



**UNITED STATES AGENCY
FOR
INTERNATIONAL
DEVELOPMENT
MEMORANDUM OF
UNDERSTANDING
AMONG
THE UNITED STATES
AGENCY FOR
INTERNATIONAL
DEVELOPMENT
AND
THE CENTER FOR
LEGISLATIVE
DEVELOPMENT AT THE
STATE UNIVERSITY OF
NEW YORK-ALBANY
AND
THE MINISTRY OF
INTERIOR AND
MUNICIPALITIES OF THE
REPUBLIC OF LEBANON**

Date: March 31,2009



**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
AND
THE CENTER FOR LEGISLATIVE DEVELOPMENT AT
THE STATE UNIVERSITY OF NEW YORK - ALBANY
AND
THE MINISTRY OF INTERIOR AND MUNICIPALITIES OF THE
REPUBLIC OF LEBANON**

ARTICLE 1 - PURPOSE

The United States Government (USG), acting through the United States Agency for International Development (USAID), and the Research Foundation of the University at Albany, acting through the Center for Legislative Development at the State University of New York - Albany (SUNY/CLD), and the Government of Lebanon (GOL), acting through the Ministry of Interior and Municipalities, wish to cooperate in a mutual effort to strengthen the administration for the Lebanese municipalities and Unions of municipalities. More specifically, USAID, through SUNY/CLD and in full collaboration with the Ministry of Interior and Municipalities (MOIM), intends to provide assistance to Lebanon for this general purpose. Accordingly, the Parties have drawn up the following Memorandum of Understanding (MOU).

ARTICLE 2 - UNDERSTANDINGS OF THE PARTIES

Section 2.1 - USAID assistance through SUNY/CLD

USAID intends to finance, through a Cooperative Agreement with the Research Foundation of the University at Albany State University of New York and on behalf of the Center for Legislative Development (SUNY/CLD), assistance to the municipalities and union of municipalities in the form of equipment, training, and technical support, from December 1, 2008 to November 30, 2010 as described below.

Based on the above mentioned Cooperative Agreement, the SUNY/CLD team will conduct a series of policy dialogues, workshops, and training activities. The team will also assist the municipalities and unions of municipalities to implement all newly developed municipal financial and administrative procedures previously adopted. In addition, the SUNY/CLD team will participate in preparing the necessary recommendations related to municipal laws. The SUNY/CLD team will also provide the necessary computer equipment to strengthen and facilitate the work of municipalities, and the corresponding units at MOIM.

Assistance described herein will be provided by SUNY/CLD. This assistance is subject to the terms and conditions of the Cooperative Agreement signed between USAID and SUNY/CLD.

In order to achieve these goals the SUNY/CLD team will continue to work from its office in Beirut and from offices in the different regions (Mohafazat). The Lebanon Project Director, will continue to reside in Lebanon for the duration of the project in order to oversee its implementation. The Director will manage the offices, overseeing all procedures and maintaining communications with the relevant personnel at MOIM and the designated municipalities.

A. Technical Assistance Plan

In accordance with the Cooperative Agreement, SUNY/CLD will carry out project activities to support administrative decentralization by providing technical assistance to municipalities, union of municipalities, and intermediary government institutions: regional government (Mohafazat), and district government (Qaimaqam).

A general work plan will be discussed and established with the Minister of Interior and Municipalities, and SUNY/CLD Lebanon Project Director and USAID mission director or their designees. The work plan will be reviewed on a regular basis.

The work plan for assisting municipalities, union of municipalities, and intermediary government institutions will include: completion of the automation of the administrative and financial procedures in all the municipalities, development of the appropriate administrative and financial system for the union of municipalities, continuation and expansion of assistance to large municipalities, defined as those subject to the General Accounting Law, to achieve an electronic government (e-municipality) model; utilization of the geographic information system to reflect the administrative and financial information of the 'large' municipalities as previously specified, enhancement of the capabilities of the engineering units of the 'large' municipalities including the automation and standardization of data, provision of necessary equipment, development of the appropriate information technology applications, provision of training for municipal employees, reorganization of the hierarchical structure of some municipalities based on a needs' analysis, continuation of the opening of citizen reception offices, organization of activities to enhance citizen participation in the municipal decision making process, and development of a more prominent municipal role in local economic development.

