Administration Agreement between the Kingdom of Denmark, acting through the Ministry of Foreign Affairs, and the International Bank for Reconstruction and Development and the International Development Association concerning the West Bank and Gaza Public Financial Management Improvement Project (PFMIP) Multi-Donor Trust Fund
(Trust Fund No. TF073011)

1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) acknowledge that the Kingdom of Denmark, acting through the Ministry of Foreign Affairs, (the “Donor”, and together with the Bank, the “Parties” and each a “Party”) agrees, subject to legislative appropriations, to provide the sum of twelve million Danish Kroner (DKK 12,000,000) (the “Contribution”) for West Bank and Gaza Public Financial Management Improvement Project (PFMIP) Multi-Donor Trust Fund (TF No. TF073011) (the “Trust Fund”) in accordance with the terms of this Administration Agreement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Administration Agreement.

2. The Contribution shall be used to finance the activities set forth in the “West Bank and Gaza Public Financial Management Improvement Project (PFMIP) Multi-Donor Trust Fund Description” attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Administration Agreement, including the “Standard Provisions” attached hereto as Annex 2 and the provisions on “Governance” attached hereto as Annex 3.

3. The Donor shall deposit the Contribution in accordance with the following schedule and in the currency specified in paragraph 1 above (“Contribution Currency”) into such bank account designated by the Bank (each amount deposited hereinafter referred to as an “Installment”) upon submission of a payment request by the Bank:

   (A) By May 31, 2018 – DKK 3 million
   (B) By October 31, 2019 – DKK 3 million
   (C) By October 31, 2020 – DKK 3 million
   (D) By October 31, 2021 – DKK 3 million

4. The Contribution is being provided in Installments on the basis of financial needs of the Trust Fund. If the Bank determines, on the basis of the speed of the implementation of the activities and availability of funds in the Trust Fund, that it is necessary to either bring Installments forward or delay them, the Bank and the Donor will discuss and agree to revise the Installment schedule, as confirmed by the Bank to the Donor in writing.

5. When making any deposit, the Donor shall instruct its bank to include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Donor for TF073011 (the West Bank and Gaza Public Financial Management Improvement Project (PFMIP) Multi-Donor Trust Fund), and the date of the deposit (the “Deposit Instructions”). In addition, the Donor shall provide a copy of the Deposit Instructions to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to +1 (202) 614-1315.

6. Except with respect to the Deposit Instructions, any notice, request or other communication to be given or made under this Administration Agreement shall be in writing and delivered by mail, fax or e-mail to the respective Party’s address specified below or at such other address as such Party notifies in writing to the other Party from time to time:
For the Bank (the “Bank Contact”):

Marina Wes
Country Director
West Bank and Gaza Country Management Unit
Middle East and North Africa Region
The World Bank
P.O. Box 54842
Jerusalem
Tel: +972-2-2366500
E-mail: mwes@worldbank.org

For the Donor (the “Donor Contact”):

Nathalia Feinberg
Head of Mission
Denmark Representative Office
P.O.Box 2444
Ramallah
Tel: +972-2-2415280
E-mail: natfei@um.dk

7. In the event any amounts are to be returned to the Donor under this Administration Agreement, the Bank shall transfer such amounts to the Donor, unless otherwise agreed with the Bank. When making any deposit, the Bank shall include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Bank in relation to TF073011 (the West Bank and Gaza Public Financial Management Improvement Project (PFMIP) Project Multi-Donor Trust Fund), and the date of the deposit. The Bank shall provide a copy of such information to the Donor.

8. At the date of Bank’s signature of this Administration Agreement, the Indirect Rate (as defined in Annex 1 to this Administration Agreement) is 17%.

9. All annexes hereto constitute an integral part of this Administration Agreement, whose terms taken together shall constitute the entire agreement and understanding between the Donor and the Bank. Unless otherwise specified in an annex hereto, this Administration Agreement may be amended only by written amendment between the Bank and the Donor; provided, however, that any annexes to this Administration Agreement may be amended only by written amendment of all donors contributing to the Trust Fund.

10. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Administration Agreement and act in accordance with these terms and conditions. The Parties are requested to sign and date this Administration Agreement, and upon possession by the Bank of this fully signed Administration Agreement, this Administration Agreement shall become effective as of the date of the last signature.

