

**FINANCING AGREEMENT FOR THIRD PARTY DONORS
BETWEEN THE GOVERNMENT OF BELGIUM (THE DONOR) AND
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP/the RECIPIENT)**

WHEREAS the Government of Belgium, acting through its Directorate-General for Development Cooperation, hereby agrees to contribute funds (hereinafter referred to as “the Contribution”) to the United Nations Development Programme (hereinafter “UNDP” and/or the “Recipient” for the implementation of “**Supply-Side Support: Solarization of Water Establishment Services for North Lebanon – Pillar 1.3**” (hereinafter referred to as “the Project”), as described in the Project document “**Integrated, Climate-Resilient and Water Management for Crisis Response and Structural Reform in North Lebanon**” project ID 01006002, in Lebanon and submitted to the Government of Belgium for information.

WHEREAS the Government of Belgium and UNDP signed a Framework Agreement on 20 September 2016 (hereinafter the “Framework Arrangement”). The provisions applicable to earmarked contributions to programmes/ projects of the Framework Arrangement and the specific conditions set forth below apply to the present Terms and Conditions of the Contribution.

WHEREAS UNDP is prepared to receive and administer the Contribution for the implementation of the Project,

WHEREAS the Government of Lebanon has been duly informed of the Contribution of the Government of Belgium to the Project,

WHEREAS UNDP is the designated Implementing Partner for the implementation of the Project (hereinafter referred to as the “Implementing Partner”),

NOW THEREFORE, UNDP and the Government of Belgium hereby agree as follows:

Article I. The Contribution

1. (a) The Government of Belgium shall, in accordance with the schedule of payments set out below, contribute to UNDP the Contribution amount of 2,000,000 euros.

<u>Schedule of payments¹</u>	<u>Amount</u>
Tranche 1	1,000,000 euros
Tranche 2	1,000,000 euros

¹ It is recommended that country offices negotiate the number of installments to ensure at least six months’ anticipated disbursements are funded with each installment. This will make processing of contributions and reporting more efficient for the country offices.

The Contribution shall be deposited in the following bank and bank account²:

Account Name: **UNDP Euro Contributions Account**
Account No: **6008-62722022**
Bank Name: **Bank of America-London**
Bank Address: **5 Canada Square, London. E14 5AQ, United Kingdom**
ABA/ACH routing No.: **GB59BOFA16505062722022**
Sort Code: **16-50-50**
Swift Address: **BOFAGB22**

(b) UNDP's project proposal **Integrated, Climate-Resilient and Water Management for Crisis Response and Structural Reform in North Lebanon** and the annexes as submitted to the Government of Belgium, are an integral part of this specific agreement for the award and use of the Contribution.

(c) The Contribution will be paid in two installments.

- The first instalment will be paid upon receipt of UNDP's countersignature of this Specific Agreement and upon receipt of a formal request for the payment of the contribution stating UNDP's bank account for the payment.
- The second instalment will be paid upon submission by UNDP of a financial statement proving that at least 70% of the previous installment has effectively been spent and on the condition that financial and narrative reports relating to the previous year of implementation of the project have been received.

d) When making the transfer, the Government of Belgium will follow the procedure provided for by paragraph 5.2 of the Framework Arrangement. UNDP will acknowledge receipt, in writing, of the received payment, in accordance with paragraph 4.5 of the Framework Arrangement. The Parties acknowledge and agree that UNDP will not start the activities under the Agreement until the funding has been received from the Government of Belgium.

e) The Contribution will be paid in Euros. The United States Dollars' value of the Contribution will be determined in accordance with paragraph 4.6 of the Framework Arrangement.

f) The Government of Belgium will inform UNDP when the Contribution is paid via an e-mail message with remittance information to contributions@undp.org, providing the following information: donor's name, UNDP country office, Project no. 01006002 **Integrated, Climate-Resilient and Water Management for Crisis Response and Structural Reform in North Lebanon**, donor reference (if available). This information should also be included in the bank remittance advice when funds are remitted to UNDP.

2. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of Project delivery.

² Please note that the currency of the bank account should be the same as the currency of the contribution

3. UNDP shall receive and administer the payment in accordance with the rules, regulations, policies and procedures of UNDP in accordance with paragraph 4.1 of the Framework Arrangement.
4. All financial accounts and statements shall be expressed in United States dollars.

Article II. Utilization of the Contribution

1. The implementation of the responsibilities of UNDP and of the Implementing Partner pursuant to this Agreement and the Project document shall be dependent on receipt by UNDP of the Contribution in accordance with the schedule of payment as set out in Article I, paragraph 1, above. UNDP shall not start the implementation of the activities prior to receiving the first tranche of the Contribution (whichever is applicable).
2. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the Government of Belgium on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government of Belgium shall use its best endeavors to make available to UNDP the additional funds required. All losses (including but not limited to losses as result of currency exchange fluctuations) shall be charged to the Project.
3. If the payments referred to in Article I, paragraph 1, above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 2 above is not forthcoming from the Government of Belgium or other sources, the assistance to be provided to the Project under this Agreement may be reduced, suspended or terminated by UNDP.

Article III. Administration and reporting

1. Project management and expenditures shall be governed by the regulations, rules policies and procedures of UNDP and, where applicable, the regulations, rules, policies and procedures of the Implementing Partner.
2. UNDP shall provide to the Government of Belgium the following reports in accordance with UNDP accounting and reporting procedures.

2.1

- (a) From the country office (or relevant unit at headquarters in the case of regional and global projects) an annual status report of Project progress for the duration of this Agreement, as well as the latest available approved budget.
- (b) From UNDP Bureau for Management Services/Offices of Financial Resources Management, an annual certified financial statement as of 31 December every year to be submitted no later than 30 June of the following year.
- (c) From the country office (or relevant unit at headquarters in the case of regional and global projects) within six months after the date of completion or termination of this Agreement,

a final report summarizing Project activities and impact of activities as well as provisional financial data.

- (d) From UNDP Bureau for Management Services/Offices of Financial Resources Management, on completion of the Project, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the Project.

3. If special circumstances so warrant, or upon the Government of Belgium's request, UNDP may provide more frequent reporting at the expense of the Government of Belgium. The nature and frequency of this reporting shall be detailed in an annex to this Agreement.

Article -IV. General Management Support services

1. In accordance with the decisions, policies and procedures of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the Contribution shall be charged a fee equal to at least 8% in accordance with the UNDP's cost recovery policy approved by the UNDP Board and in force at the time of the signature of the present Agreement. Furthermore, as long as they are unequivocally linked to the Project, all direct costs of implementation, including the costs of Implementing Partner, will be identified in the Project budget against a relevant budget line and borne by the Project accordingly.

2. The aggregate of the amounts budgeted for the Project (including direct costs, GMS and, when applicable, the coordination levy) shall not exceed the total resources available to the Project through the Contribution paid by the Government of Belgium.

Article V. Reporting, Monitoring and Evaluation

1. UNDP will carry out the reporting, monitoring, evaluation and audit function in accordance with the paragraphs 6.2, 6.3 and 6.4 of the Framework Agreement.

2. All UNDP Programmes and Projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the Government of Lebanon in consultation with other stakeholders will jointly agree on the purpose, use, timing, financing mechanisms and terms of reference for evaluating a Project including an evaluation of its Contribution to an outcome which is listed in the Evaluation Plan. UNDP shall commission the evaluation, and the evaluation exercise shall be carried out by external independent evaluators.