B. Municipal assistance and inter-governmental relations

In accordance with the Cooperative Agreement, and following approval of the Minister of Interior and Municipalities, the SUNY/CLD team will:

- Conduct research and organize activities to discuss the legal and procedural framework that governs and impacts municipal work;
- Work with the Civil Service Board to develop and maintain human resource management systems for municipalities subject to Civil Service Board oversight and

work with the Court of Audit to develop and maintain the auditing systems for municipalities subject to Court of Audit oversight;

- Conduct citizen surveys of public expectations regarding municipal elections;
- Publish and distribute booklets that explain the process of the municipal elections and offer guidelines to encourage citizens to make more informed choices with respect to elected representatives;
- Work with municipalities to finalize the Annual Financial Statements for 2009 prior to the municipal elections in 2010;
- Develop municipal ID system for elected officials (presidents, vice-presidents, and council members);
- Conduct workshops for new presidents of municipalities to facilitate work related in particular to the budget;
- Provide assistance to new municipalities in particular in organizing their administrative and financial work;
- Assist large municipalities in structuring their organizational hierarchy consistent with budgetary realities and development needs;
- Work with large municipalities to encourage sustainability in the use of applications developed and implemented with USAID assistance;
- Implement financial applications in a number of large municipalities subject to the General Accounting Law;
- Assist large municipalities in submitting the required financial reports to the Court of Audit using the new financial applications;
- Assist Beirut Municipality in the areas of finance, engineering, employee health benefits, and training for new employees on the financial and administrative applications;
- Work with officials at the Ministry of Interior and Municipalities (MOIM) to provide assistance to municipalities; develop and maintain the MOIM website including the municipal village profiles within the website;
- Provide follow-up on the technical support for municipalities from initial requests for assistance through implementation;
- Work with municipal unions and large municipalities to enable these institutions to provide technical assistance to other municipalities;
- Conduct workshops for employees at the governorates and administrative district units concerning municipal budgets and annual financial statements;
- Continue to open citizen reception offices in Beirut Municipality and assist larger municipalities to provide information electronically regarding citizen taxes, fees, and transaction applications;
- Train employees from municipalities, municipal unions, governorates, and administrative district units in the use of the new applications related to electronic submission of citizen transactions; and
- Facilitate the exchange of technical expertise through assisting municipal presidents in participating in activities and conferences with local governments in the US.

C. Hardware and software installation

In accordance with the Cooperative Agreement, and upon approval of the Minister of Interior and Municipalities (MOIM), the SUNY/CLD team will:

- Install appropriate hardware in some municipalities, in governorates and district governments, in municipal unions, and in the MOIM offices responsible for the implementation of project activities; and
- Update the existing computerized applications (systems) and train employees in the use of the applications.

D. Additional activities

The SUNY/CLD team may work on other emerging projects in cooperation with the Minister of Interior and Municipalities and USAID provided they are within the scope of the Cooperative Agreement and within the municipal assistance framework specified therein.

Section 2.2 – Ministry of Interior and Municipalities

To ensure the success of this project, the Minister of Interior and Municipalities (MOIM) or his/her designee(s), will coordinate all activities related to the project with the SUNY/CLD Lebanon Project Director. In addition, MOIM and the assisted municipalities will:

- Finalize all necessary documents relevant to process this agreement;
- Provide necessary office equipment to the municipalities and union of municipalities to ensure the success of this project.
- Provide the appropriate personnel to participate in the training programs, seminars, and workshops;
- Provide the necessary human resources to maintain, and operate the installed equipment, software, and special applications on a continuous basis;
- Maintain for all hardware and software provided by SUNY/CLD before and after the original warranty expiration;
- Provide all necessary working space to install, test, and operate information systems, stand alone PCs and printers, and other installed information systems;
- Provide all electrical power needed for the operation of the information systems;
- Provide transportation and temporary storage for equipment purchased and imported for this project;
- Display visible acknowledgement that all equipment provided through this memorandum of understanding is a gift from the United States Agency for International Development.
- Exempt from all obligatory taxes including social security taxes for salary and compensation paid for the employees and consultant and exemption from health insurance fees and taxes on consultants hired by SUNY/CLD for the implementation of this project.

- Exempt from any and all national and local customs duties and fees, including the minimum required taxes and rental value taxes on equipment, vehicles, and all procurements purchased by SUNY/CLD for this project;
- Exempt from all municipal taxes and fees related to the offices of SUNY/CLD in Lebanon including rental values fees, sewer and sidewalk maintenance fees, and applicable signage fees of those offices for the duration of this project.

ARTICLE 3 - GENERAL PROVISIONS

Section 3.1 - Title to and use of property

Title to any property furnished by SUNY/CLD, as part of the USAID-financed assistance described above, shall be vested in the assisted institutions - MOIM, municipalities, and Union of Municipalities - in accordance with Section 3.2 below, unless otherwise agreed by all Parties. USAID, acting directly or through SUNY/CLD reserves the right to require refund from assisted institutions of commodities hereunder of the value of any such commodities not used in accordance with the terms of this MOU. Any transfer of property financed under the Cooperative Agreement shall not derogate from or alter SUNY/CLD obligations to USAID with respect to such property as established in the Cooperative Agreement.

