

**AFPS – PFU – Palestinian Olive Oil Cooperatives Union  
AI Reef – SCOP Andines**

**PARTNERSHIP AGREEMENT**

Between the following legal persons:

**Association France Palestine Solidarité - AFPS**

21 rue voltaire  
75011 PARIS  
represented by its President

Jean Claude LEFORT

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**Palestinian Farmers Union - PFU**

Rabiah Building – Ein Musbah  
RAMALLAH  
represented by its President

Ibrahim DEIQ

\*\*\*

**AI Reef for Investment and Agricultural Market**

PARC- Fair Trade Department  
Ramallah  
represented by its Director

Saleem ABU GHAZALEH

\*\*\*

**SCOP Andines**

5 rue de la poterie  
93200 SAINT DENIS  
represented by its Director

Michel BESSON

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**Palestinian Olive oil Cooperatives Union**

Ramallah  
represented by its President

Rebhy BAKER

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Hereinafter designated as "associated partners"  
The associated partners agree on the following:

**Article 1: Introduction**

The associated partners agree to form between them a consortium which aims at the following:

- Enhancing an active partnership with rural and agricultural Palestinian populations thus contributing to Palestinian civil resistance against the occupation of Palestinian territory by the Israeli army, land-grabbing by the State of Israel and the apartheid regime imposed by the State of Israel in the occupied territories in the West-Bank as well as in the Gaza Strip,
- Promoting the rural and agricultural Palestinian populations in the emergence of civil society organizations and structures based on democracy and human rights
- Increasing exchanges between the rural and agricultural Palestinian populations and the French solidarity network, at the technical, cultural and political levels.

**1.1 – French-Palestinian cooperation for agricultural development:**

- This partnership aims at promoting the emergence and the development of Palestinian agricultural supply chains being collectively organized and following fair principles. These supply chains should be developed in order to supply both the domestic market and the export markets with quality-certified products
- This partnership focuses mainly on the olive oil sub-sector but is intended to be extended to other agricultural products such as dates from the Jordan valley produced by Palestinian farmers

## 1.2 – Fair trade

In the framework of this partnership, the associate partners agree to implement fair trade principles, namely:

- to decide together of our trade,
- to give priority to political and economic empowerment of the populations, to food sovereignty, to local and regional markets, but also to partners in a precarious situation whether they are in the production or in the distribution or in the services,
- to determine the fairest possible prices, calculated on the basis of income deemed necessary/considered appropriate by the local and national popular unions to allow all workers of the supply chain to live of their work in dignity and to create job opportunities,
- to refuse any discrimination whether linked to territory, sex, race, religion or age, etc.,
- to avoid work abuses, particularly towards the vulnerable children, women and disabled workers (in compliance with the international standards as defined by the International Labour Organization),
- to maximize the pre-payment of orders in order secure and facilitate the activity of producers,
- to commit to long-term and regular business partnerships,
- to produce and market quality products whose ingredients and manufacturing processes preserve health and environment,
- to ban marketing within speculative markets,
- to guarantee full transparency and traceability about all stages of supply chains from producers to customers (origin, production processes, prices and profit margins, etc...)
- to encourage cross communication and share of experience in all levels : economic, social, political

## Article 2: Purpose of the Agreement

The present Agreement aims at:

- Stimulating the partnership between the associated partners,
- Managing the support fund, established and made available by AFPS, which aims at promoting and spreading the Palestinian agricultural products within the French solidarity network.

## Article 3: Commitments of the associated partners

### 3.1 – Commitments of PFU

#### 3.1.1 – Organization of agricultural supply chains and transfer of capacities

- PFU will promote to all its members the creation of agricultural supply chains, organized collectively especially through the cooperative mode, following fair trade principles and allowing marketing in order to supply quality certified products for both domestic and export markets.
- Concerning the olive oil sub-sector, PFU recognizes the Union of Olive Oil Cooperatives as the legitimate body representing olive producers organized in cooperatives. In the framework of the Memorandum of Understanding signed in between the two Unions – MoU being an integral part of this partnership agreement and attached to it – PFU wishes to involve the Union of Olive Oil Cooperatives in part of the activities related to the organization of the production and the marketing of olive oil.
- PFU will support and train the Union of Olive Oil Cooperatives and will progressively involve in part of its responsibilities, along with the newly acquired capacities of the Union of Olive oil Cooperatives, in the follow-up and the control of the olive oil supplies related to the orders of SCOP Andines.