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: [Signature]  Date: March 2, 2018
Name: [Name]  Title: Country Director

KINGDOM OF DENMARK

By: [Signature]  Date: March 2, 2018
Name: [Name]  Title: [Title]
West Bank and Gaza Public Financial Management Improvement Project (PFMIP) Multi-Donor Trust Fund Description

This Annex shall be applicable to and form an integral part of all administration agreements for the Trust Fund (collectively, the "Administration Agreements" and each an "Administration Agreement") between the Bank and any entities that provide any funds to the Trust Fund (collectively, the "Donors").

1. Objectives

The objective of the Trust Fund is to enhance the expenditure controls, financial accountability and procurement management of the Palestinian Authority (PA) and selected municipalities.

2. Activities

Unless the context requires otherwise, the capitalized terms in this Agreement have the meaning ascribed to them in the Financing Agreements for the above referenced Projects or in this Agreement.

(a) "CCS" or "Commitment Control System" means the Recipient’s system for managing liquidity shortages and fluctuations during Recipient’s budget execution.

(b) "CSO" means civil society organization.

(c) "GFS" means Government Finance Statistics which measures the financial activities of the government in an economy.

(d) "HCPPP" means the Recipient’s High Council for Public Procurement Policies duly established in September 2012 and operating pursuant to the Cabinet Decree based on Procurement Law No. 8 of 2014.

(e) "IT" means Information Technology.

(f) "IFMIS" or "Integrated Financial Management Information System" means the Ministry of Finance & Planning’s system consisting of solutions to enable MOFP to plan, execute and monitor its budgets and assist with the compliance of financial regulations and reporting standards.

(g) "IPSAS" means International Public Sector Accounting Standards.

(h) "MOFP" or "Ministry of Finance and Planning" means Recipient’s Ministry of Finance and Planning, or any successor thereof.

(i) "MOH" or "Ministry of Health" means Recipient’s Ministry of Health or any successor thereof.

(j) "Operating Costs" means expenditures incurred by a designated Project management unit or the HCPPP on account of the Project for payments for rental of office space, utility charges, vehicle maintenance and insurance, fuel, office supplies, communications services, travel expenses, or any other expenditures acceptable to the World Bank.

(k) "PA" means the Palestinian Authority.

(m) “PFM” means Public Financial Management

(n) “SAACB” means the Recipient’s State Audit and Administrative Control Bureau duly established and operating pursuant to the State Audit and Administrative Control Bureau Law No. 15 of 2004.

(o) “Training” includes the materials and rental of training facilities and equipment, local travel and per diem for participants, travel, accommodation and per diem of trainers and trainees, printing of documents, communications, and various supplies needed for such training.

The activities (which may be described as “components” or “activities”) to be financed by the Trust Fund are:

2.1 Bank-executed activities, for which the Bank has implementation responsibility:

Within the Recipient-executed components 1 and 2.a, 2.b, and 2cb detailed in Section 2.2 of this Annex, the Trust Fund will support the activities by:

- Mobilizing Bank expertise not readily available to the Project Management Unit, particularly for issues which require highly specialized skills in relation with the recipient-executed program devoted to the MoFP and the other implementing agencies (line ministries for expenditure management, wage bill control, medical referrals and municipalities for PFM at the local level); and
- Supporting close oversight of the reform agenda in areas supported by the project to solve problems that emerge during implementation, and enhancing coordination with the work of other donors.

In addition, Bank-executed activities for the Recipient-Executed activities under Component 2 set forth in Section 2.2 of this Annex would entail the following:

2.d Provision of technical assistance to support SAACB in efforts to enhance the quality of audits at the municipal level: provision of technical assistance to help establish an oversight framework to encourage better quality audits of municipalities including helping SAACB: to establish audit guidelines, conduct risk based reviews of audit activity and work closely with the representative body of the accounting profession, to bring the quality of audits into line with INTOSAI standards. The framework will take into consideration the revised SAACB law that is awaiting future cabinet endorsement, and which aims to provide greater independence in SAACB’s operations.

