

Annex 1:
Leb/03/003

STANDARD LETTER OF AGREEMENT BETWEEN UNDP AND THE GOVERNMENT FOR
THE PROVISION OF SUPPORT SERVICES

Excellency,

1. Reference is made to consultations between officials of the **Government of Lebanon** (hereinafter referred to as "the Government") and officials of UNDP with respect to the provision of support services by the UNDP country office for the nationally executed project *Leb/03/003 –Capacity Development for Fiscal Reform and Management*. UNDP and the **Ministry of Finance (MoF)** agree that the UNDP country office may provide such support services at the request of the Government of Lebanon through its Executing Agent designated in the relevant programme support document or project document, as described below.
2. The UNDP country office may provide support services for execution activities, such as assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of MoF (the Executing Agent) is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such support services shall be recovered from the administrative budget of the office.
3. In addition, the UNDP country office may provide, at the request of MoF (the Executing Agent), the following support services for implementation activities:
 - (a) Identification and assistance with and/or recruitment of project and programme personnel;
 - (b) Identification and facilitation of training activities, including fellowship, short-term training and study tours;
 - (c) Procurement of goods and services; and
 - (d) Access to UNDP-managed global information systems, the network of UNDP country offices and specialized systems containing operations information, including rosters of consultants and providers of development services.
4. The procurement of goods and services and the recruitment of project and programme personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above shall be detailed in an annex to the programme support document or project document, in the form provided in Attachment hereto. If the requirements for support services by the country office change during the life of a programme or project, the annex to the programme support document or project document is revised with the mutual agreement of the UNDP Resident Representative and the MoF (the Executing Agent).
5. The relevant provisions of the UNDP Standard Basic Assistance Agreement with the Government (the "SBAA"), dated 10 February 1986, including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall responsibility for the nationally executed project through the MoF. The responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the annex to the programme support document or project document.
6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the SBAA.
7. The manner and method of cost recovery by the UNDP country office in providing the support services described in paragraph 3 above shall be specified in the annex to the project document.

8. The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.

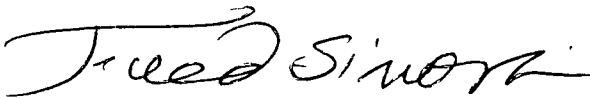
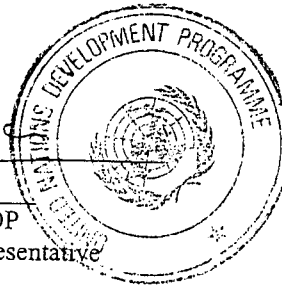
9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.

10. If you are in agreement with the provisions set forth above, please sign and return to this Office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between the MoF and UNDP on the terms and conditions for the provision of support services by the UNDP country office for the nationally executed project *Leb/03/003 – Capacity Development for Fiscal Reform and Management*.

Yours sincerely,



Signed on behalf of UNDP
Mr. Yves de San, Resident Representative



For the Ministry of Finance
H.E. Mr. Fouad Seniora,
Minister of Finance

Date:

18/1/2003