



SERVICE CONTRACT

REF NO.: AICS/JER/AID10895/01/0

CIG N.: 8146458DCC

CUP N. H26G16000210001

Italian Development Cooperation Agency
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Referred as the Contracting Authority,

of the one part,

and

Middle East Investment Initiative



(“the contractor”)

of the other part,

have agreed as follows:

PROJECT

FIN PAL 10895 – FINANCIAL INCLUSION IN PALESTINE Technical Fund Manager for a Credit Guarantee Scheme in Jenin

Identification number AICS/JER/AID10895/01/0

(1) Subject

- 1.1 The subject of the contract is the technical management of the Credit Guarantee Scheme (CGS hereinafter) capitalized by the Italian Agency for Development Cooperation in Jenin, in cooperation with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The Technical Fund Manager will deliver the following services (“the services hereinafter):

- Collection of requests for credit guarantees presented either by financial institutions or by entrepreneurs.
- Preparation of credit guarantee dossiers and verification of compliance with the eligibility criteria and verification of the documentation according to the manual of procedures.
- Finalization of the credit guarantee dossiers and presentation of the same to the credit guarantee committee.
- Receipt of decisions on the approval / refusal / request for integrations with related activities and communications to the referents (financial institutions and / or entrepreneurs).
- Preparation of guarantee letters and issuance of the same in accordance to the issuing legal structure.
- Management and monitoring of the guarantee portfolio and periodic communications with the financial institutions involved.
- Receipt of requests for activation of guarantees on non-performing loans according to the manual of procedures.
- Reporting on operations and activities to be submitted to the Steering Committee of the CGS.
- Analysis of data and monitoring of performance indicators according to instructions provided by the Consultant to the assignee of the service.

1.2 The Contractor shall execute the tasks assigned to him in accordance with the terms of reference to the Contract (Annex II), as well as the implementation plan submitted in its tender proposal (included in Annex III).

(2) Contract value

This contract, established in Euro, is a global price contract. The contract value is **EUR 199,971.00**.

(3) Order of precedence of contract documents

The following documents shall be deemed to form and be read and construed as part of this contract, in the following order of precedence:

- the contract agreement;
- the special conditions
- the general conditions (Annex I);
- the terms of reference (Annex II)
- the organisation and methodology (Annex III);
- Key experts (Annex IV) ;
- Budget (Annex V).

These above listed documents make up the contract. They shall be deemed to be mutually explanatory. In cases of ambiguity or divergence, they shall prevail in the order in which

they appear above. Addenda shall have the order of precedence of the document they are amending.

(4) Language of the contract

The language of the contract and of all written communications between the contractor and the contracting authority and/or the project manager shall be English.

Done in English in three originals,

For the contractor

Name: Rami Khoury

Title: Executive Manager

Signature: *Rami Khoury*

Date: *Feb. 18, 2020*

For the contracting authority

Name: Cristina Natoli

Title: Director of AICS Jerusalem

Signature: *Cristina Natoli*

Date: *Feb 18, 2020*



SPECIAL CONDITIONS

These conditions amplify and supplement the general conditions governing the contract. Unless the special conditions provide otherwise, the general conditions remain fully applicable. The numbering of the articles of the special conditions is not consecutive but follows the numbering of the general conditions. Exceptionally, and with the approval of the competent European Commission departments, other clauses can be indicated to cover particular situations.

Article 2 Communications

2.1 The contractor shall submit reports as specified in the Terms of Reference.

Reports shall be submitted to the Contracting Authority in hard copy and electronic copy. Each report shall be provided in two copies.

Article 3 Assignment

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

Article 4 Subcontracting

4.9 According to the Service Contract Notice, art. 13 – Conditions of participation Subcontract is allowed up to an amount of 30% of the total contract amount. Bidders must declare which supplies/services/works they intend to subcontract. Contractors must deposit subcontracts with the Contracting Authority at least 20 days before commencing the execution of subcontracts.

Article 19 Implementation of the tasks and delays

19.1 The start date for implementation shall be the date of signature of the contract by both parties.

19.2 The period for implementing the tasks is **20 months** from the start date.

Article 20 Amendment to the Contract

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

- a) modifications of applicable laws and regulations;
- b) unforeseen and unforeseeable circumstances, including the implementation of new materials, components or technology not existing when the award procedure was commenced provided that the modifications ameliorate the quality of the performance, without increasing the contract total amount;
- c) events related to the nature or the quality of the goods or places where the contract activities take place, which occur during the contract execution and were unforeseeable when the contract was made;
- d) unless otherwise provided, the above-mentioned modifications may not increase or reduce the total contract amount beyond 20%, provided if budget is available;
- e) modifications, which in the interest of the Contracting Authority, increase or reduce the total contract amount, necessary to improve the quality and performance of the project are allowed up to 5%, provided that funding is available and no substantial modification is made; the

modifications shall be only due to objective reasons, unforeseeable when the contract was made;

- f) contractors may not refuse the above-mentioned modifications; such modifications shall be executed at the same contractual conditions;
- g) contractors shall execute any non-substantial medication that the contracting authority may see fit; provided that the nature of the activity is not fundamentally altered and no additional costs are imposed.

Article 26 Interim and final reports

The contractor shall submit progress reports as specified in the terms of reference.

Article 27 Approval of reports and documents

27.5 The Contracting Authority shall, within 45 days of receipt, notify the Contractor of its decision concerning the documents or reports received by it, giving reasons should it reject the reports or documents, or request amendments. If the Contracting Authority does not give any comments on the documents or reports within the time limit, the Contractor may request written acceptance of them. The documents or reports shall be deemed to have been approved by the Contracting Authority if it does not expressly inform the Contractor of any comments within 45 days of receipt of the report.

Article 29 Payment and interest on late payment

29.1 Payments will be made in accordance with the following Schedule:

Month		EUR
1	Upon signature of the contract 1 st Payment of the Global Price	20% of the Global Price
2	6 months after signing the contract following submission of finance expense report 2 nd Payment of the Global Price	30% of the Global Price
3	12 months after signing the contract following submission of financial expense report 3 rd Payment of the Global Price	30% of the Global Price
4	After the approval of the final report, covering the 20-month period of the service provision 4 th Payment of the Global Price	20% of the Global Price
	Total	100%

29.5 Payments will be made in EURO in accordance with Articles 20.6 and 29.4 of the General Conditions into the bank account notified by the Contractor to the Contracting Authority.

Article 30 Financial guarantee

30.1 No pre-financing guarantee or performance guarantee will be required.

Article 40 Settlement of disputes

40.4 Any disputes arising out of or relating to this contract which cannot be settled otherwise shall be referred to the exclusive jurisdiction of the Palestinian Authority applying the national legislation of the Contracting Authority.

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