Section 3.2 - Records, Audit, and Inspection

MOIM, municipalities, and union of municipalities shall maintain or cause to be maintained, as appropriate, records related to the assistance described herein in a manner adequate to show use and receipt of such assistance. Such records shall be maintained for a period of three (3) years after this assistance has been provided. MOIM, municipalities and union of municipalities shall afford representatives of USAID, or their designees, the opportunity at all reasonable times to inspect the site(s) of such assistance and records relating to the provision of such assistance.

Section 3.3 - Amendments and Modification

This MOU may be amended or modified with the written consent of all Parties.

Section 3.4 - Suspension and Termination

(A) Suspension - In the event that: (1) MOIM fails to comply with the terms of this MOU; (2) USAID determines that an extraordinary situation has occurred which makes it improbable that either the purposes of this MOU will be attained or that MOIM will be able to comply with the terms of this MOU; or (3) USAID determines that the continuation of assistance will result in a violation of US law or regulations; then, USAID, at its option, may take steps to suspend, in whole or in part, the provision of any assistance to MOIM described herein and provide written notice of

its action to MOIM. In the event of partial suspension, such a notice shall specify the affected activities. If, after sixty (60) days from the date of such notice, USAID determines that the cause or causes for suspension have not been corrected, USAID may terminate assistance after written notice to MOIM thereof.

(B) Termination - Either Party may terminate this MOU, in whole or in part, by giving the other parties ninety (90) days written notice. In the event of partial termination, such notice shall specify affected activities. Obligations of MOIM set forth in Section 3.1 above relating to the use of and title to property shall remain in force and effect after termination. Additionally, USAID may, at its discretion, direct that title to such goods furnished hereunder be transferred to USAID or another party if the goods are from a source outside Lebanon, are in a deliverable state, and have not been off-loaded at a port of entry in Lebanon.

Section 3.5 - Implementation Letters

From time to time, USAID may issue individually or jointly with MOIM implementation letters providing information and guidance with regard to the procedures applicable to the implementation of this MOU. Implementation letters shall not be used to amend or modify the text of this MOU.

Section 3.6 - Representatives

For all purposes relevant to this MOU, USAID shall be represented by the individual holding or acting in the position of USAID Mission Director for the US Embassy in Lebanon, or his or her designee, and MOIM shall be represented by the person holding or acting in the office of Minister of MOIM, and SUNY/CLD shall be represented by the individual holding or acting in the position of Director of SUNY/CLD, each of whom may, by written notice, designate additional representatives. The names of the representatives of MOIM, with specimen signatures, may be provided to USAID which may accept as duly authorized any instrument signed by said representative in implementation of this MOU until receipt of written notice of the revocation of their authority.

Section 3.7 - Communications

Any notice, request, document, or communication of any kind submitted by either Party to the others pursuant to this MOU shall be in writing and shall be deemed duly given or sent when delivered to such Parties at the following addresses:

To MOIM:

Office of the Minister
Ministry of Interior and Municipalities
Beirut, Lebanon

To USAID:

USAID Mission Director
United States Agency for International Development
American Embassy
Beirut, Lebanon

To SUNY/CLD:

CLD Director
423 State Street
Albany, NY 12203
USA

All communications shall be in English unless the Parties otherwise agree in writing. Other addresses may be substituted upon the giving of written notice.

This memorandum is being prepared in English and Arabic. In the event of a conflict between the two versions, the English language version shall prevail.

Section 3.8 – Scope of MOU

Upon signature by all Parties hereto, the terms and conditions of this MOU shall apply to all assistance described herein. This MOU may be amended or modified by the mutual written agreement by the duly authorized representatives of all Parties. While nothing in the MOU constitutes a financial commitment of any Party to another Party, all Parties agree to adhere to the terms and conditions of this MOU in all aspects with respect to the provision of assistance described in this MOU

IN WITNESS WHEREOF, the Parties, each acting through their duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year as first specified above.

FOR THE GOVERNMENT OF LEBANON
MINISTER OF Interior and Municipalities:



18 June 2009

Minister of Interior and Municipalities

Date

FOR THE US AGENCY FOR INTERNATIONAL DEVELOPMENT:



6-18-09

USAID Mission Director, US Embassy, Beirut

Date

FOR THE CENTER FOR LEGISLATIVE DEVELOPMENT,
STATE UNIVERSITY OF NEW YORK AT ALBANY:



6-18-09

Lebanon Project Director

Date