2.e Advising on regulatory changes that may flow from the new SAACB law: provision of technical assistance to help SAACB prepare an analysis of consequential regulations needed to implement the SAACB law when it is endorsed to support its effective implementation;

2.f Providing training to CSOs on reading the financial statements and budgets at central and local level to further support efforts to enhance the quality of reporting and audit activity;

2.g Leading a national PEFA assessment: the assessment would be an update of the 2013 PEFA.
Component 3 – Modernizing Public Procurement

Provide advisory support to the Recipient’s efforts to modernize public procurement through the following subcomponents:

3.a **Advising on Institutional Strengthening of HCPPP and Central Procuring Entities:** providing technical assistance in procurement to support: (i) the work on operationalizing the HCPPP to enable it to carry out developing HCPPP internal systems and procedures and building capacity with its staff as a critical step to the effectiveness of the HCPPP in carrying out its regulatory and oversight functions defined by the law; (ii) setting up an independent Dispute Review Unit to handle complaints of non-compliance by procuring entities in conducting procurement proceedings; and (iii) a functional review of the central procurement entities; namely the Central Tendering Department of Ministry of Public Works and Housing and the General Supplies Department of MOFP.

3.b **Advising on Development of Modern Procurement Tools:** provision of technical assistance in procurement to support: (i) the roll-out of the single procurement portal at larger municipalities; (ii) the development of framework agreements (standard forms to solicit participation and place orders and related terms and conditions) for procurement of common-use goods and services aimed at efficiency and service-delivery benefits, and transaction-cost savings, while preserving competition and transparency.

3.c **Advising on Capacity Building of the Procurement Workforce and Other Stakeholders:** providing technical assistance to HCPPP to support the development and implementation of a capacity building and awareness raising strategy for procurement officials both at the central and local levels, as well as other stakeholders from private sector/small and median enterprises, civil society organizations and the general public; through: (A) conducting a training needs assessment in order to ensure that training programs are properly quantified and targeted in terms of the number of personnel and other types of participants and stakeholders that may need to be trained, and the types of subject matter and aspects that need to be emphasized in the training, and that other aspects of designing and planning the training program are optimized; and (B) delivering the training program to procurement staff in municipalities.

2.2 Recipient-executed activities, for which one or more Recipients (as defined in Annex 2) have implementation responsibility:

**Component 1 – Improving Budget Expenditure Management and Control**

Develop budget expenditure management monitoring tools through the following subcomponents:

1.a **Improving Budget Expenditure Management, Financial Control and Cash Planning:** including, *inter alia,* the design, development and implementation of the CCS and cash planning procedure and modernizing financial controls in line with the new CCS and international standards.

1.b **Establishing Medical E-Referrals System Linkages with Commitment Control System:** provision of technical assistance in (i) establishing an ad hoc committee at the MoH for monitoring medical referral related budget expenditures; and (ii) developing an exchange of data between the E-referrals system at the MoH and IFMIS at the MOFP, respectively.

1.c **Enhancing MOFP Management of Intergovernmental Fiscal Transfers:** provision of technical assistance for (i) improving procedures related to fiscal transfers; (ii) establishing fiscal forecasts; (iii)
defining a calendar for transfers; and (iv) developing a methodology to introduce fiscal discipline in management of the fiscal transfers.

1.d Enhancing the Wage Bill Establishment Control: provision of technical assistance for developing new tools and procedures to oversee the wage bill and monitor the budgetary impact of employment decisions on the wage bill and establishing mechanisms for connecting human resources IT system at General Personnel Council and the Payroll system at MoFP.

Component 2- Improving Financial Accountability of the Public Financial Management System

Improve financial accountability of the public financial management system through the following subcomponents:

2.a Aligning Accounting/reporting with International Standards (GFS/IPSAS): provision of technical assistance in completing the alignment of the accounting and reporting on international GFS and IPSAS standards by (a) providing training to staff involved with IFMIS-based transactions on the Accounting Handbook, and implementing Accountant General’s instructions in several public finance and accounting areas.

2.b Improving the Bank Reconciliation Process: provision of technical assistance in implementing an action plan following the review of the bank reconciliation process between the accounting data in the IFMIS and the cash in the bank accounts, including through improving current bank reconciliation procedures and developing associated IT support functionalities.

2.c Reducing the Backlog of Financial Statements of the PA: provision of technical assistance in expediting the backlog of unissued financial statements by supporting additional temporary accounting and auditing task forces.

2.d Enhancing SAACB’s capacity to audit Bank’s Projects: provision of technical assistance to SAACB to enable SAACB to act as an auditing body for World Bank and other international public organizations’ projects.

