



OFFICE OF BEIRUT

ADDENDUM

To the Contract

for the Project "[title]"

within the framework of the Call for Proposals "Improvement of public infrastructures at municipal level through temporary employment opportunities of Lebanese and Refugee population"

RSCP/LB/CALL/007

Delegation Agreement TF-MADAD/2017/T04.40 AID 012115

between

The Italian Agency for Development Cooperation - Office of Beirut

and

The ONG [Name]

hereinafter referred to as also "The Parties",

## PREAMBLE

Given the emergency situation in Lebanon starting from October 2019, which led to the suspension of money transfers abroad by local banks;

Given the suspension by AUDI bank, the reference bank of the Italian Agency for Development Cooperation – Office of Beirut (hereafter referred to "AICS Office"), of transfers abroad from the dedicated account of the Program "[title]" (details of bank account e.g. DCSEI - AID xxxxxx - 9016.02.xx);

Given that the Contract and its annexes (hereafter referred to "Contract"), signed on [date] between AICS Office and the NGO [Name] (hereafter referred to "Implementing Entity") for the implementation of the Project "[title]" awarded within the framework of the Call for Proposals "Improvement of public infrastructures at municipal level through temporary employment opportunities of Lebanese and Refugee population" ("RSCP/LB/CALL/007 - AID 012115).

Given the need for the Implementing Entity to realize the activities described in the project proposal referred to in art. 19 of the aforementioned Contract and for AICS Office to comply with the terms of reference of the same Contract;

Considering the need to facilitate the operations of the Implementing Entity in the realization of the Project [title – AID] in view of the current financial crisis in Lebanon;

The aforementioned Parties agree and stipulate the following:

#### **Art. 1**

The preamble forms an integral part of the present Addendum.

#### **Art. 2**

The present Addendum modifies and forms an integral part of the Contract mentioned in the preamble.

#### **Art. 3**

Paragraph 1 “Funding disbursement” of Annex 10 - Guidelines for management and reporting of humanitarian aid projects”, referred to in art. 19 of the above-mentioned Contract, is modified as follows:

*“The funding is disbursed, at the choice of the non-profit entity in charge of carrying out the humanitarian aid intervention (hereinafter “Implementing Entity”), through advance instalments, according to the modalities described in the Contract referred to art. 4, or on the basis of the project’s progress.*

*In the latter case, the AICS Foreign Office and the Implementing Entity will sign an Addendum to the Contract detailing payments on project’s progress, following financial reports of activities.*

*In case of an advance payment request, the Implementing Entity must present a bank guarantee of an amount equal to 30% of the advance as indicated in art. 26, paragraph 4, of Law no. 125/2014 as amended.*

*The Implementing Entity is required to open a bank account exclusively dedicated to the project in the country of execution or in its own EU country. In the case of a dedicated bank account in a EU country, it is emphasized that the transfer of funds must in any case take place on a local bank account dedicated to the Project, in order to allow the correct traceability of transfers.*

*The justification of opening a dedicated bank account for the Project is to ensure that the amount of funding is intended and exclusively used for that specific Project. It is therefore not possible to transfer sums from the account to be allocated, even temporarily, to other projects, in order to avoid any delays or difficulties in reinstating the sums in question that could lead to delays or impediments to the proper execution of the project and complications in the work of accounting reconstruction.*

***The Implementing Entity is authorized to make offsetting of funds between the dedicated bank account of the project at a Lebanese bank (not fresh-money) and other bank accounts under the same name both in Europe and in Lebanon only for expenses related to the costs of management personnel and costs of management of its own Headquarters. The Implementing Entity is in any case required to guarantee the traceability of transfers.”***

#### **Article 4**

The paragraph 5 “Exchange rate” of the above-mentioned Annex A10, is amended as follows:

***“All expenses made in currencies other than EUR (euro) must be reported in EUR at the FIFO – (First In First Out) exchange rate.***

*The exchange rate applied at the time of the transaction must result from the official documentation issued by the ordering bank, or from the bank statements of the relevant accounts. The Implementing Entity will be required to enclose the above-mentioned supporting documents to the administrative-accounting report.*