3. The Contribution shall be subject exclusively to the internal and external auditing procedures provided for in the Financial Regulations and Rules, policies and procedures of UNDP. Should the annual Audit Report of the UN Board of Auditors to its governing body contain observations relevant to the Contribution, such information shall be made available to the Government of Belgium by the country office. If the referenced internal and/or external auditor's Audit Report should include observations about the way the Contribution is used, UNDP commits to inform the Government of Belgium and to update the Government of Belgium of its answer and

potential actions to correct the situation where appropriate and in line with its financial regulations, rules and procedures

Article V-B. Equipment

Ownership of equipment, supplies and other properties financed from the Contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

Article VI. Completion of the Agreement

1. UNDP shall notify the Government of Belgium when all activities relating to the Project have been completed in accordance with the Project document.
2. Notwithstanding the completion of the Project, UNDP shall continue to hold unutilized funds from the Contribution until all commitments and liabilities incurred in implementation of the Project have been satisfied and Project activities brought to an orderly conclusion.
3. If the unutilized funds prove insufficient to meet such commitments and liabilities, UNDP shall notify the Government of Belgium and consult with the Government of Belgium on the manner in which such commitments and liabilities may be satisfied.
4. In cases where the Project is completed in accordance with the project document any funds below, equal or exceeding 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated in accordance with the paragraphs 5.10.3 of the Framework Arrangement.

Article VII. Termination of the Agreement

1. This Agreement may be terminated by UNDP or by the Government of Belgium after consultations between the Donor, UNDP and the programme country Government, and provided that the funds from the Contribution already received are, together with other funds available to the Project, sufficient to meet all commitments and liabilities incurred in the implementation of the Project. This Agreement shall cease to be in force 30 (thirty) days after either of the Parties have given notice in writing to the other Party of its decision to terminate this Agreement.
2. Notwithstanding termination of all or part of this Agreement, UNDP shall continue to hold unutilized funds until all commitments and liabilities incurred in the implementation of all or the part of the Project have been satisfied and Project activities brought to an orderly conclusion.
3. In cases where this Agreement is terminated before Project completion any funds below, equal or exceeding 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated in accordance with the paragraphs 5.10.3 of the Framework Arrangement.

Article VIII. Fraud and Anti-Corruption Measures

The Parties agree that it is important to take all necessary precautions to avoid corrupt practices. To this end, UNDP shall maintain standards of conduct to govern the performance of its staff, including of corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the Staff Regulations and Rules of the United Nations, the UNDP Financial Regulations and Rules, and the UNDP Procurement Manual.

Where appropriate and in line with its financial regulations, rules and procedures, UNDP will provide as soon as possible information and corrective measures to the Government of Belgium relating to any instances of credible allegation of fraud or corruption with regards to the contribution in accordance with UNDP Policy against Fraud and other Corrupt Practices

Article IX. Anti-Terrorism Measures

Consistent with numerous United Security Council resolutions, including S/RES/1269 (1999), S/RES 1368 (2001), and S/RES/1373 (2001), both the Government of Belgium and UNDP are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of UNDP to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, UNDP undertakes to use reasonable efforts to ensure that none of the Government of Belgium funds provided under this Agreement are used to provide support to individuals or entities associated with terrorism.

Article IX.-B SEAH Provisions

1.

a. Sexual exploitation and abuse

The Government of Belgium and UNDP have a zero tolerance for inaction approach to tackling sexual exploitation and abuse ("SEA").³ This means the UNDP and its implementing partners will take all reasonable steps to prevent SEA by both its employees and any implementing partner and respond appropriately when reports of SEA arise, in accordance with their regulations, rules, policies and procedures. Unless inconsistent with a specific regulation, rule, policy or procedure governing UNDP, then UNDP will apply the IASC Six Core Principles Relating to Sexual Exploitation and Abuse (Annex I) and the following principles and practices when implementing the activities under this arrangement and provide evidence to demonstrate this where required:

- a) Adherence to the IASC-Minimum Operation Standards on "Protection from sexual exploitation and abuse by own personnel" and/or [the] SEA elements of the Core Humanitarian Standard on Quality and Accountability;

³ See UNSG Bulletin ST/SGB/2003/13 for the definition of sexual exploitation and abuse.

