



**ITALIAN AGENCY  
FOR DEVELOPMENT  
COOPERATION**

**OFFICE OF BEIRUT**

**Contract N. RSCP/2021/CT007**

**for the implementation of the intervention "LA Bukra Ahla: resilience  
and social cohesion through temporary employment opportunities for  
Lebanese and Syrian refugees in Central Bekaa and Mount Lebanon"  
within the framework of the Initiative "Improvement of Public  
Infrastructures at Municipal Level Through Temporary Employment  
Opportunities of Lebanese And Refugee Population"  
RSCP/LB/CALL/007**

**AID 012115**

**Delegation Agreement TF-MADAD/2017/T04.40**

**between**

The Italian Agency for Development Cooperation - Office of Beirut (hereinafter referred to "AICS Office") fiscal code no. 97871890584, represented by Alessandra Piermattei

**and**

CESVI (hereinafter referred to as "Implementing entity"), registered in the List of non-profit organizations pursuant to art. 26, paragraph 3, Law 125/2014 with decree no. 2016/337/000155/5 dated 04/04/2016, with Headquarters in Bergamo, Via Broseta 68/A Represented by Francesca Lazzari (Cesvi Head of Mission in Lebanon)

hereinafter referred to as also "The Parties",

#### **PREAMBLE**

- By virtue of the Law no. 125 dated August 11, 2014 concerning the "General regulation on international development cooperation" and in particular art. 10 and art. 26, paragraph 4;
- By virtue of the "Statute of the Italian Agency for Development Cooperation", approved with the Ministerial Decree no. 113 dated 22/07/2015 and subsequent amendments;



- By virtue of AICS accounting regulation, approved with the D.I. 1002/2500 of 15/12/2015 and subsequent amendments;
- By virtue of the decision of the Joint Committee for Development Cooperation no. 49 dated 05/02/2018 and subsequent amendments;
- By virtue of the *Call for Proposals* relating to the initiative "Improvement Of Public Infrastructures at Municipal Level Through Temporary Employment Opportunities of Lebanese And Refugee Population" RSCP/LB/CALL/007 published on 06/07/2021;
- By virtue of the ranking list approved on 16/09/2021 and published on the AICS website on 17/09/2021

**The Parties agree and establish the following**

**Article 1  
OBJECT**

1. The AICS Office entrusts to CESVI the intervention RSCP/2021/CT007 "LA Bukra Ahla: resilience and social cohesion through temporary employment opportunities for Lebanese and Syrian refugees in Central Bekaa and Mount Lebanon" to be carried out in Lebanon, as described in the documentation referred to in art. 19 of the present Contract.
2. The attached documentation forms an integral part of the present Contract.

**Article 2  
STAFF**

1. The implementing Entity is committed to the local staff employed within the project to observe the legislation in force in Lebanon.
2. The working relationship between the implementing Entity and the employed staff within the project and any possible dispute arising from this matter does not in any way involve the AICS Office.
3. The implementing Entity is responsible for the safety of the expatriate staff employed in carrying out the project and undertakes to comply with the rules and security measures indicated by the Embassy of Italy in Beirut.
4. In the event the implementing Entity fails to comply with the provisions on safety, the AICS office may suspend the funding provided for in this Contract.

**Article 3  
FINANCIAL GUARANTEE**

1. In case it is intended to request an advance payment from AICS Office, the implementing Entity undertakes to present a financial guarantee equal to 30% (thirty percent) of the advance, pursuant to art. 26, paragraph 4 of Law no. 125/2014.
2. The financial guarantee, at the choice of the implementing Entity, may be issued by a bank, insurance company, or by financial intermediaries registered in the official register





referred to in art. 106 of Legislative Decree dated September 1, 1993, no. 385, which exclusively or mainly carry out guarantees issuing activities, and which are audited by an auditing firm registered in the official audit register provided for by art. 161 of Legislative Decree no. 58 dated 24 February 1998

3. Jointly with the payment of the third installment, the release of the guarantee policy is authorized at the request of the implementing Entity. After 180 (one hundred and eighty) days from the conclusion of the final report approval process, the guarantee policy is considered released without the need for further administrative documents.

4. In case the implementing Entity waives in writing the advance payment, the Parties sign a special *addendum* to this Contract, in which the methods of payments taking place in progress following the activities reporting must be described in detail.

