

Memorandum of Understanding
on the Utilization of a Financial Donation for Implementation of the Project
“National Water Management System”
(hereinafter referred to as the “**Memorandum**”)

between
the Ministry of Foreign Affairs of the Czech Republic (hereinafter referred to as the “**MFA**”)
and
the Palestinian Water Authority (hereinafter referred to as the “**PWA**”)
(hereinafter referred to as the “**Memorandum Participants**”)

I - Subject

- a) The Memorandum establishes a mechanism for cooperation among the Representative Office of the Czech Republic in Ramallah (hereinafter referred to as the “RO Ramallah”), the Czech Development Agency (hereinafter referred to as the “CDA”) and the PWA in implementation of the project of “National Water Management System” (hereinafter referred to as the “Project”) and, furthermore, a mechanism for supervising the Project implementation.
- b) The Initial Project Proposal is added as the Annex of the Memorandum.

II – Selection of Contractors

Contractors will be selected in tender proceedings in accordance with the effective Palestinian legislation. The tender proceedings will be declared by the PWA. The contractors will be selected by a commission including representatives of the PWA, the RO Ramallah and the CDA.

III - Financing

- a) The Project implementation will be financed from an account, which will be established for this purpose at a bank following the agreement between the PWA and the RO Ramallah. Based on the governmental decision Number 59 of 19 January 2011, the MFA is authorized to transfer the total amount of 5 500 000 CZK (in words: five million five hundred thousand Czech Crowns) to cover the costs of the Project.
- b) Resources will be released from the account following a mutual agreement between the PWA and the RO Ramallah.
- c) The unused resources will be transferred by the PWA to the RO Ramallah account within 30 calendar days from the expiration date of the Memorandum.
- d) Resources for project continuation in the years 2012 and 2013 will be released by the MFA based on the future governmental decision.



IV - Monitoring

- a) Progress in the Project implementation will be monitored by the CDA in cooperation with the RO Ramallah by
 - Reports on the Project implementation; and
 - On-site monitoring.
- b) Reports on the Project implementation will be prepared by the PWA on forms provided by the CDA and submitted by the PWA via the RO Ramallah to the CDA for approval
 - within 14 calendar days from the conclusion of the segment of work defined in a structured budget for the progress reports; and
 - within 1 calendar month from the conclusion of the Project implementation for the final report.
- c) On-site monitoring is meant to be an inspection of delivered supplies and services. For the purpose of the monitoring performance, the authorized representatives of the RO Ramallah and the CDA will have access to the implementation site as well as to the documentation related to the Project at any time.
- d) In case any substantial error is determined, the MFA may suspend the Project implementation at any time.

V – Amendments to the Memorandum

The Memorandum can be amended only by written consent of both Memorandum Participants.

VI – Duration and Effective Date

The Memorandum will be effectuated from the date of signature for the period of 42 calendar months.

In Ramallah on 7th of March, 2011

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Ministry of Foreign Affairs
of the Czech Republic

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Palestinian Water Authority