- b) A victim/survivor-centred approach⁴ to SEA issues;
- c) Strong leadership and signaling on tackling SEA;
- d) Make all reasonable efforts to address gender inequality and other power imbalances;
- e) Reporting to enhance accountability and transparency;
- f) Ensure that SEA standards from this arrangement are reflected in funding templates with implementing partners, [for UN entities: by means such as, but not limited to, adherence to the United Nations Protocol on Allegations of Sexual Exploitation and Abuse Involving Implementing Partners].

b. Sexual harassment

The Government of Belgium and UNDP have a zero tolerance for inaction approach to tackling sexual harassment (“SH”).⁵ This means UNDP will take all reasonable steps to prevent SH and respond appropriately when reports of SH arise, in accordance with its regulations, rules, policies and procedures.

Unless inconsistent with a specific regulation, rule, policy or procedure governing UNDP, then UNDP will apply the following principles and practices when implementing the activities under this arrangement:

- a) A victim/survivor-centred approach to SH issues;
- b) Strong leadership and signaling on tackling SH;
- c) Make all reasonable efforts to address gender inequality and other power imbalances;
- d) Reporting to enhance accountability and transparency;

2. UNDP will adhere to the following requirements:

a. Allegations of SEA

(i) UNDP will promptly report all allegations of SEA credible enough to warrant an investigation through the Secretary-General’s reporting mechanism (the “Report”).

(ii) When UNDP reports an allegation of SEA to, or becomes aware of an allegation reported through, the Report that is (i) directly related to the activities funded by this arrangement or, (ii) would have a significant impact on the partnership between UNDP and the Government of Belgium, UNDP will promptly notify Heidi Rombouts, Director General of the Directorate-General for Development Cooperation and Humanitarian Affairs (heidy.rombouts@diplobel.fed.be) of the report made and the relevant arrangement number, if applicable and provide information containing the level of detail that UNDP is aware of.

⁴ A victim/survivor centered-approach is one for which the victim/survivor’s dignity, experiences, considerations, needs, and resiliencies are placed at the center of the process, from the initial program design to investigating and responding to potential incidents. Consistent with the UN Protocol on Allegations of SEA Involving Implementing Partners, the victim/survivor should be informed, consulted during the decision-making process, and provide consent on the possible use and disclosure of their information. Those interacting with the victim/survivor and/or handling information regarding the allegation will maintain confidentiality, ensure safety of the victim/survivor, and apply victim/survivor-centered principles which are safety, confidentiality, respect, and non-discrimination. When the victim/survivor is a child, the approach will consider the best interests of the child and engage with the family/caregivers as appropriate. Staff and partners should comply with host country and local child welfare and protection legislation and international standards, whichever gives greater protection.

⁵ See the UN System Model Policy on Sexual Harassment and the UN Secretary-General’s Bulletin ST/SGB/2019/8 for the uniform definition of sexual harassment in the UN System.

(iii) Upon request from the Government of Belgium, UNDP agrees to provide further available relevant information UNDP is aware of for allegations notified under paragraph 2a (ii) including about subsequent measures taken by UNDP, unless disclosure of such information would be inconsistent with UNDP's regulations, rules, policies and procedures concerning disclosure of information

b. Allegations of SH

(i) UNDP will report allegations of sexual harassment and measures taken through existing reporting mechanisms.

(ii) Where UNDP has determined that the allegations would have a significant impact on the partnership between the Recipient and the Government of Belgium, the Recipient will promptly notify Heidy Rombouts, Director General of the Directorate-General for Development Cooperation and Humanitarian Affairs (heidy.rombouts@diplobel.fed.be) and provide information containing the level of detail of the existing reporting mechanisms.

(iii) Upon request from the Government of Belgium, the Recipient agrees to provide further available relevant information, that UNDP is aware of unless disclosure of such information would be inconsistent with the Recipient's regulations, rules, policies and procedures concerning disclosure of information.

3. It is understood and accepted that UNDP's arrangement to report on SEA and SH will be performed in accordance with UNDP's regulations, rules, policies and procedures, including its rules on confidentiality, and is subject to not compromising the safety, security, privacy and due process rights of any concerned persons.

