	€ 30,507	Per month	2.4	€ 6,355.69	€ 15,254	Per month	2.4	€ 6,355.69	€ 15,254	Per month	2.4	€ 6,355.69	€ 15,254		
1.1.1.3 Site Engineer	Per month	14	€ 3,055.44	€ 42,776	Per month	2	€ 3,055.44	€ 6,111	Per month	2	€ 3,055.44	€ 6,111	Per month	12	€ 3,055.44	€ 36,665		
1.1.2 Administrative/ support staff																		
1.1.2.1 Project assistant	Per month	24	€ 2,585.11	€ 62,043	Per month	12	€ 2,585.11	€ 31,021	Per month	12	€ 2,585.11	€ 31,021	Per month	12	€ 2,585.11	€ 31,021		
1.1.2.2 General Service Assistant (50%)	Per month	12	€ 2,464.00	€ 29,568	Per month	6	€ 2,464.00	€ 14,784	Per month	6	€ 2,464.00	€ 14,784	Per month	6	€ 2,464.00	€ 14,784		
1.2 Salaries (gross salaries including social security charges and other related costs, expat/int. staff)																		
1.2.1 Project Manager	Per month	19	€ 15,729.81	€ 298,866	Per month	12	€ 15,729.81	€ 188,758	Per month	12	€ 15,729.81	€ 188,758	Per month	7	€ 15,729.81	€ 110,109		
1.2.2 International expert in cult heritage (hammams)	Per mission	1	€ 20,000.00	€ 20,000	Per mission	1	€ 20,000.00	€ 20,000	Per mission	1	€ 20,000.00	€ 20,000	Per mission	-	€ 20,000.00	€ -		
1.3 Per diems for missions/travel ⁵	Per diem	18	€ 200.00	€ 3,600	Per diem	18	€ 200.00	€ 3,600	Per diem	18	€ 200.00	€ 3,600	Per diem	-	€ 200.00	€ -		
1.3.1 Abroad (staff assigned to the Action) - Turkey/Morocco				€ 533,121								€ 302,408				€ 230,713		
Subtotal Human Resources																		
2. Travel⁶																		
2.1. International travel - Turkey/Morocco	Per travel	6	€ 1,500.00	€ 9,000	Per travel	6	€ 1,500.00	€ 9,000	Per travel	6	€ 1,500.00	€ 9,000	Per travel	-	€ 1,500.00	€ -		
Subtotal Travel				€ 9,000				€ 9,000				€ 9,000				€ -		
3. Equipment and supplies⁷																		
3.1 Furniture, computer equipment (Desk, Chair, Laptop)	Per Unit	2	€ 1,300.00	€ 2,600	Per Unit	2	€ 1,300.00	€ 2,600	Laptop	2	€ 1,300.00	€ 2,600	Laptop	-	€ 1,300.00	€ -		
3.2 Other (Maintenance of photocopier, scanner, and printers)	Per Year	2	€ 800.00	€ 1,600	Per Year	1	€ 800.00	€ 800	Per Year	1	€ 800.00	€ 800	Per Year	1	€ 800.00	€ 800		
Subtotal Equipment and supplies				€ 4,200				€ 4,200				€ 3,400				€ 800		
4. Local office																		
4.1 Vehicle costs (Insurance, Maintenance, licensing, and fuel)	Per month	24	€ 160.00	€ 3,840	Per month	12	€ 160.00	€ 1,920	Per month	12	€ 160.00	€ 1,920	Per month	12	€ 160.00	€ 1,920		
4.2 Office rent and Maintenance (Building, elevator, generator and generator fuel and Utilities)	Per year	2	€ 3,500.00	€ 7,000	Per year	1	€ 3,500.00	€ 3,500	Per year	1	€ 3,500.00	€ 3,500	Per year	1	€ 3,500.00	€ 3,500		
4.3 Consumables - office supplies	Per month	24	€ 100.00	€ 2,400	Per month	12	€ 100.00	€ 1,200	Per month	12	€ 100.00	€ 1,200	Per month	12	€ 100.00	€ 1,200		
4.4 Other services (tel/fax, e-mail and mobile)	Per month	24	€ 200.00	€ 4,800	Per month	12	€ 200.00	€ 2,400	Per month	12	€ 200.00	€ 2,400	Per month	12	€ 200.00	€ 2,400		
Subtotal Local office				€ 18,040				€ 18,040				€ 9,020				€ 9,020		
