



Rep Conty nr. 14/bis  
del 01.02.2017

## SERVICE AGREEMENT

In Tirana, today, on 01/02/2017 (two thousand and seventeen), this Service Agreement (hereinafter referred as the "**Agreement**") is entered by and between the following parties:

**Agenzia Italiana per la Cooperazione allo Sviluppo di Tirana**, with its legal seat in Abdi Toptani street Torre Drin 5<sup>th</sup> floor , Tirana, Albania, with Fiscal Code [97871890584 , duly represented by its Director Mr. Nino Merola, Italian citizen, born on ..... , in ..... resident in ..... bearer of ..... Passport with the following number .....

Hereinafter referred as (the "**Agency**")

and

**Mr. ENDRI XHAFERAJ**, Albanian citizen, born on ..... , in ..... resident in ..... , bearer of Albanian Passport with the following number .....

Hereinafter referred as (the "**Service Provider**")

herein jointly referred to as "the Parties".

### WHEREAS,

- (i) The Agency needs professional consulting services and wishes to appoint the Service Provider for providing consulting services in the territory of the Republic of Albania, and sets out the conditions upon which the Service Provider shall provide its consulting services; and
- (ii) The Service Provider wishes to accept such appointment as a Consultant to the Agency in providing the requested services and the Service Provider confirms he/she has the required qualification and experience to provide consulting service to the Agency in accordance with its scope of activity, and
- (iii) The Service Provider is an Albanian citizen having permanent residence in Italy.

- (iv) The Agency will pay the Service Provider with funds of the “Project Facility Multisettores”, which qualify as GoI Funds according to Bilateral Agreement<sup>1</sup> entered into between Government of Albania (“GoA”) and Government of Italy (“GoI”).

NOW, THEREFORE, the Parties agree as follows:

## **Article 1**

### **Scope of Agreement**

- 1.1 The scope of this Agreement is the performance by the Service Provider for the Agency of any consultancy services regarding the Human Development and Good Governance sectors ascribed to the program portfolio of the Agency (hereinafter referred to as “Services”). The Service Provider shall be obliged to provide the services outlined herein personally. The Agency shall retain the Service Provider and the Service Provider shall assist the Agency upon the terms and conditions hereinafter set forth.
- 1.2 The Service Provider’s duties may include, but will not necessarily be limited to the following:

The Service Provider will assist the Agency Director in the overall supervision, coordination and monitoring of the Programs ascribed to the portfolio of the Agency in Albania with regards to the Human Development and Good Governance sectors, in straight cooperation with the relevant Line Ministries (Ministry of Social Welfare and Youth, Ministry of Education and Sports, Ministry of Local Affairs, Ministry of Public Administration and Innovation, Ministry of Agriculture and Rural Development), in the following activities:

- i. coordinate and monitor the Agency programs in support of human development and good governance;
- ii. monitor the development programs, implemented through Italian NGOs, and co-financed by the Agency; promote the organization of round tables and coordination meetings between the governmental and non-governmental stakeholders in Albania and Italy;
- iii. participate in thematic groups and sectoral or inter-sectoral working groups (IPMG and Sector Working Groups) of priority interest for AICS (employment and vocational training, social inclusion, decentralization, public service delivery, anti-corruption, etc.) and, in close collaboration with AICS Tirana staff, promote synergies and integration into the actions of the Italian Cooperation program portfolio;
- iv. contribute to the process of consultation with governmental institutions and development & integration international partners, for the identification and formulation of the new initiatives

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<sup>1</sup> Bilateral Agreement ratified by Law no. 10069 dated 05.02.2009 “On the Ratification of “Framework Agreement on Development and Financial Cooperation between the Council of Ministers of the Republic of Albania and the Government of the Republic of Italy”(herein ‘Bilateral Agreement’)

