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Fifteenth Consolidated Annual Progress Report on Activities Implemented under the Lebanon Recovery Fund

**Report of the Administrative Agent of the Lebanon Recovery Fund
for the period 1 January – 31 December 2021**

Multi-Partner Trust Fund Office
United Nations Development Programme
<http://mptf.undp.org>

31 May 2022

Lebanon Recovery Fund (LRF)

PARTICIPATING ORGANIZATIONS



Food and Agriculture Organization



International Labour Organization



United Nations Development Programme



United Nations Educational, Scientific and Cultural Organization



United Nations Population Fund



United Nations High Commissioner for Refugees



United Nations Children's Fund



United Nations Industrial Development Organization



UN WOMEN

CONTRIBUTORS



CANADA



GERMANY



INDIA



REPUBLIC of KOREA



ROMANIA



SPAIN



SWEDEN

Abbreviations and Acronyms

AA	Administrative Agent
CEDRO	Community Energy Efficiency and Renewable Energy Demonstration Project
FAO	Food and Agriculture Organization of the United Nations
GoL	Government of Lebanon
ILO	International Labour Organization
LCRP	Lebanon Crisis and Response Plan
LRF	Lebanon Recovery Fund
M&E	Monitoring and Evaluation
MPTF Office	Multi-Partner Trust Fund Office (Administrative Agent of the LRF)
NGO	Non-governmental organization
PUNO	Participation UN Organization
SAA	Standard Administrative Arrangement
TOR	Terms of Reference
UN	United Nations
UNCT	United Nations Country Team
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNIDO	United Nations Industrial Development Organization
UNICEF	United Nations Children's Fund
UNW	UN Women

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DEFINITIONS

Allocation

Amount approved by the Steering Committee for a project/programme.

Approved Project/Programme

A project/programme including budget, etc., that is approved by the Steering Committee for fund allocation purposes.

Contributor Commitment

Amount(s) committed by a donor to a Fund in a signed Standard Administrative Arrangement with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent. A commitment may be paid or pending payment.

Contributor Deposit

Cash deposit received by the MPTF Office for the Fund from a contributor in accordance with a signed Standard Administrative Arrangement.

Delivery Rate

The percentage of funds that have been utilized, calculated by comparing expenditures reported by a Participating Organization against the 'net funded amount'.

Indirect Support Costs

A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations. UNDG policy establishes a fixed indirect cost rate of 7% of programmable costs.

Net Funded Amount

Amount transferred to a Participating Organization less any refunds transferred back to the MPTF Office by a Participating Organization.

Participating Organization

A UN Organization or other inter-governmental Organization that is an implementing partner in a Fund, as represented by signing a Memorandum of Understanding (MOU) with the MPTF Office for a particular Fund.

Project Expenditure

The sum of expenses and/or expenditure reported by all Participating Organizations for a Fund irrespective of which basis of accounting each Participating Organization follows for donor reporting.

Project Financial Closure

A project or programme is considered financially closed when all financial obligations of an operationally completed project or programme have been settled, and no further financial charges may be incurred.

Project Operational Closure

A project or programme is considered operationally closed when all programmatic activities for which Participating Organization(s) received funding have been completed.

Project Start Date

Date of transfer of first instalment from the MPTF Office to the Participating Organization.

Total Approved Budget

This represents the cumulative amount of allocations approved by the Steering Committee.

US Dollar Amount

The financial data in the report is recorded in US Dollars and due to rounding off of numbers, the totals may not add up.

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Executive Summary

The Lebanon Recovery Fund (LRF) was established as a flexible mechanism to channel international assistance to Lebanon in support of national recovery and reconstruction efforts related to the aftermath of the July 2006 conflict. In 2017, the fund was re-oriented to support the implementation 2030 Agenda particularly through joint programming under the 2017-2021 UN Strategic Framework. Findings in this report are meant to provide stakeholders with information that will inform the future role of the LRF, both as part of a broader financing strategy and when modifying activities to ensure continued optimal performance.

In 2021, the LRF concluded its fifteenth year of operations. Because the majority of LRF initiatives have been successful, the United Nations in collaboration with national partners, will build on achievements with help from a fund that, since its establishment, disbursed \$61 million US dollars to 33 projects in the following sectors:

- **Socio-economic recovery projects** that target agriculture, the agro-food industry, support women's empowerment and income-generation activities, provide assistance to the dairy sector, support SMEs and encourage the establishment of public-private partnerships.
- **Energy and environmental projects**, which focus on renewable energy initiatives, and mainstreaming climate change policy and practices into Lebanon's Development Agenda.
- **Rapid delivery projects** that aim to support host communities affected by the Syria crisis and build capacities of national institutions.
- **Coordination projects** where United Nations agencies and the LRF Monitoring and Evaluation Unit provide oversight to the Lebanon Recovery Fund.

Projects implemented under the LRF form a solid, coherent and realistic set of interventions that cover the least developed parts of Lebanon and reach the most vulnerable populations. Nine Participating Organizations—the Food and Agriculture Organization of the United Nations (FAO); the International Labour Organization (ILO); the United Nations Development Programme (UNDP); the United Nations Educational, Scientific and Cultural Organization (UNESCO); the United Nations Population Fund (UNFPA); the United Nations High Commissioner for Refugees (UNHCR), and the United Nations Industrial Development Organization (UNIDO), The United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the United Nations Children's Fund (UNICEF)—have been involved in programme implementation throughout Lebanon since 2007.

As of 31 December 2021, the LRF received a total of \$60 million US dollars in contributions from Germany, India, the Government of the Republic of Korea, Spain, Sweden, Romania and Canada. During that same period the Administrative Agent transferred \$63 million US dollars to the nine Participating Organizations. Expenditure for the LRF as of 31 December 2021 was \$56.3 million US dollars, and over the course of the reporting period there was one active projects. Report and financial data pertaining to the Lebanon Recovery Fund is available on the LRF section of the [MPTF Office GATEWAY website](#).