5. Other costs, services⁸																		
5.1 Publications ⁹	Per publication	1	€ 15,000.00	€ 15,000	Per publication	-	€ 15,000.00	€ -	Per publication	1	€ 15,000.00	€ 15,000	Per publication	1	€ 15,000.00	€ 15,000		
5.2 Studies, research ⁹	Per study	1	€ 12,000.00	€ 12,000	Per study	1	€ 12,000.00	€ 12,000	Per study	1	€ 12,000.00	€ 12,000	Per study	-	€ 12,000.00	€ -		
5.3 Evaluation costs	Per report	1	€ 10,000.00	€ 10,000	Per report	-	€ 10,000.00	€ -	Per report	1	€ 10,000.00	€ 10,000	Per report	1	€ 10,000.00	€ 10,000		
5.4 Costs of conferences/seminars ⁹	Per conference / seminar	2	€ 15,000.00	€ 30,000	Per conference / seminar	1	€ 15,000.00	€ 15,000	Per conference / seminar	1	€ 15,000.00	€ 15,000	Per conference / seminar	1	€ 15,000.00	€ 15,000		
5.5 Visibility actions ¹⁰	Per activity	4	€ 10,000.00	€ 40,000	Per activity	2	€ 10,000.00	€ 20,000	Per activity	2	€ 10,000.00	€ 20,000	Per activity	2	€ 10,000.00	€ 20,000		
Subtotal Other costs, services				€ 107,000				€ 47,000				€ 47,000				€ 60,000		
6. Other																		
6.1 Survey and Design	Per activity	1	€ 90,000.00	€ 90,000	Per activity	1	€ 90,000.00	€ 90,000	Per activity	1	€ 90,000.00	€ 90,000	Per activity	-	€ 90,000.00	€ -		
6.2 Supervision and coordination with the local authorities	Per activity	1	€ 30,000.00	€ 30,000	Per activity	1	€ 30,000.00	€ 30,000	Per activity	1	€ 30,000.00	€ 30,000	Per activity	-	€ 30,000.00	€ -		
6.3 Municipality and Antiquity Authority Fees (including licensing)	Per activity	1	€ 30,000.00	€ 30,000	Per activity	1	€ 30,000.00	€ 30,000	Per activity	1	€ 30,000.00	€ 30,000	Per activity	-	€ 30,000.00	€ -		
6.4 Rehabilitation of the Hammam al Ayn and Hammam al Shifa	Per activity	1	€ 1,010,000.00	€ 1,010,000	Per activity	0.5	€ 1,010,000.00	€ 505,000	Per activity	0.5	€ 1,010,000.00	€ 505,000	Per activity	0.5	€ 1,010,000.00	€ 505,000		
6.5 Rehabilitation of the Madrasa al-Kilaniyya	Per activity	1	€ 320,000.00	€ 320,000	Per activity	0.5	€ 320,000.00	€ 160,000	Per activity	0.5	€ 320,000.00	€ 160,000	Per activity	0.5	€ 320,000.00	€ 160,000		
6.6 Business Management Plan and training	Per activity	1	€ 90,000.00	€ 90,000	Per activity	0.5	€ 90,000.00	€ 45,000	Per activity	0.5	€ 90,000.00	€ 45,000	Per activity	0.5	€ 90,000.00	€ 45,000		
Subtotal Other				€ 1,570,000				€ 860,000				€ 860,000				€ 710,000		
7. Subtotal direct eligible costs of the Action (1-6)				€ 2,241,361				€ 1,230,828				€ 1,230,828				€ 1,010,553		
8. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Action)				€ 1,629				€ -				€ -				€ 1,629		
9. Total direct eligible costs of the Action (7+8)				€ 2,242,990				€ 1,230,828				€ 1,230,828				€ 1,012,182		
10. Administrative costs (maximum 7% of 9, total direct eligible costs of the Action)	Per percentage		€ 2,242,990	€ 157,010	Per percentage	7%	€ 157,010	€ 157,010	Per percentage	7%	€ 157,010	€ 157,010	Per percentage	7%	€ 157,010	€ 157,010		
11. Total eligible costs (9+10)				€ 2,400,000				€ 1,316,986				€ 1,316,986				€ 1,083,014		