- ascribed the Protocol of the Italian-Albanian Cooperation 2014 – 2016 and new interventions in the upcoming programming periods;
- v. contribute to the elaboration of studies, sectoral analyzes, databases etc., concerning human development and good governance initiatives;
  - vi. facilitate coordination with international donors, those stakeholders and organizations of the Italian and local civil society with the aim of creating positive synergies and share information in the areas of intervention;
  - vii. contribute to the organization and implementation of visibility and awareness-raising initiatives on the activities and commitments of the Italian Cooperation in Albania.
  - viii. monitor the progress and implementation of the initiatives promoted by the International Cooperation in Kosovo, and in particular the initiative AID 9320 "Support to the Health System in Kosovo";
  - ix. carry out any other relevant activity required by the Director of AICS Tirana.
- 1.3 The Service Provider is obliged to carry out also other additional duties and services which are not mentioned in the prior paragraphs of the present article but relate, whether directly or indirectly with the program portfolio, as per request of the Agency.
- 1.4 The Service Provider hereby states and warrants to the Agency, that he is fully capable to provide the Agency the services outlined here above and has no other commitments or engagements to other persons, which could prevent him from performing his obligations under this Agreement.
- 1.5 The Service Provider shall not be considered as having an employee status or other benefit extended to the Agency's employees. The Service Provider hereby further states and warrants to the Agency that he has a permanent residence in Italy, as supported by a valid Residence Permit attached to this Service Agreement, and, given the article 14 of the Bilateral Agreement and due to the fact that the Service Provider will be paid with GoI Funds, the Service Provider is exempted from any registrations and permits in Albania to lawfully carry out his services for the Agency hereunder as an independent contractor.

## **Article 2**

### **Rights and Obligations of the Service Provider**

- 2.1 The Service Provider is obliged to guarantee the rapid and efficient implementation of the Services as defined in article 1 of present Agreement, [without the intervention of any third party which has no legal interest in the terms of this Agreement.]
- 2.2 The Service Provider will perform all Services in accordance with the decisions, instructions and guidelines provided by the Agency within a reasonable time as requested by the Agency.

- 2.3 The Service Provider is liable for any damage that may be caused to the Agency due to the quality of services provided during or after the term of the present Agreement. The Agency shall not be liable for any losses, costs, damages, other expenses or liabilities, levied upon or required of the Service Provider as a result of non-compliance by the Service Provider with his/her responsibilities under this Agreement or in connection therewith.
- 2.4 As an independent contractor, the Service Provider, in providing his services under this Agreement, shall bear the entire responsibility for the observance of all tax and other legislation in force in Albania and shall also be required to pay all fees and expenses for the provision of services under this Agreement, and to report to the appropriate authorities, if required under any applicable laws, on the activities performed by him for the Agency as an independent contractor.
- 2.5 The Service Provider shall be obligated, during this Agreement's effective term, and after its termination, not to disclose before third persons and not to use (except in connection with his obligations under this Agreement) all the Agency's confidential and proprietary information, obtained from or relating to the Agency, including: product information, business information, plans, connected companies/agencies, names, addresses, and telephone numbers and the Service Provider does hereby acknowledge that he will act accordingly.
- 2.6 The Service Provider will always act in any issue relating to present Agreement as a trusted consultant and adviser of the Agency and in regard to the performance of this Agreement shall at all-time support and protect the interest of the Agency.
- 2.7 The Service Provider shall be subject to any code of conduct which is applied by the Agency.
- 2.8 The Service Provider undertakes to keep as exclusive property of the Agency entrusted to him, all notes the Service Provider makes in connection with his activities with the Agency and in connection with other business issues, as well as all documents, copies and other business materials relating to the business activities.
- 2.9 The Service Provider is obliged to provide the Agency, if required by it, with any information related to the performance of the service, along with identifying documents, as well as to return anything taken due to such service.