#### 3.1.2 – Origin of the supplies of the orders of SCOP Andines

- The exclusivity of the supply is given to the olive oil cooperatives participating in the olive oil program implemented by the PFU.
- Within these cooperatives, priority is given to cooperatives that are members of the Union of Olive Oil Cooperatives and that signed the Quality Charter of the Palestinian Standards Institute.
- Under request of the associated partners, PFU will spread any information related to the cooperatives of producers and related to technical and economic processes of the agricultural products being produced and sold in the framework of this Agreement.
- PFU will communicate to SCOP Andines the results of analyses (chemical and, if available, organoleptic) of the selected batches of olive oil together with the specific code provided by Al Reef Company (Cf. # 3.2.1).

- In case of lack of supply, Al Reef Company could eventually propose to supply with products from other cooperatives (PARC), and inform all the other partners of this.

### 3.1.3 – Management of the supply of the orders of SCOP Andines

- PFU will organize the supply of olive oil to Al Reef Company corresponding to the orders of SCOP Andines.
- Because of the actual limited capacities of the Union of Olive Oil Cooperatives, PFU keeps the entire responsibility of the organization of the supply of orders (Cf. # 3.1.2); except in case of lack of supply from the partners cooperatives of the PFU.
- For the season 2011/2012 and after, in compliance with paragraph 3.1.1, PFU will suggest to the other associated partners to involve the Union of olive Oil Cooperatives in part of its responsibilities according to PFU assessment for the Olive Oil Cooperatives Union performance. This involvement will have to be approved by all associated partners and the redistribution of tasks should be notified in an amendment to the present agreement.

### 3.1.4 – Prices paid to producers

- After consultation with the producers, PFU will suggest the price of the olive oil to be paid to the producers. This suggested price will be discussed by all associated partners. Once approved it will be the mandatory reference price until next consultation process.

## 3.2 – Commitments of Al Reef Company

### 3.2.1 – Guarantee of origin

- Al Reef Company will deliver to SCOP Andines agricultural products whose origin is certified by the producer or his cooperative.
- In the framework of its certification system ISO 22000, Al Reef Company commits to label each unit of delivery (for instance each bottle) with a number linked to the origin of the product (and in the case of olive oil, allowing to track back the oil until the supplying cooperative and to the tank where the oil was sampled for quality check).

### 3.2.2 – Guarantee of quality

- Al Reef Company commits to deliver CIF agricultural products in compliance with international standards both concerning the content and the labeling of the products. Al Reef Company is also authorized to reject any olive oil that is not compliant with French standards.
- The shipment decision is taken once the two following conditions are gathered:
  - Certificate of compliance delivered by the PSI,
  - The explicit notification by SCOP Andines of the compliance of the products with the French quality standards (coming from the samples provided by the PSI).
- Al Reef Company is responsible of the product until the issue of the French customs certificate. Unless this document is not delivered, Al Reef Company commits to cover the cost of storage, handling and shipment back to the country of origin. Al Reef Company also commits to pay back the cash deposit made by SCOP Andines.
- Al Reef Company shall not incur any liability after the customs clearance.

### 3.2.3 – Guarantee of supply

- Al Reef Company commits to give priority to the orders made by SCOP Andines in the limit of available quantities supplied by the producers, on the condition that this policy doesn't jeopardize Al Reef's and PARC's interests with other partners in coordination with cooperatives.