JUSTIFICATION OF THE BUDGET FOR THE ACTION

Costs	All Years	
	Clarification of the budget items ¹	Justification of the estimated costs ²
1. Human Resources		
1.1 Salaries (gross salaries including social security charges and other related costs, local staff) ⁴		
1.1.1 Technical		
1.1.1.1 Engineering Analyst (30%)	Project Assurance is the responsibility of each Project Board member, however the role can be delegated. The Project Assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. Project Assurance has to be independent of the Project Manager; therefore the Project Board cannot delegate any of its assurance responsibilities to the Project Manager. A UNDP Engineering Analyst typically holds the Project technical assurance role.	Provided cost is estimated on the UN staff salary rates.
1.1.1.2 Programme Analyst (20%)	Project Assurance is the responsibility of each Project Board member, however the role can be delegated. The Project Assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. Project Assurance has to be independent of the Project Manager; therefore the Project Board cannot delegate any of its assurance responsibilities to the Project Manager. A UNDP Programme Analyst typically holds the Project Assurance role.	Provided cost is estimated on the UN staff salary rates.
1.1.1.3 Site Engineer	The site engineer provides daily supervision tasks of the construction activities to ensure the works are implemented in accordance with the designs and technical specifications, supervise performance in all matters related to safety and workmanship at the projects' site, and closely monitor the progress of the construction works to ensure compliance with the construction schedules and; where needed, bring to the attention of the Engineering Analyst, and the contractor any delays in the schedule.	Provided cost is estimated on the UN staff salary rates.
1.1.2 Administrative/ support staff		
1.1.2.1 Project assistant	The Project Support role provides project management and technical support to the Project Manager and Analyst as required by the needs of the individual project or Project Manager. The provision of any Project Support on a formal basis is not optional. It is necessary to keep Project Support and Project Assurance roles separate in order to maintain the independence of Project Assurance.	Provided cost is estimated on the UN staff salary rates.
1.1.2.2 General Service Assistant (50%) - UNDP	The project General Service Assistant will be located at the General Services Unit of UNDP and will be responsible on all administrative issues related to the project which needs follow up and liaison with the internal and external parties. The position mainly will be responsible on issues related to procurement, HR, and Finance.	Provided cost is estimated on the UN staff salary rates.
1.2 Salaries (gross salaries including social security charges and other related costs, expat/int. staff)		
1.2.1 Project Manager - UNDP	The Project Manager (P4 – FTA International) has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Board. The Project Manager is responsible for day-to-day management and decision-making for the project. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. The Implementing Partner appoints the Project Manager, who should be different from the Implementing Partner's representative in the Outcome Board. Prior to the approval of the project, the Project Developer role is the UNDP staff member responsible for project management functions during formulation until the Project Manager from the Implementing Partner is in place.	Provided cost is estimated on the UN staff salary rates.
1.2.2 International expert in restoration	International expert provides technical support ad-hoc bases during the implementation of the project. Approx. 60 days for 1 pax including all cost related.	Provided cost is estimated on the UN staff salary rates for consultancy services.
1.3 Per diems for missions/travel ⁵		
1.3.1 Abroad (staff assigned to the Action)	Per diems provided to project staff for mission abroad (i.e. visit to EU-HAMMAMED project sites in Turkey/Morocco, participation to related meeting/events, etc.) 3 persons x 3 days of mission x 2 destinations (Turkey and Morocco)	Provided cost is estimated on the UN per diem costs
Subtotal Human Resources		