Although the LRF was designed to serve as a flexible mechanism to channel international assistance in accordance with government priorities, a lack of multi-year programming and resource mobilization strategies resulted in a decline in contributions (\$7.3 million US dollars was received between 2013-2019). In 2016, an internal review of the LRF was carried out in close consultation with government, donor and UN partners to draw lessons from past operations, assess relevance in the context of a prolonged Syria crisis, and propose ways forward based on international best practices while taking into account national circumstances.

The Steering Committee of the Lebanon Recovery Fund (LRF), at a meeting in April 2017, decided to reshape and pivot the Fund in line with recommendations from the internal review, which recognize the value of the LRF in facilitating support for national priorities particularly through UN joint programming. During the reporting period,

the LRF with key UN agencies have been undertaken efforts to develop prioritized joint programmes in collaboration with government and donor counterparts. In 2020, the LRF successfully mobilized an additional commitment of around 7 million US dollars from the government of Canada to support the development of productive sectors in Lebanon.

1 Introduction

1.1 Background

ENVIRONMENT

Given that the government was a caretaker one for the most part of 2021, the environment and energy sector experienced many challenges because enforcement could not be strengthened, and new decisions could not be taken. The deteriorating financial and economic situation, which has led many public-sector staff to leave their positions during 2021, has overwhelmed the already weakened national institutions and the ability of the public sector to work effectively—including the Ministry of Environment, Ministry of Energy and Water, subnational authorities (such as Electricité du Liban and Water Establishments), among others. For the Ministry of Environment, this was detrimental since it already had insufficient staffing levels. Overall, the sector suffered from a slow-down in capacity, lack of decision-making, challenges in coordination, and difficulties in working on strategic and critical sectors. These, in turn, impacted solid waste management, land-use and quarry issues, wastewater management, energy blackouts and heavy reliance on diesel-operated generators (with rising monthly costs), and resource management and pollution reduction. When the new government was formed, it also took some time for the handover and initiation of work with the new ministers. Despite a ministerial statement that includes strong environmental components, the ability to implement them within the context of the humanitarian, financial, economic, and social crises facing Lebanon remains a challenge.



ECONOMIC

Lebanon's socio-economic crisis continued to unfold in 2021, with a sharp economic contraction that was estimated at 10.5 percent during 2021 that followed a 21.4-percent contraction during 2020. Cumulatively, since 2019, the GDP has contracted 58.1 percent, which is one of the highest contractions in the world¹. In addition, the Lebanese Pound lost more than 90 percent of its value over the past years, triggering soaring inflation that reached 145 percent in 2021. Since the onset of the crisis in October 2019, cumulative inflation reached an alarming level of 735 percent by the end of December 2021².

On the fiscal front, the ability of the government to raise domestic revenues was drastically weakened. Revenues were projected to almost halve as a ratio of GDP in 2021, reaching 6.6 percent compared with an already low level of 13.1 percent in 2020. On the monetary front, FX reserves continued to dwindle, dropping by almost USD 5.9 billion since the end of 2020, reaching a critical level of almost USD 13.06 billion by December 2021. Cumulatively, since October 2019, FX reserves have dropped 58 percent (USD 18 billion) from USD 31 billion. The Central Bank of Lebanon continued, meanwhile, injecting additional liquidity into the market, driving currency in circulation to reach a high-level LBP 45,761 billion by the end of December 2021, which exerted additional inflationary pressure on the economy.

These economic developments largely affected business activities and employment, causing a sharp contraction in demand, and triggering a massive deterioration in the purchasing power of income for a large fraction of the

Lebanese population. Purchasing power of income was estimated to be down by more than 80 percent over the past two years.

These challenges are expected to have deepened gender inequalities, further affecting women's participation in the labor market. The country already had one of the lowest global rates of women's labor market participation—hovering at 29.3 percent for women and 70.4 percent for men—as well as access to financial services⁵, assets, and productive employment. Amid these challenges and following the formation of the new government in September 2021, negotiations with the International Monetary Fund (IMF) were resumed, after being stalled for more than one year.

POLITICAL, PEACE & SECURITY, GOVERNANCE

Challenges to governance and decision-making continued during 2021, delaying urgent action to stem Lebanon's severe economic and financial crisis and enact reforms.

After 13 months of deadlock, a government was formed on 10 September 2021 under Prime Minister Najib Mikati, unfortunately including only one woman (the Minister of State) among 24 ministers. The cabinet did not meet from 12 October 2021 due to the refusal of ministers from Hizbullah and Amal to attend, citing discontent over the handling of the Beirut Port explosions investigation by Judge Tarek Bitar, and had not convened by the end of the year. As a result, justice and accountability remained hamstrung.

In February 2021, the judge investigating the Beirut Port explosions, Fadi Sawan, was dismissed and replaced by Judge Tarek Bitar. The investigation has been gravely hampered by political opposition, legal challenges and threats and produced no known progress. On 4 February 2021, Lokman Slim, a political activist and publicist known for stances critical of Hizbullah, was found shot dead in his car near Nabatiyeh, in south Lebanon. An investigation was opened but no progress was reported to date. On 27 December 2021, President Michel Aoun signed a decree, setting 15 May 2022 as the date of parliamentary elections. Despite government commitment to reserve a minimum of 30 percent quota for women in parliamentary and municipal elections⁶, legislators this past October refused to discuss a bill that reserved 26 seats for women out of 128 seats in parliament. No date was set for municipal elections, also due in 2022. The United Nations Secretary-General's visit to Lebanon from 19 to 22 December 2021 highlighted the massive impact of the crisis, the need for political leadership, and solidarity with the people of Lebanon.

Concerning peace and security, on 14 October 2021, during a march by Hizbullah and Amal supporters protesting Judge Bitar's handling of the investigation into the Beirut Port explosions, unidentified gunmen opened fire on protesters in the Tayyunah area of Beirut. Armed clashes subsequently erupted between the predominantly Shia protesters and affiliates of the majority-Christian adjacent neighborhood of Ayn al-Rummanah. Seven individuals were killed and approximately 30 injured. Illustrating continued challenges to state authority, Hizbullah confirmed in November 2021 that it had facilitated the transfer of fuel from Iran through Syria and distributed it in Lebanon. Tensions persisted along the Blue Line. Salient incidents of rocket fire from Lebanon towards Israel took place in May, July, and August 2021, met with artillery response by the Israel Defense Forces (IDF). Hizbullah took responsibility for rockets fired in August 2021, which it claimed responded to IDF airstrikes.