#### **Article 4 FINANCING METHODS**

1. The total funding for this assignment is EUR 1.200.000,00 (euro one million two hundred thousand/00).

**2. The due payments to the implementing Entity are made by the AICS Office in the aforementioned currency, by bank transfer to the dedicated current account(s) opened in Lebanon and/or in Italy, based on the "Financial Plan", and without prejudice to article 3, paragraph 4 of this Contract, in the following methods:**

- a) First installment of EUR 600.000,00 (euro six hundred thousand/00) equal to 50% (fifty percent) of the total amount, within 15 (fifteen) working days 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 installment of EUR 480.000,00 (euro four hundred eighty thousand/00) equal to 40% (forty percent) of the total amount, to be paid within 15 (fifteen) working days 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 has to start again from the regularization date;
- c) A third installment, a balance in EUR 120.000,00 (euro one hundred twenty thousand/00), equal to 10% (ten percent) of the total amount, to be paid within 30 (thirty) working days 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.

#### **Article 5**

#### **ELIGIBLE COSTS**

1. As part of the project referred to in this Contract, purchases of goods and services may be foreseen, as well as civil works of simple technical-professional execution, strictly functional and essential to the project.
2. The incurred costs of the financial guarantee policies referred to in art. 3 of this Contract are also considered eligible.
3. The eligible administrative costs are the expenses incurred by the implementing Entity's national headquarters, after the stipulation of this Contract for the project management, including the relative current expenses. The financial charge relating to administrative costs must not exceed 7% (seven percent) of the total costs actually incurred for the project and approved at the time of reporting the net of expenses relating to the guarantee.

#### **Article 6**

#### **REPORTS AND FINANCIAL STATEMENTS**

1. The implementing Entity is required for financing disbursing in the terms provided for by art. 5 of the present Contract to submit to the AICS Office a report that includes the progress and a final report, accompanied respectively by an interim financial statement and a final financial statement, containing the incurred amount of expenses for the project.
2. In any case, the intermediate report must be submitted within 3.5 months of the stipulation of the present Contract, regardless of whether or not the percentage of expenditure referred to in art. 4, paragraph 1 is reached. The final report submission and related financial statement in accordance with the originally proposed spending plan must take place within 30 (thirty) working days from the project completion. The Implementing Entity must also submit a report in the event of extraordinary conditions (e.g. temporary interruption of activities due to force majeure).
3. The Implementing Entity undertakes to provide technical information on the progress of the projects and / or descriptive and financial data when requested by the AICS Office and to participate in the evaluation of the projects.

#### **Article 7**

#### **PURCHASES**

1. The works and purchases of services and supplies relating to the project must be carried out according to the principles set out in art. 4, paragraph 1, of Legislative Decree no. 50 dated April 18, 2016, and subsequent amendments and additions, and as indicated in the document "Management and financial statement guidelines for the execution of humanitarian aid projects".





2. The goods purchased for the program must be delivered - as a rule - to the local counterpart at the end of the activities as a donation from the European Union through the MADAD-RSCP programme entrusted to the Italian Agency for Cooperation to Development. The AICS Office can authorize a different destination of these assets with the emergence of new needs within the framework of the cooperation action of the general economy and to ensure greater timeliness in the interventions' implementation.

## **Article 8**

### **VERIFICATIONS AND CONTROL**

1. AICS and its foreign office can carry out checks at any time, if deemed necessary, regarding the progress of the Project and the results achieved up to that moment.

## **Article 9**

### **CHANGES TO THE INITIATIVE**

1. Should circumstances arise such as to impose a modification for the planned project activities following the stipulation of this Contract, the Implementing Entity shall prepare a request for a non-expensive variation allowing to manage the unexpected circumstance while keeping the objectives and purposes of the intervention unchanged.

2. The following variations are subject to prior authorization from the AICS Office:

- a) Requests for temporal extension of the project;
- b) The variations between items (A, B, C, D, E, and F as indicated in the Financial Plan);
- c) The variations including expense compensation in the project's financial plan within the same item which are higher than 15% (fifteen percent) of the amount originally foreseen for the items.

3. The following variations are not subject to prior authorization from the AICS Office:

- a) The variants that entail expense compensation in the project financial plan within the same item that do not exceed 15% (fifteen percent) of the amount originally foreseen for the item.