### 3.2.4 – Fair trade

- Al Reef Company commits to communicate to all associated partners the breakdown of the price of products (especially olive oil) delivered in the framework of this agreement. The breakdown will be done in Israeli shekel and the invoices will be done in Israeli shekel, but can be paid in Euro according the exchange rate when making the transfer. This is because all the production input including the cost of olive oil is paid in Israeli shekel.
- Al Reef Company / the Fair Trade Department of PARC will participate in promoting olive oil in France in tours with the other associated partners to promote fair trade philosophy.

### 3.2.5 – Information

- Al Reef Company will inform SCOP Andines as soon as possible, for each shipment, of the date of shipment out of Israeli port and the expected date of arrival at the European port.

## 3.3 – Commitment of SCOP Andines

### 3.3.1 – Origin of supply

- SCOP Andines commits to supply orders done by AFPS and its local groups exclusively through AI Reef Company in the conditions that prevails to supply agricultural products orders, in particular olive oil, made by AFPS and its regional groups.

### 3.3.2 – Guarantee of quality

- All imports done by SCOP Andines have to be in compliance with European Customs regulations. In particular, all imported goods are in line with European compulsory quality standards (Cf. paragraph 3.2.2).

### 3.3.3 – Fair trade

- SCOP Andines will communicate to all associated partners the full breakdown of the price of all agricultural products as sold to its customers.
- SCOP Andines should give the olive oil standards according to the French market to AI Reef Company.

### 3.3.4 – Management of orders and payments

- Before each new season, and as soon as possible, SCOP Andine will try to accurately estimate the coming firm orders that will be made during the year (in number, in volumes and in time). SCOP Andines commits to inform in the shortest period all the associated partners of any updates concerning the expected orders.
- Each firm order done by SCOP Andines is guaranteed by a prepayment to AI Reef company equivalent to 50% of the total value of the order. In the case of the first order, SCOP Andines will prepay the 50% as early as possible and absolutely 20 days before the beginning of the harvest.
- Payment of the balance of each order will be done within 30 days after the release of goods by French authorities (customs and quality control – Cf. # 3.2.2)

## 3.4 – Commitments of AFPS

### 3.4.1 - Promotion and support to the technical and economic network of cooperation

- AFPS will promote to its local groups their support to the programme of technical and economic cooperation mentioned in this Agreement

### 3.3.2- Preferential supply

- AFPS local groups are autonomous in their choice of action, particularly concerning the supply and the marketing of Palestinian agricultural products.
- However AFPS will encourage its local groups to supply their agricultural products through orders done to the associated partners of this agreement.

### 3.3.3- Exclusivity

- Concerning its own needs, AFPS will purchase exclusively from the associated partners of this Agreement.

### 3.3.4- Fair trade

- AFPS commits for itself and will ask to its local groups to make sure that the marketing of Palestinian agricultural products through its solidarity network does not harm the interests of French farmers.
- For each annual campaign, AFPS together with SCOP Andines will propose an indicative selling price (including all taxes).

### 3.3.5- Management of orders and payment

- Each firm order done by AFPS and its local groups is guaranteed by a prepayment to SCOP Andines equivalent to 50% of the total value of the order.
- Payment of the balance will be done on delivery.

## Article 4: Support fund

### 4.1 – Provision of a support fund by AFPS

- As part of this agreement, AFPS is committed, on behalf of the subscribers who built it, to make available to the SCOP Andines a support fund allowing to promote the dissemination of Palestinian agricultural products within the French solidarity network.
- The amount of this support fund is set at € 41 000 €
- This deposit amount is similar to a short-term debt, which can only be achieved when breaking this Agreement:
  - payable in local currency €

- or, in accordance with AFPS, with agricultural products relatives to AFPS and its local groups orders.
- The AFPS amount deposit does not entail payment of interest.

