

**Letter of Agreement  
between  
[Name of Donor]  
and  
the United Nations Development Programme**

**WHEREAS**, the Government of Lebanon has requested the United Nations Development Group (“UNDG”) through the United Nations Resident Coordinator for Lebanon to assist in the establishment of a pooled funding mechanism for the recovery and reconstruction of Lebanon’s social and physical infrastructure (hereinafter referred to as the “Lebanon Recovery Fund” or “LRF”) that will finance priority projects approved by the Government and will be executed with the support of UN organizations (hereafter referred to as “Participating UN Organizations”) in cooperation with other implementing partners,

**WHEREAS** the LRF will complement other channels for the transfer of donor resources to the Government of Lebanon, UN and other implementing organizations involved in the national recovery efforts and will operate in accordance with the LRF Terms of Reference attached hereto as Annex A,

**WHEREAS**, the Government of Lebanon and the Participating UN Organizations have agreed that they should make it possible for donors to fund the priority projects approved by the Government of Lebanon (hereinafter referred to as the “Projects”), through the LRF;

**WHEREAS**, the Government of Lebanon and the Participating UN Organizations have further agreed that the United Nations Development Programme (UNDP) (which is also a Participating UN Organization) administer the LRF and to that end the Participating UN Organisations have appointed UNDP as their administrative agent (hereinafter “Administrative Agent”) and UNDP has established a separate bank account under its financial regulations and rules for the receipt and administration of the funds received from donors who wish to provide financial support to the LRF; and

**WHEREAS**, [Name of Donor] (hereinafter referred to as the “Donor”) wishes to provide financial support to the LRF on the basis of the recovery and reconstruction priorities of the Government of Lebanon and the Terms of Reference and wishes to do so through the Administrative Agent.

**NOW, THEREFORE**, the Administrative Agent and the Donor (hereinafter referred to collectively as the “Parties”) hereby agree as follows:

**Article I**  
**Disbursement of funds to the Administrative Agent and**  
**the Lebanon Recovery Fund Account**

1. The Donor agrees to make a contribution of [amount in words] [amount in figures] and such further amounts as it may decide (hereinafter referred to as the “Contribution”) to support Projects financed through the LRF. The Donor authorizes the Administrative Agent to use the Contribution for the purposes of the LRF and in accordance with this Letter of Agreement. The Donor acknowledges that such Contribution will be mingled with other contributions to the Lebanon Recovery Fund Account. Consequently, the Contribution will not be separately administered or separately identified for expenditure reporting purposes, except where such Contribution is earmarked for a specific Participating UN Organization.

2. The Donor shall deposit the Contribution by wire transfer, in accordance with the schedule of payments set out in **Annex B** to this Agreement, in convertible currencies of unrestricted use, to the following account:

*For payment in all currencies other than Euro:*

Lebanon Recovery Fund Account  
JP Morgan Chase Bank  
Account Number: 304245267  
1166 Avenue of the Americas  
New York, NY 10022  
Swift Code: CHASUS33

*For payment in Euro*

UNDP Contributions Account  
Bank of America London  
Account 600862722022  
5 Canada Square  
London E14 5AQ England  
SWIFT: BOFAGB22  
IBAN: GB59 BOFA 1650 5062 7220 22  
Reference: Lebanon Recovery Fund

3. When making a transfer to the Administrative Agent, the Donor will notify the Administrative Agent’s Treasury Operations, with a copy to the Executive Coordinator of the Multi-Donor Trust Fund, of the following: (a) the amount transferred, (b) the value date of the transfer; and (c) that the transfer is from [name of Donor] unearmarked or earmarked for the [name of sector and/or Participating UN Organization], pursuant to this Letter of Agreement.

4. The value of a contribution-payment, if made in currencies other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Gains or losses on exchange resulting from the

subsequent conversion of such Contribution to US dollars at the market rate of exchange shall be recorded in the Lebanon Recovery Fund Account by the Administrative Agent.

5. The Lebanon Recovery Fund Account shall be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest. The Lebanon Recovery Fund Account shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Administrative Agent.

