

**AGREEMENT**

**between**

**THE GOVERNMENT OF THE ITALIAN REPUBLIC**

**and**

**THE GOVERNMENT OF THE REPUBLIC OF LEBANON**

**concerning**

**RECOVERY AND RECONSTRUCTION OF THE NAHR EL BARED  
PALESTINIAN REFUGEE CAMP AND CONFLICT-AFFECTED AREAS OF  
NORTH LEBANON**

## AGREEMENT

between

THE GOVERNMENT OF THE ITALIAN REPUBLIC

and

THE GOVERNMENT OF THE REPUBLIC OF LEBANON

concerning

RECOVERY AND RECONSTRUCTION OF THE NAHR EL BARED PALESTINIAN REFUGEE  
CAMP AND CONFLICT-AFFECTED AREAS OF NORTH LEBANON

The Government of the Italian Republic and the Government of the Republic of Lebanon, hereinafter referred as to the "Parties",

CONSIDERING the Bilateral Cooperation Development Agreement signed on June the 24th, 2002,

WHEREAS the Government of Republic of Lebanon has requested to the Donors Community to assist the Country in its recovery process,

WHEREAS after the Vienna Conference, held in June 23rd, 2008, the Government of the Italian Republic (hereinafter referred to as GOI) financed co-operation projects aimed at helping the Lebanese population to overcome the crisis determined by the last conflict and, more specifically for the reconstruction of the NAHR EL BARED PALESTINIAN REFUGEE CAMP AND CONFLICT-AFFECTED AREAS OF NORTH LEBANON,

WHEREAS several interventions are urgently needed in several fields such as: agriculture, health, gender, clearance of unexploded bombs, assistance to Palestinians refugees, advocacy of children and recovery of economic environment and for the renewal of commercial activities.

WHEREAS several meeting and consultation between Italian Government, Lebanese authorities and UN Agencies, hereby agree to implement the Project according to the following:

## **Article 1**

### **Base of the Agreement and Definitions**

The present Agreement, should be understood in the spirit of the participation of the Government of the Italian Republic to the reconstruction and rehabilitation of the sectors and infrastructures destroyed or damaged during the 2006 conflict, on the basis of the priorities stated by the Government of the republic of Lebanon during the Vienna Conference.

In this Agreement, unless the context otherwise requires, the following terms shall have the following meanings:

1. "Government of Lebanon" means the Government of the Republic of Lebanon;
2. "Italian Government" means the Government of the Italian Republic;
3. "Contracting Parties" means the Government of Lebanon and the Italian Government;
4. "Contribution" means the contribution granted by the Italian Government under this Agreement;
5. "Programme" means the funding of local projects through the Italian Embassy, International Organizations and Budget Support activities to be financed with the Italian pledge;
6. CDR means Council for Development and Reconstruction;
7. "DGCS" means the General Directorate for Development Cooperation of the Ministry of Foreign Affairs –of the Italian Republic;
8. "BOL" means Central Bank of Lebanon (Banque du Liban);
11. "Budget" means the general budget of the Government of Lebanon;
12. "Agreement" means the present Agreement between the Italian Government and the Government of Lebanon.

## **Article 2**

### **Objective of the Programme**

2.1 The Programme aims at contributing to recuperate the normal life conditions and the socio-economic development of the Nahr El Bared Camp and conflict affected areas of North Lebanon by enhancing basic social services to the population and supporting the rehabilitation of priority infrastructures damaged during the 2007 conflict.

## **Article 3**

### **Amount and Utilization of the Italian contribution**

3.1 The Italian Government decided to grant, following Vienna Conference, for the purposes described in the precedent Art. 2, an amount of 5,00 millions Euro.

3.2 The Contribution shall be related to the signature of the present Agreement.

- 3.3 No proceeds from the Contribution shall be used for the payment of any duty and tax (import duty, levy, fee of any kind) imposed under the law of Lebanon or any luxury items or any articles that could be employed for military purposes.
- 3.4 Concerning the budget support of the present Article, CDR and other implementing entities will select contractors according to the procedures for EC external action (Version august 8, 2006 and Annexes updated) applied in particular crisis situations and in condition of extreme urgency, adapted to Italian Law 49/87, summarised in Annex 1. In case of works contracts exceeding 300.000 Euro and services contracts exceeding 200.000 Euro the CDR and other implementing entities will select executing Italian companies according to the same procedures.