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JUSTIFICATION OF THE BUDGET FOR THE ACTION

2. Travel⁶		
	International travels in the MENA region to visit EU-HAMMAMED project sites and/or to attend related meetings/events. 3 persons x 2 destinations (Turkey and Morocco)	Provided cost is estimated on the UN travel rate in the MENA region.
2.1 International travel		
<i>Subtotal Travel</i>		
3. Equipment and supplies⁷		
3.1 Furniture, computer equipment	1 laptop, desk and chair.	Provided cost is based on the UN LTA.
	Any Equipment Designated by UNDP for the use of the project such as Photocopiers, printers and digital scanners.	Provided cost is estimated on the UNDP Services costs.
3.2 Other (please specify)		
<i>Subtotal Equipment and supplies</i>		
4. Local office		
4.1 Vehicle costs	Transportation from the UND local offices to the project sites including vehicle maintenance, insurance, and fuel.	Provided cost is estimated on the UNDP Services costs.
4.2 Office rent	Project operational space.	Provided cost is estimated on the UNDP services costs.
4.3 Consumables - office supplies	Office supplies for the project's implementation.	Provided cost is estimated on the UNDP services costs.
4.4 Other services (tel/fax, electricity/heating, maintenance)	General services related to the project operational space and to the project's staff.	Provided cost is estimated on the UNDP services costs.
<i>Subtotal Local office</i>		
5. Other costs, services⁸		
5.1 Publications ⁹	A final publication will be published to document the entire restoration project.	It's an estimated cost for the editing and publishing of a final project publication. This activity could be directly implemented by UNDP or outsourced to external firms and the estimation is calculated on real previous local costs.
5.2 Studies, research ⁹	A comprehensive historic study/research on the Hammam Al Shifa, Hammam Al Ayn and Madrasa Al Killaniya will be conducted	It's an estimated cost for the study/research. This activity could be directly implemented by UNDP or outsourced to external firms and the estimation is calculated on real previous local costs.
5.3 Evaluation costs	In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored and evaluated on quarterly and annually base by UNDP staff. Final evaluation (Audit) will be conducted by an external consultant/firm.	It's an estimated cost for the evaluation services of the project. This activity will be implemented by an external consultant/firm and the estimation is calculated on real previous local costs.
5.4 Costs of conferences/seminars ⁹	Two seminars/conferences will be organized during the lifetime of the project. 1. Seminar on planning and training in situ for maintenance and management of the revitalized sites as well as on restoration/rehabilitation of cultural heritage monuments; 2. Final conference presenting the results of the project	It's an estimated cost for the conferences/seminars. This activity could be directly implemented by UNDP or outsourced to external firms and the estimation is calculated on real previous local costs.
5.5 Visibility actions ¹⁰	Actions in line with the "Communication and Visibility Manual for EU External Actions" and the "Joint Visibility Guidelines for EC-UN Actions in the Field" in order to ensure that UN actions funded by the European Union (EU) incorporate information and communication activities designed to raise the awareness of specific or general audiences of the reasons for and impact of the UN-EU cooperation, and identify EU support for the action in the oPT, as well as the impact of this particular project in the Old City of Jerusalem.	It's an estimated for the visibility of the project. This activity could be directly implemented by UNDP or outsourced to external firms and the estimation is calculated on real previous local costs.
<i>Subtotal Other costs, services</i>		



JUSTIFICATION OF THE BUDGET FOR THE ACTION

6. Other		
6.1 Survey and design	Detailed technical and architectural survey and an assessment of the building state of conservation in order to identify the conservation interventions to be undertaken; design to get the requested licenses from the competent authorities;	It's an estimated cost for the survey, design and supervision with the local authorities (municipality, antiquity authorities, etc.) . This activity could be directly implemented by UNDP or outsourced to external firms. Estimation is calculated on real local costs.
6.2 Supervision and coordination with the local authorities	Supervision of the activities to ensure that they are in line with the released licenses and coordination with the local authorities.	It's an estimated cost for the supervision and coordination with the local authorities (municipality, antiquity authorities, etc.) . This activity could be directly implemented by UNDP or outsourced to external firms. Estimation is calculated on real local costs.
6.3 Municipality and Antiquity Authority Fees (including licensing)	License from the competent authorities for the rehabilitation/construction works.	It's an estimated cost for the fees related to the municipality and competent authorities' licensing. Estimation is calculated on real local costs.
6.4 Rehabilitation of the Hammam al Ayn and Hammam al Shifa	Physical restoration of the two hammams and supply of furniture/installations to make the spaces operational.	It's an estimated cost for the rehabilitation of the buildings including the cost to make it operational and completely furnished. This activity will be outsourced to external contractors. Estimation is calculated on real local costs.
6.5 Rehabilitation of the Madrasa al-Kilaniyya	Improvement of the housing conditions of the resident population, to be maintained in the building, whilst ensuring the conservation of the building fabric and particularly the restoration of the Mamluke architectural and decorative elements in danger.	It's an estimated cost for the rehabilitation of the buildings. This activity will be outsourced to external contractors. Estimation is calculated on real local costs.
6.6 Business management plan and training in situ for maintenance and management of the revitalized sites	Development of a business management plan for the revitalized hammam and training in situ for maintenance and management of the revitalized sites as well as on restoration/rehabilitation of cultural heritage monuments.	It's an estimated cost for the development of a business management plan and training. This activity could be outsourced to external contractors. Estimation is calculated on real local costs.
Subtotal Other		
7. Subtotal direct eligible costs of the Action (1-6)		
8. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Action)		0
9. Total direct eligible costs of the Action (7+ 8)		
10. Administrative costs (maximum 7% of 9, total direct eligible costs of the Action)	Rate of 7% for the recovery of indirect general management support (GMS) costs.	Decisions adopted by the Executive Board at its annual session 2007.
11. Total eligible costs (9+10)		
12. Total accepted¹¹ costs of the Action (11+12)		