3. **Eligible Expenditures**

3.1 For Bank-executed activities, the Trust Fund funds may be used to finance:

(a) staff costs (excluding short term consultants and temporaries);
(b) short-term consultants and temporaries
(c) contractual services;
(d) media, workshops, conferences and meetings; and
(e) travel expenses.

3.2 For purposes of this section: (i) “staff costs (excluding short term consultants and temporaries)” includes salaries, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; (ii) “extended term consultants and temporaries” includes fees, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; and (iii) “short term consultants and temporaries” includes fees and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures.
3.3 The “Indirect Rate” means the indirect rate, defined as a percentage of personnel costs and available at the World Bank’s Donor center secure website, as such rate may be revised from time to time by the Bank and applied to this Trust Fund, in accordance with its policies and procedures.

3.4 For Recipient-executed activities, the Trust Fund funds may be used to finance:

(a) Consulting;
(b) Goods
(c) Operating Costs; and
(d) Training.

4. **Taxes**

4.1 The foregoing activities and categories of expenditures may include the financing of taxes in accordance with the Bank’s applicable policies and procedures.

5. **Indicative Results Framework**

5.1 An indicative Results Framework for the activities financed by the Trust Fund prepared by the Bank (the “Results Framework”), in consultation with the Donors, shall be available at the Development Partner Center website. Such Results Framework, may be revised by the Bank from time to time, in consultation with the Donors, and shall be used for monitoring and evaluation purposes only.

6. **Indicative Budget**

6.1 The Bank shall provide indicative budget information for the Trust Fund at the Development Partner Center website, which may be updated periodically by the Bank in consultation with the Donors. Such budget information is for informational purposes only.
**Standard Provisions**

This Annex shall be applicable to and form an integral part of all Administration Agreements between the Bank and the respective Donors.

1. **Administration of the Contributions**

   1.1. The Bank shall be responsible only for performing those functions specifically set forth in this Administration Agreement, including its annexes, and shall not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Administration Agreement shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

   1.2. Each Donor’s Contribution (collectively, the “Contributions”) shall be administered in accordance with the Bank’s applicable policies and procedures, as the same may be amended from time to time, including its procurement, financial management, disbursement and safeguard policies, its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activity, in line with the Bank's obligations to give effect to the relevant decisions of the Security Council taken under Chapter VII of the Charter of the United Nations. The Donors acknowledge that this provision does not create any obligations of the Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to a Donor.

2. **Management of the Contributions**

   2.1. The funds deposited in the Trust Fund shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The funds deposited in the Trust Fund may be commingled with other trust fund assets maintained by the Bank. The Bank, in its capacity as trustee, has legal title to the funds deposited in the Trust Fund.

   2.2. The currency in which the funds in the Trust Fund shall be held is United States Dollars (the “Holding Currency”).

   2.3. Donors agree to deposit their Contributions in the Contribution Currency stated in their respective Administration Agreements. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank shall convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

   2.4. The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.

   2.5. The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank’s applicable policies and procedures for the investment of trust funds administered by the Bank. The Bank shall credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.
3. **Accounting and Financial Reporting**

3.1. The Bank shall maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom.

3.2. The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions via the *Development Partner Center* website which will be updated quarterly. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions shall be made available to the Donors via the *Development Partner Center* website.

3.3. The Bank shall provide to the Donors via the *Development Partner Center* website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (i) a management report together with an audit opinion from the Bank’s external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (ii) a combined financial statement for all cash-based trust funds together with the Bank’s external auditor’s opinion thereon. The cost of the single audit shall be borne by the Bank.

3.4. If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank’s external auditors of the Trust Fund, the Donor and the Bank shall first consult as to whether such an external audit is necessary. The Bank and the Donor shall agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank shall arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, shall be borne by the requesting Donor.

3.5. The Bank shall make available to the Donors copies of all financial statements and auditors’ reports received by the Bank from Recipients pursuant to any Grant Agreements (as defined below) in accordance with the Bank’s Access to Information Policy.

4. **Progress Reporting; Review or Evaluation of Activities; Financial Management**

4.1. The Bank shall provide the Donors with biannual written progress reports; an interim report by June 30 and a more detailed annual report by December 31 of each year. The progress reports shall be provided with reference to the results framework agreed by the Bank and the Donors, as such Results Framework may be reviewed by the Parties from time to time. Within six (6) months of the End Disbursement Date (as defined below), the Bank shall provide to the Donors with a final narrative progress report for the Trust Fund.