The financial and economic crisis is impacting the capacities of all state institutions, including the Lebanese Armed Forces, other security institutions, and municipalities. Some institutions have not been able to acquire basic services and tools to function, ranging from fuel for electricity-producing generators to office supplies. The country is also witnessing a massive abandonment of civil servants from their workplace and an increase in prevalence of bribery due to the dramatic drop in value of their lira-denominated salaries and the increase in dollarized transportation costs.

SOCIAL

The scale and scope of Lebanon's socioeconomic crisis continues to affect all aspects of life for its population. Increasing poverty and unemployment has created greater demand for basic public services.

These services, however, have deteriorated dramatically because of the current economic crisis, the COVID-19 pandemic, and the lack of political action that have reduced the population's access to these basic services, further deteriorating their well-being.

More families have needed to cut spending as they struggle to provide food, while some have resorted to negative coping mechanisms, all of which have negatively affected children—especially those who are refugees. Nearly all of Lebanon's refugee population is living in extreme poverty, lacking money to buy enough food to survive (VASyR, 2021).

In 2021, both the Lebanese and refugees suffered from high levels of poverty and food insecurity. Over three-quarters of the Lebanese population fell below the poverty line including 36 percent under the extreme poverty line (ERP, August 2021). Taking into account vulnerability criteria not limited to monetary poverty, such as food insecurity, 54 percent of the Lebanese (2.1 million people) were found to be vulnerable and in need of assistance in 2021 (WFP, 2021). Food insecurity alone reached 46 percent of Lebanese by the end of 2021, up from 32 percent in the first half of the year. People's ability to continue coping amid such a volatile environment is worrying. By December 2021, more Lebanese families have been reporting access challenges to food, with 90 percent consuming less expensive food, 60 percent limiting portion size, and 41 percent reducing the number of meals. Families with an inadequate diet reached 33 percent by end of 2021, a more than 10 percent increase from the beginning of the year. Nearly all of Lebanon's refugee population is living in extreme poverty, lacking money to buy enough food to survive (VASyR, 2021). Half of the Syrian refugee families surveyed were found to be suffering from food insecurity in 2021, similar to 2020, representing an increase from 28 per cent at the same time in 2019. The use of crisis strategies increased from 49 per cent in 2020 to 53 per cent in 2021, while the use of emergency strategies went from 8 per cent in 2020 to 11 per cent in 2021.

Access to education is also inadequate. The COVID-19 pandemic kept 1.2 million students out of school from 2020 through 2021. For more than a year, hundreds of thousands of children were unable to attend school, as the government struggled to re-open schools in the fall of 2021. An entire generation of students, children, and adolescents have been affected by this unprecedented disruption. This potentially has a far-reaching impact beyond the education sector, to include consequences for their mental health, well-being, socialization, and prospects for being active participants in society—including in the labor market.

Approximately 2.8 million people are estimated to be affected by water shortages. Furthermore, the crisis had a tremendous negative effect on people's health because access to basic services was limited—contributing to an approximate 30-percent drop in hospitalizations in 2021 compared with previous years and a decline in vaccination rates by at least 20 percent. In addition, a shortage of critical and lifesaving medications exacerbated threats to health security. "93 percent of households reported an increase in the price of medications, and patients suffering from catastrophic illnesses, such as cancer and renal failure, did not have access to treatments." As a result, an alarming impact on health indicators was observed in 2021, including a 35.56% excess mortality, largely attributed to COVID-19 infections, and increased maternal mortality death from 18 in 2019 to 40 in 2021."

Among adolescent girls living in Lebanon, 66 percent did not have the means to buy menstrual pads. These crises have contributed to further deterioration of the already multiple housing sector challenges. A missing national housing policy/strategy, that complements a national social policy, and unavailability of social housing programs have resulted in a dysfunctional housing market that is unable to respond to the needs of the most vulnerable households to access adequate housing.

As basic social and urban services collapsed, so too did the social systems that protect especially vulnerable groups—including children, women, and migrants—placing them at increased risk of violence, abuse and exploitation, and human rights violations. There has been a dramatic spike in sexual and gender-based violence (SGBV), including domestic and intimate partner violence and extreme forms of SGBV, such as sex trafficking and early marriage. Women face challenges in seeking justice due to several structural and social issues. Gender discrimination continues to be codified in many aspects of Lebanon's legal system.

1.2 The 2021 Consolidated Annual Progress Report

The *fifteenth Consolidated Annual Progress Report on Activities Implemented under the Lebanon Recovery Fund* covers the period from 1 January to 31 December 2021 and reports on the progress, achievements, and challenges of the two projects operational during this period. The annual report is consolidated using information from individual progress reports and financial statements submitted to the MPTF Office by Participating Organizations.¹

¹ This report is neither an evaluation of the LRF nor the MPTF Office's assessment of the performance of Participating Organizations. The report provides the LRF Steering Committee with a comprehensive overview of achievements and challenges associated with projects funded through the LRF, thereby enabling the body to make strategic decisions and take corrective measures, as required.

2 Governance

2.1 The LRF Steering Committee

The overall management of the Lebanon Recovery Fund is led and coordinated by the Steering Committee. The LRF Steering Committee provides strategic/technical guidance and oversight and takes final decisions on fund allocation. The Steering Committee is chaired by the Minister of Economy and Trade and composed of representatives from the Ministry of Finance, the Prime Minister’s Office, donors, and the UN Resident Coordinator.

2.2 The Project Approval Group

The Project Approval Group (PAG) reviews project proposals, provides technical advice to the steering committee. The PAG is co-chaired by the Office of the Prime Minister and the UN Resident Coordinator’s Office and is comprised of senior technical representatives from the Ministry of Finance and Ministry of Economy and Trade.