6. The Administrative Agent and the Participating UN Organizations shall be entitled to deduct their indirect costs on contributions received in accordance with the following formula:

- a. the Administrative Agent's administrative fee will be 1 % (one percent). The fee will be deducted from the Contribution to the Lebanon Recovery Fund at the time it is deposited;
  - b. upon securing approval from the LRF Steering Committee, the Administrative Agent may also deduct from the Lebanon Recovery Fund and transfer to itself the actual costs of the staffing support that it may be requested to provide to the LRF Steering Committee pursuant to Article I, paragraph 2(f) of the Memorandum of Understanding between the Participating UN Organizations and the Administrative Agent regarding the Operational Aspects of the Lebanon Recovery Fund; and
  - c. indirect costs of the Participating UN Organizations will be based on the applicable regulations and rules of the Participating UN Organizations, taking into account the size and complexity of the particular Project and will be reflected in the Project proposals approved by the LRF Steering Committee. It is expected that such costs will be in the range of 5%-9%, with an average of approximately 7%.
7. All financial accounts and statements shall be expressed in United States dollars.

## **Article II**

### **Disbursement of funds to the Participating UN Organizations**

1. The Administrative Agent shall make disbursements from the Lebanon Recovery Fund Account in accordance with instructions from the LRF Steering Committee and this Letter of Agreement, in line with the budget set out in the specific Project proposals submitted by the concerned Participating UN Organization and approved by the LRF Steering Committee or Project Approval Group, and in accordance with the Memorandum of Understanding between the Participating UN Organizations and the Administrative Agent regarding the Operational Aspects of the Lebanon Recovery Fund.

The disbursements shall consist of direct and indirect costs as set out in the Project proposals.

2. Each Participating UN Organization shall establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it from the LRF Account. Each Participating UN Organization assumes full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent. That separate ledger account shall be administered by each Participating UN Organization in accordance with its own regulations, rules, directives and procedures, including those relating to interest. That separate ledger account and the programme activities of the Projects implemented by a Participating UN Organization shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Participating UN Organization.

3. Where the balance in the Lebanon Recovery Fund Account on the date of a scheduled disbursement is insufficient to make that disbursement, the Administrative Agent shall consult with the LRF Steering Committee and make a partial disbursement, if any, in accordance with the LRF Steering Committee's instructions, provided however that such disbursement will not exceed the funds available in the Lebanon Recovery Fund Account.

### **Article III** **Implementation of the Projects**

1. The Participating UN Organizations shall carry out the activities for which they are responsible, in accordance with the regulations, rules, directives and procedures applicable to them. Accordingly, personnel shall be engaged and administered, equipment, supplies and services purchased, and contracts entered into in accordance with the provisions of such regulations, rules, directives and procedures.

2. If unforeseen expenditures arise, the LRF Steering Committee will submit, through the Administrative Agent, a supplementary budget to the Donor showing the further financing that will be necessary. If no such further financing is available, the activities to be carried out under the LRF may be reduced or, if necessary, terminated by the Participating UN Organizations. In no event will the Participating UN Organizations enter into commitments in excess of the funds disbursed to each of them by the Administrative Agent from the Lebanon Recovery Fund Account.

### **Article IV** **Equipment and supplies**

On the termination or expiration of a Project carried out by a Participating UN Organisation with financial support through the LRF, the matter of ownership of equipment and supplies purchased using such financial support shall be determined in accordance with the regulations, rules, directives and procedures applicable to such

Participating UN Organization, including where applicable its basic agreement with the Government of Lebanon.

### **Article V** **Reporting**

The Administrative Agent shall provide the LRF Steering Committee, which in turn will provide it to LRF donors, with the following reports, based on reports provided to the Administrative Agent by each Participating UN Organization prepared in accordance with the accounting and reporting procedures applicable to it:

(a) Consolidated narrative progress reports every six (6) months to be provided no later than five (5) months after the end of the applicable reporting period;

(b) Consolidated semi-annual financial reports as of 31 December and 30 June each year with respect to the funds disbursed from the LRF Account, to be provided no later than five (5) months after the end of the applicable reporting period;

(c) A final consolidated narrative report and financial report, after the completion of the project activities financed by the LRF Account and including the final year of the project activities, to be provided no later than 30 June of the year following the financial closing of the Project activities;

(d) A consolidation of final certified financial statements, to be provided no later than thirty (30) days after the last date of receipt of the financial statements from the Participating UN Organizations of the year following the financial closing of the Project activities;

(e) A financial report and final certified financial statement on its activities as Administrative Agent, to be provided no later than 30 June of the year following the financial closing of the Project activities.