*Any losses deriving from currency exchange will be borne by the project, with the consequent exemption of the Parties from any further responsibility, while any gains deriving from currency exchange will be allocated to additional activities, subject to a no cost variant pursuant to art. 9 of the Contract."*

#### Article 5

The Article 14 of the aforementioned Contract is amended as follows:

*"1. In case events occur due to "force majeure" - such as, by way of example, war events, natural disasters, public disorder, danger or particular situations of insecurity, etc. - **or factum principis** which prevent the smooth running of the project activities, the Implementing Entity shall notify the occurrence of the event, justifying and proving it, to the AICS Office, which reserves the right to initiate an assessment procedure.*

*2. Upon the outcome of the aforementioned procedure, and within 30 (thirty) days of notification, the AICS Office shall notify the Implementing Entity of the results of the procedure and, in case of ascertainment of the **absolute and objective's impossibility** for continuing the activities **due to extraordinary and unforeseeable events not attributable to the Implementing Entity**, the project shall be suspended and, **in the event of definitive impossibility, concluded and the Parties exempted from their performance made impossible by the aforementioned events.***

*3. In the event of termination **referred to in the previous paragraph**, the costs incurred by the Implementing Entity are recognized, without prejudice to the provisions of the previous **paragraph and of art. 13."***

#### Article 6

The Article 4, para. 2 of the aforementioned Contract is amended as follows:

*"2. The due payments to the Implementing Entity are made by the AICS Office in the aforementioned currency, based on the "Financial Plan", in the following methods:*

*a) First instalment of EUR ....., 00 (euro [in letters] / 00) equal to 50% (fifty percent) of the total amount, **to be paid on the dedicated bank account in Lebanon**, within ..... working day(s) from the signature of this Contract, provided that the Implementing Entity proves the start of the planned activities through appropriate documentation certified by the AICS Office.*

*b) A second instalment of EUR ....., 00 (euro [in letters] / 00) equal to 40% (forty percent) of the total amount, to be paid within ..... working day(s) from the date on which the AICS Office, having verified the report containing the progress of the project, certifies the administrative-accounting regularity of the interim report containing the amount of costs actually incurred in relation to the project; costs that must be at least 80% (eighty percent) of the financing advance payment. The AICS Office undertakes to carry out the checks in question within 10 (ten) working days from the receipt of the documentation prepared by the Implementing Entity. This period is considered suspended if the documentation provided is irregular or incomplete and starts again from the date of submission by the Implementing Entity of the documentation regularized and compliant with the requests of the AICS Office. **The regularization must take place no later than 7 (seven) working days from the date of receipt of the request by the competent AICS Office.***

**The aforementioned second instalment equal to 40% (forty percent) of the total will be paid as follows:**

- **Transfer to the dedicated current account opened in Lebanon equal to 10% (ten percent) of the total;**
- **Transfer to the dedicated current account opened in EU equal to 30% (thirty percent) of the total.**

c) A third instalment, a balance in EUR ....., 00 (euro [in *letters*] / 00), equal to 10% (ten percent) of the total amount, to be paid **on the dedicated bank account in EU**, within ..... working day(s) from the date in which the AICS Office certifies the successful outcome of the checks carried out on the final project report, its good execution, testing, as well as the administrative-accounting regularity of the report including the total costs actually incurred by the Implementing Entity for the project realization. In this case, the Implementing Entity must also deliver the donation report to the beneficiaries - identified in the project document - of the movable assets taken in charge and the immovable properties possibly restored, without prejudice to the provisions of art. 8, second paragraph, of the present Contract. The AICS Office undertakes to carry out the checks in question within 30 (thirty) working days from the receipt of the documentation prepared by the Implementing Entity. This period is considered suspended in the event that the documentation provided is irregular or incomplete and has to start again from the regularization date. **The regularization must take place no later than 7 (seven) working days from the date of receipt of the request by the competent AICS Office."**

#### **Article 7**

Without prejudice to the changes indicated in this Addendum, the aforementioned Contract does not undergo further changes and is fully referred to.

This deed is drawn up and signed by the Parties in 2 originals

For the Implementing Entity

For AICS Beirut Office

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*Name and Surname*

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*Name and Surname*

*title (Legal Representative or the /  
representative)*

Head of AICS Beirut Office

Beirut, [dd/mm/yyyy]