2.3 The Administrative Agent

The UNDP MPTF Office is the Administrative Agent (AA) for the LRF. Its responsibilities as AA include the receipt, administration and management of contributions from donors, the disbursement of funds to Participating Organizations (in accordance with guidance from the Steering Committee), and the consolidation of narrative and financial reports produced by each of the Participating Organizations, as well as provision of these reports to the Steering Committee and donors.

3 Project Approval and Implementation Updates

In this section a summary of activities and results from the projects implemented by LRF Participating Organizations are presented. Included in the summary are the main project achievements outlined in annual progress reports submitted to the MPTF Office. For 2021, project results are organized under the following sector:

- **Socio-economic recovery projects** that involve six UN organizations joining efforts in one flagship joint programme in support of productive sectors targeting agriculture and the agro-food industry.

Table 1.1: Ongoing projects (1 January – 31 December 2021) in US Dollars

Sector/Project No. and Project Title		Participating Organization	Total Approved Amount	Net Funded Amount	Start Date	Completion date
00122996	LRF-33 Productive Sectors Development Programme (PSDP)	FAO, UNIDO, UNDP, UN Women, UNICEF, ILO	7,410,611	7,411,611	20 Jul 2020	31 Jul 2023
Total for Lebanon Recovery Fund ongoing projects			7,410,611	7,411,611		

3.1 Socio-economic recovery Projects

3.1.1 LRF-33 Productive Sectors Development Programme (PSDP)

The PSDP aims to support gender-responsive job creation and economic opportunities in the agriculture and agro-food sectors, prioritizing women and female youth in disadvantaged areas. It includes interventions on three levels: the macro (national policy), meso (institutional), and micro (direct beneficiary support) levels. These building blocks aim to tackle a range of challenges to maximize the impact of the programme on focus sectors and communities, support gender-responsive job creation especially for women and female youth and promote inclusive and long-term economic growth. The PSDP was designed to include interlinked activities on these three levels and present a flagship example for joint service delivery and for promoting the “Delivering as One” approach between the implementing UN agencies. The identified intermediate outcomes on each of those levels is outlined below:

- Macro - Improved enabling policy environment for Women Economic Empowerment and participation in productive sectors.
- Meso - Improved access to markets for women and men-led Micro, Small, and Medium Enterprises (MSMEs) in productive sectors.
- Micro - Improved capacity of women and men farmers, women and men-led cooperatives, and women-led micro, small and medium enterprises (MSMEs) in productive sectors to create and sustain gender-equitable job opportunities and adopt environmentally sustainable practices.

Table 3.3.2.1: PSDP programme Summary

Project Number, Title and Participating Organization	LRF-33 Productive Sectors Development Programme (PSDP)
Total Allocation	US\$ 7,411,611
Project Duration	July 2020 – July 2023
Key Objective	To support gender-responsive job creation and economic opportunities in the agriculture and agrofood sectors

Results

- **The macro component**

The macro component activities aim to create an enhanced and supportive enabling environment for women's full and equitable participation in the selected value chains. This is being done through identifying necessary reforms at the private sector and the national legislative level while advocating for their passing. The activities pertaining to the reforms were split between policy review and legislative review, to be conducted consecutively. The policy review exercise was conducted, and the report was finalized and shared with the steering committee members for final approval. When the policy review exercise commenced, we noted that there is a lack of written and practiced policies at the level of the private sector, cooperatives, and extension services, which posed a challenge in terms of identifying tangible policy reforms. As such, UN Women tackled the exercise by primary data collection and analysis of how women working across the value chain recount their experience with their work management, Micro Finance Institutions (MFIs), Cooperatives, extension services and such. While the result of this exercise shed light on women's experience in the sector as recounted by them, it did not make a connection between those experiences and tangible policy reform. However, we were able to derive some important recommendations from the experiences portrayed, such as the need for more technical trainings to be administered by women for women. The legislative review exercise started in 2021, with the first draft examining the status of the current legislative framework and its impact on women in the sectors. Following more in-depth data collection, we would expect the final report to provide us with a clear list of priorities for which legislations we will be tackling with reforms; in line with both what was already submitted to Parliament but never passed, and with the PSDP priorities for the remaining period of the program. Additionally, the exercise will include in the analysis an examination of decisions pertaining to local authorities and their impact on women. The exercise will also provide an analysis of the strategies of each of the MoA, MoI and MoL from a gender lens, and how concrete actions should be taken at policy level that would lead to more equitable and safe participation of women in the sectors.

- **The meso level**

At the meso level, during 2021, UNIDO and UNDP focused on two main streams: 1) Improving the institutional capacity of trade support organizations to support Small and Medium Enterprises (SMEs) in accessing markets and 2) providing direct support to SMEs with a focus on women-led businesses to access new markets.

On the institutional support front, the team worked closely with key ministries involved in facilitating trade of agriculture and agri-food products including MoET, MoA, MoI, and IDAL and provide them with the needed

capacity to address the growing gap in Market Intelligence and Export Promotion needed by SMEs to access markets. Capacity building includes conducting needs assessments and identify gaps in service, training of ministry staff on market intelligence research and development of pre-feasibility studies and technical assistance to selected ministries to launch digital tools and portals to support SMEs in export promotion and market intelligence.

In terms of supporting SMEs access markets, UNDP and UNIDO supported the participation of more than 30 SMEs in 2 international events. As pVarious success stories and deals were achieved following this activity. The Participating UNOs partnered with Berytech—a leading incubator in Lebanon- to launch “Lebanon Export Academy”, the first of its kind training academy in Lebanon. The academy aims at delivering various learning programmes for companies at various stages of development and equipping them with the know-how to access new markets. The academy will offer innovative learning modalities to make the courses accessible to a large pool of businesses. There will be live/online classes as well as self-paced courses on various topics related to export including how to write an export plan, conduct market research, understand export documentation and legal requirements, learn how to do export pricing, and find suitable financing options.