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Expected sources of funding & summary of estimated costs

Expected Contributions	Amount EUR	Percentage %
EU/EDF contribution sought in this application (A)	€ 2,400,000.00	100
Other contributions (Applicant, other EU Funds or EU Member States etc)	N/A	
Revenue from the Action	N/A	
To be inserted if applicable and allowed by the guidelines: In-kind contribution	N/A	
Estimated Costs	€ 2,400,000.00	
Estimated TOTAL ELIGIBLE COSTS ² (B)	€ 2,400,000.00	
EU/EDF contribution expressed as a percentage of total eligible costs ⁴ (A/B x 100)		100
Estimated TOTAL ACCEPTED COSTS ³ (C)	€ 2,400,000.00	
EU/EDF contribution expressed as a percentage of total accepted costs ⁴ (A/C x 100)		100



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FINANCIAL IDENTIFICATION

PRIVACY STATEMENT

http://ec.europa.eu/budget/execution/fliers_fr.htm

ACCOUNT NAME

ACCOUNT NAME(1)	UNITED NATIONS DEVELOPMENT PROGRAMME		
ADDRESS	ONE UNITED NATIONS PLAZA		
TOWN/CITY	NEW YORK	POSTCODE	NY 10017
COUNTRY	UNITED STATES		

CONTACT	Ms. Julie Anne Mejia, Treasurer		
TELEPHONE	+1-212-906-5690	FAX	+1-212-906-5645
E - MAIL	julie.anne.mejia@undp.org		

BANK

BANK NAME	ING Belgium SA/NV		
BRANCH ADDRESS	60 COURS ST MICHEL		
TOWN/CITY	BRUSSELS	POSTCODE	1040
COUNTRY	BELGIUM		
ACCOUNT NUMBER	301-0186139-77		
IBAN(2)	BE80301018613977		

REMARKS:

REMARKS: [Empty box for additional information]

BANK STAMP + SIGNATURE OF BANK REPRESENTATIVE
(Both Obligatory)(3)

Antoinette D'YVE
Relationship Manager
Institutionals

ING Belgium SA/NV
avenue Marnixlaan, 24
1000 BRUSSELS
Phone 02/547.21.11

DATE + SIGNATURE ACCOUNT HOLDER :
(Obligatory)



DATE

1 FEB. 2009

- (1) The name or title under which the account has been opened and not the name of the authorized agent
 (2) If the IBAN Code (International Bank account number) is applied in the country where your bank is situated
 (3) It is preferable to attach a copy of recent bank statement, in which event the stamp of the bank and the signature of the bank's representative are not required. The signature of the account-holder is obligatory in all cases.

ANNEX V

Request for payment for contribution agreement with an international organisation

Date of the request for payment <.....>

For the attention of
<Address of the Contracting Authority>
<Financial unit indicated in the Agreement>¹

Reference number of the Agreement: ...

Title of the Agreement: ...

Name and address of the Organisation: ...

Request for payment number: ...

Period covered by the request for payment: ...

Dear Sir/Madam,

I hereby request payment of prefinancing/interim payment/balance² under the Agreement mentioned above.

The amount requested is [as indicated in Article 4(2) of the Special Conditions of the Agreement/the following: ...]³

Please find attached the following supporting documents:

- narrative and financial progress report (for prefinancing / interim payments)
- final narrative and financial report (for payment of the balance)⁴

The payment should be made to the following bank account:...⁵

Please when making the payment indicate the following communication: ...

I hereby certify on honour that the information contained in this request for payment is full, reliable and true, that the costs incurred can be considered eligible in accordance with the Agreement and that this request for payment is substantiated by adequate supporting documents that can be checked.

Yours faithfully,

<signature>

¹ If applicable, please do not forget to address a copy of this letter to the European Union Delegation mentioned in Article 5 of the Special Conditions of the Agreement.

² Delete the options which do not apply.

³ Delete the option which does not apply.

⁴ Delete the items which do not apply.

⁵ Indicate the account number shown on the identification form annexed to the Agreement. In the event of change of bank account, please complete and attach a new identification form as per model.

N.B.: Instalments of prefinancing, Interim payments and final payments are subject to the approval of the corresponding report (see Article 15(1) of the General Conditions of Agreement)