### **Article VI** **Monitoring and Evaluation**

Monitoring and evaluation of the Project activities, including, as necessary, appropriate, and agreed upon, joint evaluation by the Government of Lebanon, the Participating UN Organizations, the Administrative Agent, the Donor, and other partners, shall be undertaken.

### **Article VII** **Joint Communication**

1. Information given to the press, to the beneficiaries of the LRF, all related publicity material, official notices, reports and publications, shall acknowledge the role of

the Government of Lebanon, the donors, the Participating UN Organizations, the Administrative Agent and any other relevant parties.

2. Whenever possible and to the extent that it does not jeopardize the privileges and immunities of Participating UN Organizations, and the safety and security of their staff, Participating UN organizations will promote donor visibility on information, project materials and at project sites, in accordance with their respective regulations, rules, policies and procedures.

### **Article VIII**

#### **Expiration, modification and termination of the Agreement**

1. The Administrative Agent shall notify the Donor when it has received notice from the relevant Participating UN Organizations that the activities for which they are responsible that are financed from the contribution have been completed. The date of the last notification received from a Participating UN Organization shall be deemed to be the date of expiration of this Agreement, subject to the continuance in force of paragraph 4 below for the purposes therein stated.

2. This Agreement may be modified only by written agreement between the Parties.

3. This Agreement may be terminated by either Party on thirty (30) days of a written notice to the other Party, subject to the continuance in force of paragraph 4 below for the purpose therein stated.

4. Obligations assumed by the Donor and the Administrative Agent under this Agreement shall survive the expiration or termination of this Agreement to the extent necessary to permit the orderly conclusion of activities, the withdrawal of personnel, funds and property, the settlement of accounts between the Parties hereto and the Participating UN Organizations and the settlement of contractual liabilities required in respect of any subcontractors, consultants or suppliers. Any balance remaining in the Lebanon Recovery Fund Account or in the individual Participating UN Organizations' separate ledger accounts established pursuant to the Terms of Reference shall be used for a purpose mutually agreed upon by the Participating UN Organizations, the LRF Steering Committee, the donors and the Administrative Agent.

**Article IX**  
**Notices**

1. Any action required or permitted to be taken under this Agreement may be taken on behalf of the Donor by \_\_\_\_\_, or his or her designated representative and on behalf of the Administrative Agent by the Executive Coordinator of the Multi- Donor Trust Fund Office, UNDP or his or her designated representative.

2. Any notice or request required or permitted to be given or made in this Agreement shall be in writing. Such notice or request shall be deemed to be duly given or made when it shall have been delivered by hand, mail, cable or telex to the Party to which it is required to be given or made, at such Party's address specified below or at such other address as the Party shall have specified in writing to the party giving such notice or making such request.

For the Donor:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Electronic mail: \_\_\_\_\_

For the Administrative Agent:

Name: Bisrat Aklilu  
Title: Executive Coordinator, Multi-Donor Trust Fund Office, UNDP  
Address: 828 Second Avenue, 4th Floor, New York, New York, USA  
Telephone: +1-212-906-6880  
Facsimile: +1-212-906-6990  
Electronic mail: bisrat.aklilu@undp.org

**Article X**  
**Entry into force**

This Agreement shall enter into force upon signature thereof by the Parties and shall continue in full force and effect until it is expired or terminated.

**IN WITNESS WHEREOF**, the undersigned, being duly authorized by the respective Parties, have signed the present Agreement in English in two copies.

For the Donor

For the Administrative Agent

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: Bisrat Aklilu

Title: \_\_\_\_\_

Title: Executive Coordinator,  
Multi-Donor Trust Fund Office, UNDP

Place: \_\_\_\_\_

Place: New York

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ANNEX 1:** Lebanon Recovery Fund Terms of Reference

**ANNEX B**  
**Schedule of payments**

First payment of \_\_\_\_\_

Second payment of \_\_\_\_\_