#### **Article 4**

##### **Execution of the Programme**

- 4.1 The Government of Lebanon shall take or cause to take any action necessary to carry out the part of the Programme described in Art. 3, par. 1, including the provision of required matching funds in local currency, facilities, services and all other measures, necessary or appropriate.
- 4.2 The Government of Lebanon shall ensure that all activities implemented under its own responsibility are conducted and coordinated in accordance with sound administrative policies and procedures, as described in art. 3.4.
- 4.3 The Government of Lebanon shall provide the Italian Government, or the consultants mandated by the Italian Government, all such relevant information that the Italian Government shall reasonably expect concerning the Programme, also ensuring the presence of its representatives in the Committees in charge of the management/monitoring of the Programmes and projects that will be financed under the present agreement.
- 4.4 MAE/DGCS shall verify the correctness of the tender evaluation. In order to managing the control on Procurement activities, the Contracting authority (the Government of the Republic of Lebanon), MAE-DGCS shall give its no objection following the "Simplified ex-ante Control", as indicated in art. 2.1 of Annex 1.
- 4.5 The Government of Lebanon also undertakes to invite Italy to attend working sessions and coordination meetings in Beirut which deal with issues related to the Programme, and to support Italian Government participation in monitoring activities by international agencies and the Government of Lebanon.
- 4.6 The Contracting Parties shall exchange views at regular intervals on the progress of the Programme and the performance of their respective obligations under the present Agreement, and on the overall economic situation and the development prospects of the country.
- 4.7 The Contracting Parties share a common concern with corruption which undermines good governance and mutual confidence, wastes scarce resources and compromises open and transparent competition on the basis of price and quality. They therefore commit to join hands in fighting corruption and agree to follow in this respect procurement procedures based on international standards.

## **Article 5**

### **Disbursements - Accounts**

- 5.1 The operational modalities for the disbursement and management of the budget support contribution as for Art. 3 are specified in Appendix 1. CDR shall ensure due diligence in the administration of the Forex Account in accordance with Appendix 1. The Italian Government shall disburse the budget support contribution amounting to 5,00 (five/00) million Euro after the signatory of the present agreement.

At the end of the Programme the Italian Government will obtain the pertaining performance documentation and a final report consolidating information of the Programme implementation for the sake of the “administrative” closure of the Agreement.

## **Article 6**

### **Monitoring**

- 6.1 The Italian Government, or any independent consultant acting on its behalf, is entitled to monitor and review all activities and procedures related to the implementation of the Programme financed by the Contribution, as deemed appropriate by the Italian Government.
- 6.2 Monitoring and control processes are described in Appendix 1.

## **Article 7**

### **Disputes, Termination and Non-Execution**

- 7.1 Any possible dispute arising during the activities ruled by the present Agreement shall be jointly evaluated for a diplomatic solution.
- 7.2 In the event of conflict, natural disaster or riots that will impede the implementation of the Programme the activities will be suspended till the condition to continue the Programme are re-established.
  - a) When, and if, any dispute should arise and no solution has been found out according to the previous point 7.1 the Italian Government retains the right to suspend, unilaterally, the present Agreement.
  - b) Once the circumstance for the correct implementation of the Programme is agreed the Italian Government will consider the possibility to remove the suspension.
  - c) In the event that the hindrance, after a reasonable time lap, could not be removed, Italy may terminate this Agreement, through diplomatic channels, by giving a thirty day notice.
- 7.3 The Government of Lebanon shall guarantee that the funds will be used solely in fulfilment of the objectives of the present Agreement, taking any possible action to assure the transparent and efficient use of the funds. The Government of Lebanon shall, further, take any step to prevent any abuse and illicit use of the Italian contribution. In the event that the funds have been misused and at variance with the scope of the present Agreement, the Government of Lebanon will refund the amount incorrectly spent.

## Article 8

### Amendments to the Agreement

The Parties may amend and integrate the present Agreement by mutual consent, including its Annexes, at any time by means of exchange of Verbal Notes.

## Article 9

### Appendixes and Annexes

The present agreement is constituted by 10 Articles, 1 Appendix and 2 Annexes, as follows:

Appendix 1: Budget support procedures,  
Annex 1: Procurement procedures,  
Annex 2: Auditing.

Appendix and Annexes constitute integral parts of this Agreement.

Should the Appendix and Annexes be reviewed, the new version will automatically become the reference document for this Agreement.

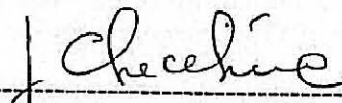
## Article 10

### Entry into Force, Duration and Closing date

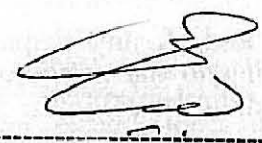
- 10.1 The present Agreement shall come into force after the second notification of the completion of internal procedures by each party.
- 10.2 The closing date of the present Agreement shall be six months after completion date of the Programme: presumably 36 months after entering into force, or such later date as shall be agreed upon by the Contracting Parties.

In witness thereof the Representatives of both Parties, duly authorised by their Governments, have signed the present Agreement in two original copies in the English language.

Done in Beirut, on **23 SEP 2008**

  
-----  
**Gabriele CHECCHIA**  
*Ambassador of Italy*

For the Government of the  
Italian Republic

  
-----  
**Nabil EL JISR**  
*President of the Council for Development  
and Reconstruction*

For the Government of the  
Republic of Lebanon