In the case of variants not subject to authorization, these must in any case be indicated in the Reports, as well as communicated to the AICS Office.

4. Under no circumstances, the Implementing Entity may request additional funds under this assignment.

## **Article 10**

### **RESPONSIBILITY DURING THE EXECUTION OF THE PROJECTS**

1. The AICS Office assumes no responsibility for damages deriving from the implementation of the activities provided by the Project referred to in this Contract, as well as for the contractual and extra-contractual legal relationships concerning their execution, and the greater costs that may arise due to "force majeure" such as - by way of example and not limited to - war events, natural disasters, riots, etc.



2. The Implementing Entity is exclusively liable for any damage caused by its staff to persons and things belonging to third parties that may occur during the execution of the project referred to in this Contract.

3. The Implementing Entity undertakes to:

- Ensure the preparation of the necessary agreements with all the involved local authorities (in the case of imports, the exemption procedures issued by the local government or by the structure appointed by the same to manage the ongoing emergency situation must be mentioned);
- Comply with the current Italian legislation (also for possible integration of the guidelines' contents) for any purchases of goods and services as well as civil works of simple technical-professional execution strictly accessories, functional and instrumentally indispensable to the project, and necessary for the implementation of the intervention;
- Stipulate the necessary contracts with enterprises, local suppliers and technical staff operating in the projects;
- The Implementing Entity must ensure that there is no detection of subcontractors, natural persons (including participants to workshops and/or trainings and recipients of financial support to third parties), in the lists of EU restrictive measures;
- Provide the necessary supervision activities;
- Take care of the transport of all supplies, coordinating with the AICS Office.

#### **Article 11 VISIBILITY**

1. The Implementing Entity undertakes to carry out all the activities provided for in the specific annexes ensuring that they are known by the central, local, final beneficiaries, and international agencies present in the area as activities financed by the European Union through the MADAD-RSCP programme entrusted to the Italian Agency for Cooperation to Development. The implementing Entity undertakes a similar commitment in relation to the rehabilitation works and the goods distributed to the beneficiaries by reason of the financing in question.

2. The implementing Entity is required, in relation to the project, to comply with the communication and visibility guidelines provided by the AICS Communication Office and in line with the EU Guidelines.

#### **Article 12 TERMINATION OF THE ASSIGNMENT**

1. In the event of irregularities or non-compliance with the terms and / or conditions of this Contract by the implementing Entity, the AICS office notifies the implementing Entity of this irregularity or non-compliance, inviting it to carry out the fulfillment within a peremptory period of not less than 30 (thirty) days.





2. Except as provided in the following art. 13; the contract is considered terminated, if after the assigned term the implementing Entity has not fulfilled the obligation.

### **Article 13**

#### **RECOVERY OF PAID FUNDS IN THE EVENT OF IRREGULARITIES OR NON-COMPLIANCE**

1. In the event of irregularities or non-compliance with contractual terms and / or conditions, the implementing Entity is obliged to give back the received and unused funds, as well as the funds received and used in a manner different from the contractual purpose or illegitimately. The AICS office can also recover them by means of compensation.

2. In case of failure to return the due sums within the indicated deadline, the AICS Office can proceed with the enforcement of the guarantee pursuant to art. 3 of the present Contract.

### **Article 14**

#### **FORCE MAJEURE CAUSES**

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. - 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 objective's impossibility for continuing the activities, the project shall be suspended and eventually concluded.

3. In the event of termination for reasons of force majeure, the incurred costs by the executing body are recognized, without prejudice to the provisions of the previous art. 13.

### **Article 15**

#### **CONFLICTS RESOLUTION**

1. Any disputes relating to the interpretation or execution of this present Contract, whatever their technical, administrative, or legal nature, which could not be resolved administratively, are referred to the exclusive jurisdiction of the Italian Judicial Authority, Court of Rome.

### **Article 16**

#### **APPLICABLE LAW**

1. For matters not covered by this present Contract, or not governed by Law no. 125/2014 and the related implementation regulations, the provisions of the Italian Civil Code regarding contracts and obligations shall be applied, as well as the anti-mafia legislation pursuant to Legislative Decree no. 159/2011 and subsequent amendments



**Article 17**  
**SUSPENSION OF THE PROJECT**

1. The suspension is of an exceptional nature and is granted upon the occurrence of conditions that cannot be foreseen at the time of the initiative approval.
2. AICS Office authorizes the suspension of a project in the presence of a reasoned request from the implementing Entity. During the possible suspension period, no expenses may be charged to the initiative, except the expenses that fulfill legal obligations. Any guarantee provided for the disbursement of advances must also be suspended.