### **Article 3 Compensation**

- 3.1 The Agency shall pay to the Service Provider for the services required in Article 1 of this Agreement an global amount of 36.595,00 Euro for all the duration of the contract, for a

- monthly amount of 3.326,81 Euro, such monthly amount to include any corresponding applicable Albanian taxes, if any applicable.
- 3.2 The amount of 36.595,00 Euro is a fixed price and will not be subject to any increase and will be valid for the entire period of effectiveness of this Agreement.
- 3.3 The payment of amount stated herein in article 3.1 above shall be executed once per month only and after the approval of the monthly report by the Agency. The payment shall be executed on the 5<sup>th</sup> day of the corresponding month only and after the approval of the monthly report by the Agency. In the case that such day is an official day off, the payment shall be executed on the following day.
- 3.4 The payment of the above-mentioned global amount 36.595,00 will be executed by the Agency on behalf of the Service Provider in the Intesa San Paolo Bank Account number AL46208111010000037047735101 Tirana.
- 3.5 The payment shall be considered as executed by the Agency, if the Agency submits to the Bank the bank order for the transfer of the monthly amount in the bank account of the Service Provider.
- 3.6 Expenses incurred by the Service Provider during the performance of his tasks and duties shall be invoiced and tracked by himself through a monthly expense report (with all receipts attached), which shall be subject to formal approval by the Agency before being reimbursed to the Service Provider. The Agency at its own discretion, may choose to pay the Service Provider in advance if the expenses to be rendered by him are of a big amount.
- 3.7 The Service Provider status is that of an independent contractor. The Service Provider shall not be treated as an employee of the Agency, in order to claim payment of taxes, social security and health insurance contributions or any other claim. The Service Provider is liable for the payment of its own health insurance and social security contributions, taxes or any other duty, if any applicable.

#### **Article 4** **Place**

- 4.1 The Service Provider shall provide his services in the premises of the Agency in Tirana, Albania, and in any locations where the Agency performs its activity.

#### **Article 5** **Duration**

- 5.1 This Agreement is valid for a period of 11 months and the same shall enter into force on 01/02/2017 and expires on 31/12/2017, unless terminated prior to that date as set out hereinafter.
- 5.2 The Service Provider shall devote, during the term of this Agreement, such of its time, energy, and skill as is necessary in the performance of its services.
- 5.3 The Service Provider's confidentiality obligations under this Agreement shall survive termination and Service Provider's obligation to pay legal fees and expenses properly incurred up to the effective time of termination shall also survive such termination.

## **Article 6**

### **Termination**

- 6.1 This Agreement may be terminated at any time before expiration of the term set forth herein, with or without cause, by either party upon 30calendar days prior written notice. In such event the Agency shall pay only those services provided up to the moment of termination of the Agreement, assuring that all relevant materials be sent to the Agency. The Agency is entitled to require by the Service Provider the provision of Services during the notification period. In this case, the Agency is obliged to pay the Service Provider for the service provided by him/her during the notification period under the terms and conditions provided herein.
- 6.2 The Agency, is entitled, in case of delay and/or default from the Service Provider to any or all the obligations provided under this Agreement, to notify the Service Provider for the delay of fulfillment of the obligations, or the default; for the obligations not met as well as to ask the Service Provider to meet such obligation within a 30 days period/or provided on a case by case basis. If the Service Provider does not respond to such notification, or in case it does not meet the obligation within the given period of time, the Agency is entitled to terminate this Agreement before the expiration term /the full completion of the Services as provided herein.
- 6.3 The Agency, in the events it is not satisfied of the quality of the services and/or time spent for the provision of the service by the Service Provider, according to the terms and conditions stipulated on this Agreement, notifies the Service Provider on the latter specifying, if possible, the elements causing this problem, and requires improvement of the service provided (in time and quality), within a period of 30 days / or provided on a case by case basis. In case the Service Provider does not respond to this notification or if it does not meet the obligations within the given period of time, the Agency is entitled to terminate the Agreement before the expiration term/the full completion of the Services as provided herein.

- 6.4 The Agency has the right to discount the amount of the payment due to the damage caused and lack of incomes due to delays or reparation of materials due to the abovementioned causes (article 6.2/6.3), or not to pay at all in case the required material is not submitted as above (article 6.2/6.3).
- 6.5 The Agency has the right to terminate this Agreement at any time, without prior notice, if the Service Provider fails to fulfill its obligations arising from the present Agreement, including breaches by negligence of the Service Provider. In such cases Service Provider shall indemnify the Agency for the damages caused.
- 6.6 The Agency is entitled to terminate the Agreement immediately, without prior notice, in case the quality of the services and/or the time spent for the provision of the service by the Service Provider are such that the Agency, according to its objective opinion, cannot give a second opportunity for the provision of the service.