- **The micro level**

Outcome 3.1.1

Technical assessment and products selection:

FAO contracted a service provider to conduct technical analysis of the fruit, vegetables and nuts value chain to inform on the design and implementation of PSDP interventions specifically at micro-level, bringing in technology upgrades offering innovation and improvements to the existing facilities as well as optimizing the processes and packaging of agri-products. The assessment was conducted in the period August 2021 to December 2021, in close coordination with the different UN agencies working within the Micro intervention. On the MSMEs and Coops level, UNIDO mapped the potential beneficiaries working within the selected products and value chain to introduce the project and evaluate their capacity of production and determine their training needs. Consultation with the other UN agencies is ongoing to better link the support of the beneficiaries and ensure One and complete UN delivery.

Service centers: A framework of agreement (with no transfer of resources) was signed with IDRAC at agreed roles and responsibilities. The parties agreed to hold bilateral discussions to furthering the objectives of the agreement. A framework of agreement (with no transfer of resources) was signed at agreed roles and responsibilities. The parties agreed to hold bilateral discussions to furthering the objectives of the agreement. Accordingly, IDRAC will provide training within the targeted products as will be further determined and as to per its capacity. PSDP will support on equipment in line with training programs for the agri-food MSME and coops in line with beneficiaries needs. It will also provide Training of Trainers (ToT) for IDRAC staff and or implement directly so as trainings will be rolled out by the centre in the future. MoA has nominated Abdeh agricultural centre for support by PSDP and for involvement in technical trainings for Akkar area. An assessment of Abdeh centre was done and a list of simple tools and equipment were suggested for their involvement with technical trainings.

Technical training Following product selection, training programs are being developed. An action plan is being formulated for farmers’ trainings in collaboration with MoA agricultural centers following Farmers Field Schools (FFS) approach. The curricula will closely link with on farm-related regulations for food safety and standards at the meso level for MoA platform of its dissemination. The plan envisages a coordination mechanism for GAP and farmers’ certification with IDRAC and MOA and other actors in North and Akkar. A modality with milestones for inputs provision to farmers based on farmers' commitment to training and adoption of recommended GAP

practices is under finalization. UNIDO gathered the data of the potential beneficiaries, from the different stakeholders, working within the selected products and value chain to introduce the project, evaluate their capacity of production, and determine their training needs. Data analyses allowed UNIDO to identify the major technical gaps present, which led to the identification of needed training topics.

Outreach Strategy:

As the agriculture and Agri-food sectors are seen as most informal sectors, and since the PSDP is keen to adopt an inclusive approach with the beneficiaries, as well as to ensure wide dissemination and reach out to beneficiaries as per their needs, The UN agencies have identified the need to work on a common outreach strategy to ensure the implementation of a cluster approach. Accordingly, UNIDO is leading on the development of an online survey based on specific selection criteria that allow common intervention modalities and referral of PUNOs, wider coverage, and better targeting. The survey questions and selection criteria are developed by the respective PUNOs.

Outcome 3.1.2

Within the micro-level intervention, UNDP has finalized the ToR for the local partner to support during the implementation. Currently, on-going discussions are taking place between the UNDP team and potential partners from Tripoli area.

Outcome 3.1.3

UN Women has signed an agreement with Lebanese League of Women in Business (LLWB) to deliver this component's two main activities. The first activity is set to provide 600 women beneficiaries with a soft skills package of trainings tailored for women employees, that entails negotiation, leadership training, communication and management skills development; which was planned to be delivered through IDRAC's trainers, who would receive the ToT from LLWB and been trained on the curriculum. For this end, and during this reporting period, UN Women held discussions with the centre to determine how best to administer this ToT. Upon these discussions, UN Women determined that IDRAC's trainers would not be able to independently provide the training to the end beneficiaries; and therefore, the training would ideally follow a mixed modality. On the one hand, the center's trainers will receive the ToT and coaching from LLWB's trainers, which would ensure the assimilation of the curriculum and support in its future roll out to clients of the center; which is particularly important given that the center receives a good number of women clients. On the hand, LLWB will deliver the training directly to the beneficiaries, supported by the center's trainers as trainer assistants. As for the second activity, providing 20 MSMEs with Women's Empowerment Principles WEPs trainings, which tackles the policies of the businesses and supports them become more inclusive and gender responsive; this would be delivered directly by LLWB to the businesses.

Outcome 3.2.1

ILO has finalized the Needs Assessment activity and developed the report entitled "Key Challenges And Opportunities Facing Entrepreneurs In The Agriculture and Agri-food sectors in North-Lebanon and Akkar" for publication. Based on the findings, The ILO has selected the "Women Do Business (WDB)" existing material for training delivery as it answers the needs of PSDP's potential targets, and responsive for both startups and existing businesses. The learning approach used in the Women Do Business material is designed with a gender lens. Subsequently, the ILO has undergone an adaptation of WDB into the Agricultural context. Also, the findings indicated a need to provide targeted MSMEs with an advanced "business resilience" material to add a crisis response layer into the delivery and ensure the strengthening and the sustainability of the supported beneficiaries. The ILO has also started the development of the advanced material with a focus on selected topics from the findings of the needs' assessment exercise, which will be delivered in addition to the WDB training

programme. As a response to the identified need to support entrepreneurs with a financial support, the ILO has committed a provision of grants for potential beneficiaries within its deliverables. The ILO has selected an implementing partner to roll out WDB in close collaboration with Chamber of Commerce, Industry, Agriculture of Tripoli and North Lebanon CCIAT/IDRAC. Additionally, the ILO has contributed to the formulation of the outreach survey and building referrals with PSDP partners.

Outcome 3.2.2

As for the empowerment of vulnerable youth and women, UNICEF and its implementing partner, prepared a full package of skills building and apprenticeship. Adolescents' youth and women will benefit from tailored vocational training on selected value chains identified by the project, within the competency-based training package, youth and women will be provided by life skills training, career guidance prior to joining the training, and the accessibility to youth basic literacy and numeracy before the training and or youth functional skills package (English, it and financial skills) in order to enhance and facilitate their transition to employability. In order to ensure a safe and inclusive environment UNICEF in partnership with ILO have developed a code of conduct for employers engaged in the workplace-based learning including the tripartite agreement to make sure Youth and women will achieve their learning objectives in the workplace. Youth will be referred to employers supported by the project and trained by FAO and ILO. In the same UNICEF is coordinating with ILO to increase opportunities for youth trained in getting supported by start- up kits to establish their own business.