**Article 18**  
**ENTRY INTO FORCE, AMENDMENTS, AND DURATION OF THIS CONTRACT**

1. The present Contract enters into force from the date of signature by the Parties and remains valid until the complete and exact fulfillment of all the obligations provided for therein.
2. Any changes to this Contract must be agreed with in writing between the Parties.
3. Project activities must be carried out within 7 months from the signing of this contract, except the provisions of the previous art. 12 and 14 or any subsequent extensions, if authorized by the AICS Office.

**Article 19**  
**DOCUMENTS CONSTITUTING AN INTEGRAL PART OF THE CONTRACT**

The Documents that form an integral part of this Contract are the following:

- a) Addendum N. 1 to the Contract;
- b) Summary Project Proposal;
- c) Financial plan;
- d) Statement(s) of Exclusivity;
- e) Guidelines for the management and financial report of humanitarian aid projects;

Beirut, 25 / 11 / 2021

For the Implementing Entity



*Francesca Lazzari*  
*Cesvi Head of Mission*



For AICS



*Alessandra Piermattei*  
*Head of AICS Beirut Office*







OFFICE OF BEIRUT

**ADDENDUM N. 1**

**To the Contract N. RSCP/2021/CT007**

**for the implementation of the intervention "LA Bukra Ahla: resilience and social cohesion through temporary employment opportunities for Lebanese and Syrian refugees in Central Bekaa and Mount Lebanon" within the framework of the Initiative "Improvement of Public Infrastructures at Municipal Level Through Temporary Employment Opportunities of Lebanese And Refugee Population" RSCP/LB/CALL/007**

**AID 012115**

**Delegation Agreement TF-MADAD/2017/T04.40**

between

The Italian Agency for Development Cooperation - Office of Beirut

and

The CSO CESVI

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 "Resilience & Social Cohesion Programme (RSCP) - Strengthening the resilience of host communities and Syrian refugees in Lebanon, Jordan and Iraq (Kurdistan)" (details of bank account: DEV.COOP.SECT.EMB.IT.RSCP.EU.MADAD number 01004652-0002);



Given that the Contract and its annexes (hereafter referred to "Contract"), signed today between AICS Office and the CSO CESVI (hereafter referred to "Implementing Entity") for the implementation of the intervention RSCP/2021/CT007 "LA Bukra Ahla: resilience and social cohesion through temporary employment opportunities for Lebanese and Syrian refugees in Central Bekaa and Mount Lebanon" 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 intervention RSCP/2021/CT007 "LA Bukra Ahla: resilience and social cohesion through temporary employment opportunities for Lebanese and Syrian refugees in Central Bekaa and Mount Lebanon" 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 "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 an 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 "Guidelines for management and reporting of humanitarian aid projects", 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 installment of EUR 600.000,00 (euro six hundred thousand/00) equal to 50% (fifty percent) of the total amount, **to be paid on the dedicated bank account in Lebanon**, within 15 (fifteen) working days 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 installment of EUR 480.000,00 (euro four hundred eighty thousand/00) equal to 40% (forty percent) of the total amount, to be paid within 15 (fifteen) working days 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 installment, a balance in EUR 120.000,00 (euro one hundred twenty thousand/00), equal to 10% (ten percent) of the total amount, to be paid **on the dedicated bank account in EU** within 30 (thirty) working days 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

In the event that the authorities responsible for issuing the "anti-mafia" certification relating to the application registered on 19.11.2021 in the B.D.N.A with prot. no. 95252 communicates a negative opinion on the issue of the above-mentioned certificate, the contract will be terminated with immediate effect, without prejudice to payment of the value of the works already carried out and reimbursement of the costs incurred in carrying out the remainder, within the limits of the benefits obtained.

#### Article 8

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

Beirut, 25 / 11 / 2021

For the Implementing Entity



Francesca Lazzari  
Cesvi HOM Lebanon



For AICS Beirut Office



Alessandra Piermattei  
Head of AICS Beirut Office