4. When UNDP becomes aware of reasonable suspicions, complaints or reports of SEA or SH by its personnel, UNDP will, as appropriate under its regulations, rules, policies, and procedures, take reasonable, swift and appropriate action to stop harm occurring, investigate and report to relevant authorities (for potential criminal matters), as appropriate and when safe to do so, after considering the wishes of the victim/survivor.

5. The Government of Belgium or any of its duly authorized representatives may, in accordance with agreed mutually accepted terms of reference, carry out reviews or evaluations or other assessment measures to verify UNDP's zero tolerance for SEA and SH, provided that such measures are consistent with the single audit principle governing the UN, if applicable. UNDP will fully cooperate within the scope of the terms of reference with any such reasonable requests by the Government of Belgium or any of its duly authorized representatives or agents to carry out such measures.

6. Any information or documentation provided in accordance with these provisions will be treated by the Government of Belgium with utmost discretion in order to ensure, *inter alia*, the probity of any investigation, protect sensitive information, ensure the safety and security of persons and respect the due process rights of all involved. The Government of Belgium will presume information/documentation to be confidential, deliberative, and investigatory and will ensure that information/documentation provided to the Government of Belgium will be available solely to those who strictly require access to such information/documentation. Any disclosure of such information/documentation beyond such personnel will require notification and consultation with UNDP. The Government of Belgium will obtain the express written authorization of UNDP before disclosing any such information/documentation in a judicial proceeding or to the public, unless disclosure is otherwise required by law applicable to the Government of Belgium and is not subject to UNDP's privileges

and immunities under international and/or national law (such as information/documentation constituting UN archives).

7. Unless the regulations, rules, policies, and procedures applicable to UNDP are amended at an earlier stage, and/or there are other substantive changes to any of the referenced policies, processes or mechanisms, the above provisions are subject to possible review two years after the date of the Government of Belgium's mutual decision on their text with UNDP. Any changes to the above provisions that may be mutually decided following such a review will take effect at least four years after the date of the Government of Belgium's mutual decision on the present text with UNDP until which time the above provisions will continue to apply.

Article X: Visibility

Where appropriate and in line with its Financial Regulations and Rules and procedures; UNDP will refer to the Contribution with regards to the project or its activities in publications, speeches, press releases or similar communications.

Article XI: Notice

Any notice or correspondence between UNDP and the Government of Belgium will be addressed as follows:

(a) To the Government of Belgium:

Address: FPS Foreign Affairs, Foreign Trade and Development Cooperation
Directorate-General for Development Cooperation and Humanitarian Affairs
Yasia De Lausnay, Attaché
Karmelietenstraat 15, 1000 Brussel Belgium
Email: yasia.delausnay@diplobel.fed.be

Upon receipt of funds, UNDP shall send an electronic receipt to the Government of Belgium to the same email address provided above as confirmation that the remitted funds have been received by UNDP.

(c) To UNDP: Blerta Aliko, UNDP Resident Representative

Address: United Nations Development Programme in Lebanon
2nd Floor, United Nations House (UN-ESCWA)
Riad el-Solh Square, Beirut, Lebanon
P.O. BOX 11-8575
e-mail: blerta.aliko@undp.org

Article XII. Amendment of the Agreement

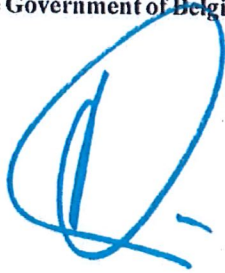
This Agreement may be amended through an exchange of letters between the Government of Belgium and UNDP. The letters exchanged to this effect shall become an integral part of this Agreement.

Article XIII. Entry Into Force

This Agreement shall enter into force upon the signature of this Agreement by the parties hereto, on the date of the last signature. This agreement is valid for a period of two years from the date of entry into force.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

For the Government of Belgium:



Maxime PRÉVOT
Deputy Prime Minister and Minister of Foreign Affairs,
European Affairs and Development Cooperation.

(Date)

For the United Nations Development Programme:



Blerta Aliko
UNDP Resident Representative in Lebanon

(Date)

13 August 2026