- **The Gender Equality Strategy of the programme**

The Gender Equality strategy was finalized and shared at the time of the steering committee last May. The strategy was formulated through a mixed methodology, combining revision of existing documents and secondary data sources relevant to this program, such as the value chain analysis conducted by FAO and UNIDO, as well as the Feminist International Assistance Policy, with semi-structured interviews with key actors at the macro and meso levels, including PUNOs and relevant line ministries.

The strategy document starts by outlining the major challenges facing women in the agriculture and agri-food sectors, then lays out the specific gender responsive actions that each of the PUNOs has to take within their activities to ensure efficient gender mainstreaming, from collection of gender disaggregated data in their monitoring to having a gender balance among the field personnel and trainers to capacity building of these personnel on major gender specific principles.

Challenges

For the macro component, the current economic crisis is expected to hamper reforms planned to be lobbied with the private sector and support functions, e.g., MFIs, MOA extension centers, chambers of commerce, since these entities are currently in survival mode and would deem gender equality in the workplace as a low priority and that it would not benefit them to engage in.

Similarly, the Parliamentary elections of May 2022 and the Presidential elections that will take place October 2022 are expected to delay the passing of legal reforms submitted during the lobbying initiatives. The formation of the government brought in new MPs who would require some time to settle in and formulate their agendas, in which gender might be deprioritized.

The PUNOs are working under difficult and challenging circumstances as Lebanon has been facing since 2019 one of the worst economic and financial crises in its modern history. The economy shrunk by more than 58%, with GDP dropping from US\$55 billion in 2018 to an estimated US\$20.5 billion in 2021. This is considered the worst contraction witnessed by any country for the same period (World Bank Lebanon Economic Monitor

2021). The private sector is suffering from a deteriorating business environment with multiple exchange rates regime, hyperinflation, constant currency devaluation and informal capital controls that are preventing firms from accessing liquidity or loans. Hence, access to raw material or investment in new machinery for expansion becomes very difficult. The public sector also collapsed as government officials saw their salaries depreciating by more than 90%. The capacity of the public administration was reduced a lot, limiting the ability to implement policy reforms and development projects. The void in government support is being filled by multiple civil society organizations and international organizations all working on private sector development and livelihoods support. However, there is redundancy and lack of coordination among all those actors creating confusion and sub-optimal results for SMEs.

The PUNOs are addressing all those challenges through a risk mitigation plan that aims to reduce the impact of those challenges on the program results. Regular consultations are organized with private sector companies to understand their needs and growing challenges and identify mitigation measures that could be relevant for them in a challenging context.

The institutional support to public institutions is now becoming more relevant and needed more than ever. UNIDO and UNDP understand the challenges faced by the various ministries to undertake their role and facilitate business and trade for Lebanese businesses.

At the micro-level a number of challenges have been faced, leading to delays in product selection and identifying and designing of technical training and equipping IDRAC center. IDRAC capacity to embrace such a wide array of training with multiple technical expertise and the ability to be involved in all the training was a challenge.

4 Financial Performance

2021 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **Lebanon Recovery Fund** using the pass-through funding modality as of 31 December **2021**. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address:
<https://beta.mptf.undp.org/fund/lrf00>.

1. SOURCES AND USES OF FUNDS

As of 31 December **2021**, **7** contributors deposited US\$ **60,013,644** and US\$ **2,944,340** was earned in interest.

The cumulative source of funds was US\$ **62,957,984**.

Of this amount, US\$ **61,156,198** has been net funded to **9** Participating Organizations, of which US\$ **56,385,119** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **600,136**. Table 1 provides an overview of the overall sources, uses, and balance of the **Lebanon Recovery Fund** as of 31 December 2021.

Table 1. Financial Overview, as of 31 December 2021 (in US Dollars)

	Annual 2020	Annual 2021	Cumulative
Sources of Funds			
Contributions from donors	6,795,489	0	60,013,644
Sub-total Contributions	6,795,489	0	60,013,644
Fund Earned Interest and Investment Income	14,519	11,197	1,613,967
Interest Income received from Participating Organizations	0	1,994	1,330,372
Total: Sources of Funds	6,810,007	13,191	62,957,984
Use of Funds			
Transfers to Participating Organizations	2,862,866	3,331,657	63,078,813
Refunds received from Participating Organizations	0	0	(1,922,616)
Net Funded Amount	2,862,866	3,331,657	61,156,198
Administrative Agent Fees	67,955	0	600,136
Bank Charges	25	98	710
Total: Uses of Funds	2,930,846	3,331,754	61,757,045
Change in Fund cash balance with Administrative Agent	3,879,161	(3,318,563)	1,200,940
Opening Fund balance (1 January)	640,342	4,519,502	
Closing Fund balance (31 December)	4,519,502	1,200,940	1,200,940
Net Funded Amount (Includes Direct Cost)	2,862,866	3,331,657	61,156,198
Participating Organizations Expenditure (Includes Direct Cost)	283,641	1,287,866	56,385,119
Balance of Funds with Participating Organizations	2,579,225	2,043,790	4,771,079

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this fund as of 31 December **2021**.