#### **Article 7 Dissolution**

- 7.1 This Agreement may cease to have effect due to any of the following reasons:
- (i) Death of the Service Provider and/or deregistration of the Agency from the competent state body;
  - (ii) Legal incapacity to act of any of the Parties as ascertained by final decision of the competent state body;
  - (iii) The opening of any procedures of liquidation or bankruptcy against the Parties;
- 7.2 In cases of Force Majeure, the Agreement shall be suspended unless otherwise agreed between the Parties.

#### **Article 8 Applicable Law and Jurisdiction**

- 8.1 This Agreement is drafted and executed in accordance with the applicable Albanian legislation, including but not limited to Bilateral Agreement.
- 8.2 For issues not provided under this Agreement, the Parties shall refer to the relevant Albanian legislation.
- 8.3 The Parties will make effort to settle amicably any dispute or difference, which may arise concerning the interpretation or the execution of present Agreement. In the event of this being proven impossible, each of the Parties hereto may represent the case irrevocably to the exclusive jurisdiction of the Albanian Courts.

- 8.4 Any related immunity of the Agency is ruled by the “Framework Agreement on Development and Financial Cooperation between the Council of Ministers of the Republic of Albania and the Government of the Republic of Italy” ratified by Law of Albanian Parliament no. 10069 dated 05.02.2009.

## **Article 9**

### **Correspondence and confidentiality**

- 9.1 The language of all correspondence between the Parties pursuant to this Agreement shall be in the English language.

- 9.2 Any notice or communication hereunder must be in writing, be delivered by hand, or by e-mail, or sent by registered post to the relevant party at the address below. Such notice shall be deemed received on the date on which it is hand-delivered or sent by e-mail, or on the third business day following the date on which it was mailed if sent by registered mail. For purposes of giving notice, the addresses of the Parties shall be those indicated

For the Agency: utl.albania@esteri.it

For the Service Provider: [.....]

- 9.3 The Service Provider has to notify the Agency in writing immediately for any change of his address (residential address or electronic mail address), otherwise any notification issued by the Agency shall be deemed as received by the Service Provider to the address provided in this Agreement.

- 9.4 All information communicated from the Agency shall be treated as confidential or considered as such due to its nature and shall remain sole property of the Agency and shall be used by the Service Provider only with the scope of improving the services. The Service Provider shall not use that information for other purposes; neither discloses it to third parties.

## **Article 10**

### **Entirety of the Agreement**

- 10.1 This Agreement shall be interpreted by considering its terms and conditions as an entirety. In any case, any provision or other articles that create uncertainty must be viewed in the context of the entire Agreement and in the view of the purposes that caused both Parties to enter into this Agreement and become additional part of present Agreement.



- 10.2 If any provision of present Agreement is invalid, illegal or unenforceable, such provision shall be severed; all other provisions of present Agreement shall, nevertheless, remain in full force and effect. No provision of this Agreement is dependent on any other provision unless so expressed in this Agreement.
- 10.3 This Agreement is modified only with the common written consent of both Parties.
- 10.4 This Agreement covers all arrangement between the Parties, related to the object herein and substitutes all and any previous agreements and understandings between the Parties, whether written or verbal.

**Article 11**  
**General Provisions**

- 11.1 The two Parties undertake the obligation to notify immediately one another of any change in their registration, residence or legal representation, which may have an impact on the execution of present Agreement and on their professional relationship.
- 11.2 The Service Provider (i) grants his/her consent to the Agency to keep, process and transfer, both electronically and manually, to the Agency or to a third party appointed by the Agency for such purposes, his/her personal data that have become known to the Agency, in accordance with the requirements under the applicable data protection legislation; and (ii) declares that he/she is informed and gives the consent for such processing and/or transfer.
- 11.3 In witness whereof, this Agreement is signed in 2 (two) original documents, in English Language.

For: **AGENCY**

**The Director**

**Mr. Nino Merola**



**Service Provider**

**Mr. Endri Xhaferaj**