4.2. Any Donor may review or evaluate activities financed by the Trust Fund at any time up to closure of the Trust Fund. The Donor and the Bank shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of the Bank’s applicable policies and procedures. All associated costs, including any costs incurred by the Bank, shall be borne by the Donor. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.

4.3. The Bank shall, consistent with its policies and procedures, take all appropriate measures to prevent corrupt, fraudulent, collusive, coercive and obstructive practices in connection with the use of the Trust Fund funds, and include provisions in its agreements with Recipients to give full effect to the relevant Bank guidelines on fraud and corruption.
4.4. In the event that the Bank determines that there are credible and material allegations of fraud, corruption, collusion or coercion in relation to Recipient-executed and/or Bank-executed activities financed by the Trust Fund that result in the Bank opening an investigation into such allegations (an “Investigation”), the Bank shall, in accordance with its applicable policies and procedures:

(i) take timely and appropriate action with respect to such allegations and, where relevant, seek appropriate redress, including potential sanctions;

(ii) as soon as practicable, inform the Donors of the outcome of the Investigation, provided that the Donors agree to keep such information confidential pursuant to paragraph 6.3 of Annex 2, unless such information is already publicly available;

(iii) on a case by case basis, decide whether to share information with Donors on an active Investigation, and provided that the Donors agree to keep such information confidential pursuant to paragraph 6.3 of Annex 2;

(iv) take all necessary actions to recover funds that are the subject of an Investigation where the Bank has determined it as appropriate; and

(v) to the extent that any funds are refunded to the Trust Fund following an Investigation, the Bank shall use such funds for the same purposes as the Contributions, unless otherwise agreed between the Bank and each Donor.

5. Disbursement; Cancellation; Withholding of Payments

5.1. It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by December 31, 2022 (the “End Disbursement Date”). The Bank shall only disburse funds deposited in the Trust Fund for the purposes of this Administration Agreement (other than returns to Donors) after such date to the extent such date is changed in accordance with amendments made to the Administration Agreements of all the Donors. Following the End Disbursement Date, the Bank shall return any remaining balance of the Trust Fund to each Donor in the Holding Currency in the manner specified in its respective Administration Agreement on a pro rata basis with regard to the total funds deposited in the Trust Fund by such Donor relative to the total funds deposited in the Trust Fund by all Donors, all calculated as Holding Currency amounts.

5.2. Any Donor may cancel all or part of such Donor’s pro rata share, and the Bank may cancel all or any Donors’ pro rata shares, upon three (3) months’ prior written notice, of any Contributions (paid and not yet paid) that are not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Administration Agreement, including any Grant Agreements, prior to the receipt of such notice. In the event of a cancellation, the Bank shall return to the Donor its pro-rata share in the Holding Currency as specified in paragraph 2.2 of this Annex 2; unless otherwise agreed between the Bank and the Donor.

5.3. If in the reasonable opinion of a Donor, the Bank has failed to comply to a material extent with its obligations under this Administration Agreement, the Donor and the Bank agree to discuss the non-compliance with a view to resolving the matter. If the Bank and the Donor fail to agree on the measures to be taken or the Bank fails to take relevant measures as may be agreed between the Donor and the Bank, the Donor may, upon thirty (30) days prior written notice, withhold all or any portion of an Installment that has not yet been disbursed to the Bank, until such time as the measures have been taken.

6. Disclosure; Visibility
6.1. The Bank and the Donors agree that the Administration Agreements will be made publicly available and that any related information on this Trust Fund in the Bank’s and the Donor’s possession may be publicly disclosed in accordance with (i) the Bank’s policies and procedures with respect to any such information in the Bank’s possession; and (ii) the Donors’ applicable laws with respect to any such information in the Donors’ possession.

6.2. Notwithstanding paragraph 6.1 above, neither the Bank nor any of the Donors shall publicly disclose information in their respective possession related to the Trust Fund that has been indicated or marked in writing by either Party as confidential, unless prior written consent has been obtained from the Party providing the information or the Donors are otherwise obliged to do so under applicable laws with respect to information in their possession.