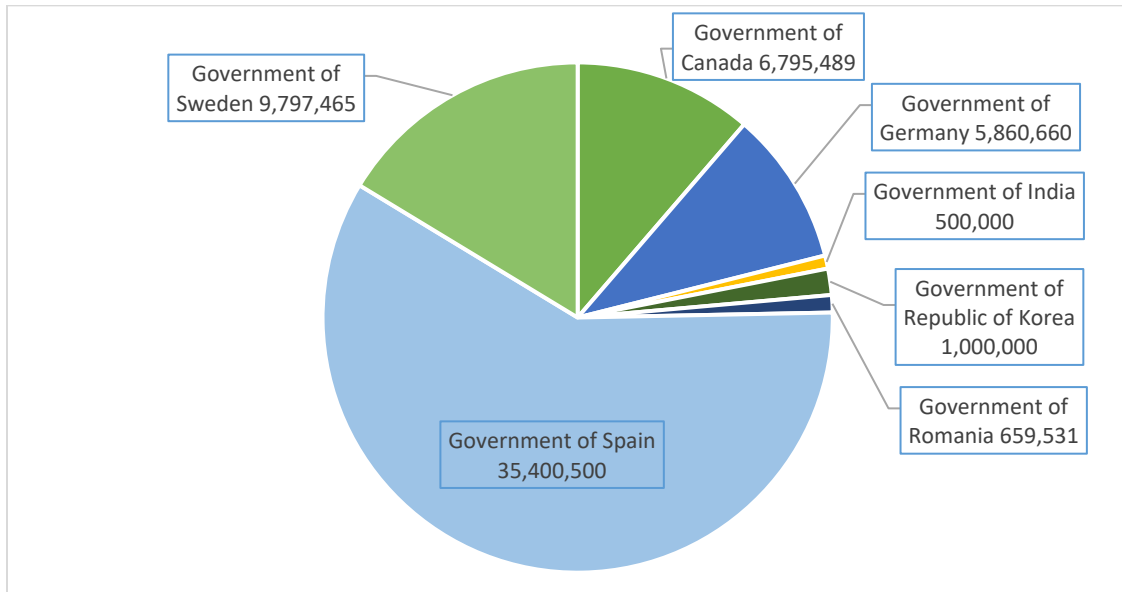
The **Lebanon Recovery Fund** is currently being financed by **7** contributors, as listed in the table below

The table includes financial commitments made by the contributors through signed Standard Administrative Agreements with an anticipated deposit date as per the schedule of payments by 31 December **2021** and deposits received by the same date. It does not include commitments that were made to the fund beyond **2021**.

Table 2. Contributions, as of 31 December 2021 (in US Dollars)

Contributors	Total Commitments	Prior Years as of 31-Dec-2020 Deposits	Current Year Jan-Dec-2021 Deposits	Total Deposits
Government of Canada	6,795,489	6,795,489	0	6,795,489
Government of Germany	5,860,660	5,860,660	0	5,860,660
Government of India	500,000	500,000	0	500,000
Government of Republic of Korea	1,000,000	1,000,000	0	1,000,000
Government of Romania	659,531	659,531	0	659,531
Government of Spain	35,400,500	35,400,500	0	35,400,500
Government of Sweden	9,797,465	9,797,465	0	9,797,465
Grand Total	60,013,644	60,013,644	0	60,013,644

Figure 1: Deposits by contributor, cumulative as of 31 December 2021



3. INTEREST EARNED

Interest income is earned in two ways: 1) on the balance of funds held by the Administrative Agent (Fund earned interest), and 2) on the balance of funds held by the Participating Organizations (Agency earned interest) where their Financial Regulations and Rules allow return of interest to the AA.

As of 31 December **2021**, Fund earned interest amounts to US\$ **1,613,967**.

Interest received from Participating Organizations amounts to US\$ **1,330,372**, bringing the cumulative interest received to US\$ **2,944,340**. Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2021 (in US Dollars)

Interest Earned	Prior Years as of 31-Dec-2020	Current Year Jan-Dec-2021	Total
Administrative Agent			
Fund Earned Interest and Investment Income	1,602,770	11,197	1,613,967
Total: Fund Earned Interest	1,602,770	11,197	1,613,967
Participating Organization			
FAO	85,140	0	85,140
ILO	41,076	0	41,076
UNDP	940,803	0	940,803
UNESCO	65,076		65,076
UNFPA	45,905		45,905
UNIDO	150,379	1,994	152,372
Total: Agency earned interest	1,328,379	1,994	1,330,372
Grand Total	2,931,149	13,191	2,944,340

4. TRANSFER OF FUNDS

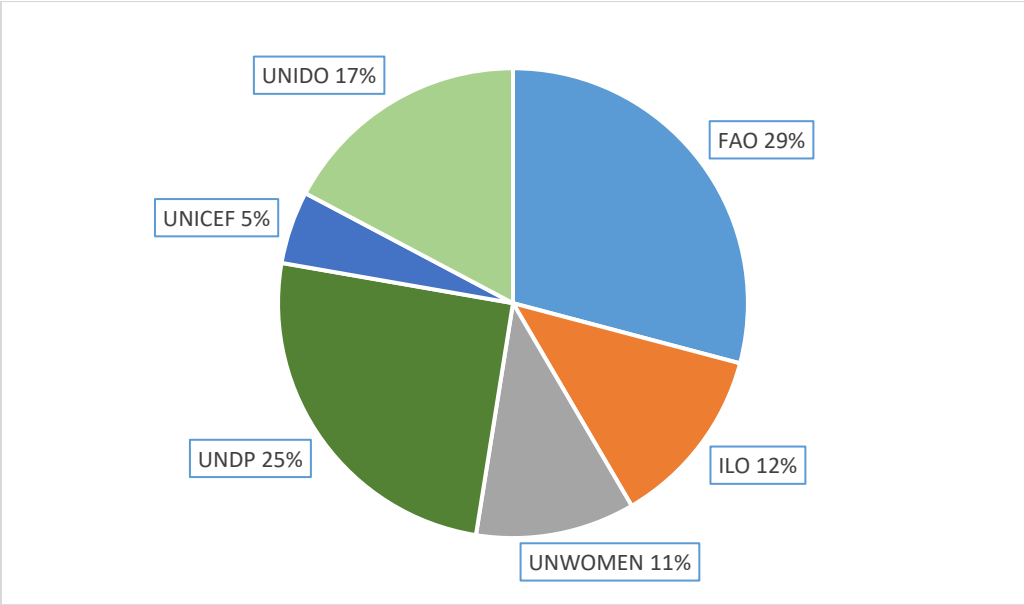
Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December **2021**, the AA has transferred US\$ **63,078,813** to **9** Participating Organizations (see list below).

Table 4.1 provides additional information on the refunds received by the MPTF Office, and the net funded amount for each of the Participating Organizations.