#### **4.2 – Management of the support fund by SCOP Andines**

- SCOP Andines is committed to manage this support fund on a bank account exclusively dedicated to this fund.
- SCOP Andines is committed to use exclusively this support fund for financing the agricultural products orders made in the framework of this partnership.
- After each supply cycle, the fund should be replenished.
- In any case, this support fund can be used to finance operation costs of the purpose of this agreement or to any other costs different from the deposit related to the firm orders from SCOP Andines to Al Reef compagny
- SCOP andines is committed to give to AFPS monthly statement of transactions on the bank account of the support fund.

### **Article 5: Implementation of the Agreement**

#### **5.1 – Monitoring committee**

- A monitoring committee of the parnership is created by this agreement.

#### **5.2 – Mandate and tasks of the monitoring committee**

The Monitoring Committee shall ensure the proper execution of the actions/measures of this agreement:

- it examines issues related to the execution of the partnership
- it prepares an annual comprehensive (qualitative and quantitative) report related to the execution of this agremment
- the support fund annual management report established by SCOP Andines has to be handed over the monitoring committee
- if necessary, the committee proposes adequate modifications of this Agreement
- it prepares an annual report about equity prices within the supply chain and incomes provided to producers.
- Discussing any developmental projects supported by AFPS for the benefit of the olive sector in Palestine.

#### **5.3 – Members of the monitoring committee**

- Each partner's president nominate a representative and his substitute

#### **5.4 – Functioning of the monitoring committee**

- The monitoring committee is chaired by the representative of the AFPS
- The committee meets at least once a year in Ramallah, in the PFU headquarters, in September in order to organize the olive oil supply campaign before harvest.
- The committee is called by its president, within a delay allowing each member to participate to the meeting.
- The committee meets as necessary as needed to examine any question relating to its skills
- The committee decides if each partner is legitimately represented
- The committee can deliberate by written consultation, upon request of either partner, except for the annual September meeting.
- Only the president is authorized to organize a written consultation.

### **Article 6: Terms of the agreement**

- This agremment takes effect immediatly after the last signing
- It expires neither without prorogation possibility nor tacit renewal, 1 year after the effect date.

### **Article 7: Breach of Agreement**

#### **7.1 – Consequences of breach of Agreement**

- Breaching this agreement leads to reimbursement by SCOP Andines to AFPS of the amount of the support fund in a six month delay

## 7.2 – Breaching clauses

- Breaching clauses are exclusively the following:
  - The validity period of this Agreement expires
  - Withdrawal of one of the partners

## Article 8: Agreement renewal

- This Agreement can be broken with a withdrawal request of one of the partners
- The concerned partner's president should officially address a withdrawal request to the presidents of the others partners' organizations and to the Chairman of the monitoring committee.
- The monitoring committee members are gathered within a 60 days period following the request reception.
- In all cases, the Agreement will be considered broken within the 6 months after the monitoring committee meeting

## Article 9: Withdrawal of one of the partners

- The monitoring committee Chairman, after consulting the monitoring committee members, will submit a new Agreement proposal 90 days before the expiry date of the current Agreement.
- Unless a new agreement is signed, the agreement is terminated.
- The support fund provided by AFPS for the SCOP Andines is immediately due for payment as mentioned in article 7.1.

## Article 10: Disappearance or modification of the legal person of one of the parlers

- Each one of the partners commits to inform the Chairman of the monitoring committee, as well as all the associated partners of this agreement of any change in legal person.
- In case of modification of the legal person, the Chairman of the monitoring committee will propose an addendum to this agreement taking the modifications into consideration. In case of disagreement, this agreement is broken in the same conditions that may apply in case of withdrawal.

## Article 11: Modification of this agreement

- This agreement may be amended with the agreement of all partners

Done in Ramallah in 5 original copies,  
September 30<sup>th</sup>, 2010,

**AFPS**



Jean-Claude LEFORT  
President

**PFU**



Ibrahim DEIQ  
President

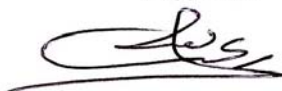
**AL REEF/PARC**



Saleem ABU GHAZALEH  
Director

**Palestinian olive oil cooperatives Union**

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President



**SCOP Andines**



Michel BESSON  
Director