6.3. Notwithstanding paragraphs 6.1 and 6.2 above, the information provided under paragraphs 4.4 (ii) and 4.4 (iii) shall be subject to the terms of confidentiality accompanying such information, and the Donors shall not disclose such information outside the office to which the information is provided, unless: (i) prior written consent has been obtained from the Bank; or (ii) the Donors are obliged to do so in accordance with applicable laws, in which case the Donors will notify the Bank accordingly prior to such disclosure. If a Donor is not able to commit to keep such information confidential in accordance with its applicable laws, then the Donor shall inform the Bank accordingly.

6.4. Where appropriate to do so, the Bank will acknowledge, the Donors’ contributions in references made by the Bank with respect to the Trust Fund in publications, press releases or other similar written materials.

7. **Dispute Resolution; Limitation on Donor Liability**

7.1. The Donors and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Administration Agreements.

7.2. In providing funds under this Administration Agreement, the Donors do not accept any responsibility or liability towards any third parties including any claims, debts, demands, damage or loss as a result of the implementation of the activities under the Trust Fund.

8. **Grants to Recipients**

8.1. The Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into one or more grant agreements (the “Grant Agreements”) with recipients (the “Recipients”) consistent with the purposes of this Administration Agreement and on the terms and conditions set forth in the Grant Agreements. Grant Agreements may be entered into up to the maximum amount of the Contributions that all Donors have agreed to make available under the Administration Agreements between the Bank and the Donors.

8.2. The Bank shall be responsible for the supervision of the activities financed under any Grant Agreements. Subject to the consent of any relevant Recipients, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

8.3. The Bank shall promptly inform the Donors of any significant modification to the terms of any Grant Agreements and of any contractual remedies that are exercised by the Bank under any Grant Agreements. To the extent practicable, the Bank shall afford the Donors the opportunity to exchange views before effecting any such modification or exercising any such remedy.
expenditure arrears presentation), and (ii) timeliness of Financial statements (FSs) of the PA which is currently hampered by long delays (+4 years).

| Public procuring entities disclose their procurement plans, procurement notices and contract awards on the single portal procurement web | Text | Zero | 80% of procurement entities at the central level and 50% of municipalities post their procurement plans, procurement notices and contract awards on the single portal procurement website. | Annual | HCPPP/Singl Procurement Portal | HCPPP |

**Description 3:** It is important to ensure routine dissemination of information on public procurement (procurement plans, procurement notices and contract award decisions and other procurement documentation (PPL, Regulation, SBDs, DRU decisions, etc.) through the single procurement portal, which was developed by HCPPP with the Bank’s support. This will contribute to (i) a much more transparent and fairer distribution of resources and increased opportunities for local suppliers, contractors and consultants to grow and prosper; and (ii) providing to HCPPP the data necessary for monitoring performance and benchmarking of the procurement system, with the aim of informing national procurement policies.

| MOFP publicly disseminates audited financial statements and holds an event to engage the public. | Text | None | Public event held within 3 months of the publication of the audited final accounts by the SAACB. | Once during the lifetime of the project. | MoFP | MoFP |

**Description 4:** The MoFP holds a public event to present the financial statements for feedback. This is to encourage public scrutiny of the financial statements and citizen engagement. CSOs, the media, academia among others will be invited to attend.

| SAACB has established a quality assurance framework for the conduct of municipal audits in line with INTOSAI standards | Text | None | Quality assurance framework established | Annual | SAACB | SAACB |

**Description 5:** SAACB will establish a quality assurance framework that supports the conduct of municipal audits in line with INTOSAI standards.
The quality assurance framework issued by SAACB includes a requirement on all private auditors performing audits of municipalities to pass a quality check assurance by the Palestinian Association of CPAs (PACPA).

<table>
<thead>
<tr>
<th>Text</th>
<th>None</th>
<th>QA system of PACPA is in place and all auditors who audit municipalities need to have passed a quality assurance check.</th>
<th>Annual</th>
<th>SAACB/PA CPA</th>
<th>SAACB/PACPA</th>
</tr>
</thead>
</table>

**Note:** As part of the quality assurance framework PACPA will implement a system of quality assurance where all auditors will be independently checked to ensure that they follow international auditing standards and that their audit opinion is supported by the appropriate documentation.

The results framework is indicative and is subject to change without the need for further amendment to this Administration Agreement. Modifications to the results framework shall be reflected in the Development Partner Center website. The results framework is for monitoring and evaluation purposes only and progress against it shall not be taken into account to determine the final amount of the Contribution to the Trust Fund by the Donor.