Table 4 Transfer, Refund, and Net Funded Amount by Participating Organization (in US Dollars)

Participating Organization	Prior Years as of 31-Dec-2020			Current Year Jan-Dec-2021			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO	10,362,007	(377,645)	9,984,362	970,301	0	970,301	11,332,308	(377,645)	10,954,663
ILO	2,933,108	(45,443)	2,887,665	414,577	0	414,577	3,347,685	(45,443)	3,302,242
UNWOMEN	400,000	0	400,000	365,000	0	365,000	765,000	0	765,000
UNDP	37,355,006	(555,132)	36,799,874	840,209	0	840,209	38,195,214	(555,132)	37,640,082
UNESCO	1,587,226	(803,109)	784,117				1,587,226	(803,109)	784,117
UNFPA	994,858	(386)	994,472				994,858	(386)	994,472
UNHCR	495,000	0	495,000				495,000	0	495,000
UNICEF	350,000	0	350,000	166,893	0	166,893	516,893	0	516,893
UNIDO	5,269,952	(140,900)	5,129,052	574,677	0	574,677	5,844,629	(140,900)	5,703,729
Grand Total	59,747,157	(1,922,616)	57,824,541	3,331,657	0	3,331,657	63,078,813	(1,922,616)	61,156,198

Figure 2: Transfers amount by Participating Organization for the period of 1 January to 31 December 2021



5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported are submitted as certified financial information by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

Joint programme/ project expenditures are incurred and monitored by each Participating Organization and are reported to the Administrative Agent as per the agreed upon categories for inter-agency harmonized reporting. The expenditures are reported via the MPTF Office's online expenditure reporting tool. The **2021** expenditure data has been posted on the MPTF Office GATEWAY at <https://beta.mptf.undp.org/fund/lrf00>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2021**, US\$ **3,331,657** was net funded to Participating Organizations, and US\$ **1,287,866** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **61,156,198** and cumulative expenditures reported by the Participating Organizations amount to US\$ **56,385,119**. This equates to an overall Fund expenditure delivery rate of **92.2** percent.

Table 5 Net Funded Amount and Reported Expenditures by Participating Organization, as of 31 December 2021 (in US Dollars)

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2020	Current Year Jan-Dec-2021	Cumulative	
FAO	11,347,268	10,954,663	9,555,866	180,205	9,736,071	88.88
ILO	3,347,685	3,302,242	2,637,665	132,594	2,770,259	83.89
UNDP	38,195,214	37,640,082	36,182,264	313,729	36,495,993	96.96
UNESCO	789,396	784,117	784,117		784,117	100.00
UNFPA	994,858	994,472	994,472		994,472	100.00
UNHCR	495,000	495,000	495,000		495,000	100.00
UNICEF	516,893	516,893	0	72,860	72,860	14.10
UNIDO	5,844,629	5,703,729	4,406,017	351,287	4,757,304	83.41
UNWOMEN	765,000	765,000	41,851	237,191	279,042	36.48
Grand Total	62,295,943	61,156,198	55,097,253	1,287,866	56,385,119	92.20

5.2 EXPENDITURE BY PROJECT

Table 6 below displays the net funded amounts, expenditures reported and the financial delivery rates by project/ joint programme and Participating Organization.

Table 6 Expenditure by Project (in US Dollars)

Sector / Project No. and Project Title		Participating Organization	Project Status	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %
Lebanon Recovery Fund							
00065541	LRF-1 CEDRO (Phase I)	UNDP	Financially Closed	2,732,240	2,732,240	2,732,240	100.00
00065542	LRF-2 Support for livelihoods	UNIDO	Financially Closed	3,000,000	2,860,643	2,860,643	100.00
00065543	LRF-3 Early recovery assist. for	FAO	Financially Closed	1,370,670	1,363,074	1,363,074	100.00
00065544	LRF-4 Early recovery assist. to w	FAO	Financially Closed	1,900,000	1,892,411	1,892,411	100.00
00065545	LRF-5 Local Soc-Eco Recovery	ILO	Financially Closed	1,183,108	1,153,121	1,153,121	100.00
00065546	LRF-6 HR for digital doc. world	UNESCO	Financially Closed	767,226	761,947	761,947	100.00
00065547	LRF-7 Enhance Performance of t	UNDP	Financially Closed	270,000	263,497	263,497	100.00
00065548	LRF-8 Increased Integration of	UNDP	Financially Closed	1,400,000	1,400,000	1,400,000	100.00
00065549	LRF-9 Flood/Water Mgt for Live	UNDP	Financially Closed	2,843,880	2,843,880	2,843,880	100.00
00065550	LRF-10 CEDRO (Phase II)	UNDP	Financially Closed	3,500,000	3,497,419	3,497,419	100.00
00065551	LRF-11 Strengthening the Dairy	UNDP	Financially Closed	1,000,000	999,556	999,556	100.00
00065552	LRF-12 Women Empowerment	UNFPA	Financially Closed	994,858	994,472	994,472	100.00
00065553	LRF-13 Soc-ec Rehab and Rec. o	UNDP	Financially Closed	996,919	996,919	996,919	100.00
00065554	LRF-14 Forest Fires Management	FAO	Financially Closed	2,600,000	2,325,977	2,325,977	100.00
00065555	LRF-15 Enhancing ICT in Education	UNESCO	Financially Closed	22,170	22,170	22,170	100.00
00065556	LRF-16 CEDRO (Phase III)	UNDP	Financially Closed	3,772,827	3,768,779	3,768,779	100.00
00065557	LRF-17 Flood Risks Prev. and M	UNDP	Financially Closed	3,800,000	3,467,735	3,467,735	100.00
00065558	LRF-18 Recovery Coordination S	UNDP	Financially Closed	1,128,012	1,109,271	1,109,271	100.00
00070663	LRF-19 ART GOLD Lebanon	UNDP	Financially Closed	2,391,450	2,389,642	2,389,642	100.00
00070664	LRF-20 Support to Livelihoods	UNIDO	Financially Closed	1,500,000	1,498,457	1,498,457	100.00
00070696	LRF-21 Recovery and Rehabilitation	FAO	Financially Closed	2,513,960	2,412,209	2,412,209	100.00
00070875	LRF-22 Local Socio Econ (Phase	ILO	Financially Closed	1,500,000	1,484,544	1,484,544	100.00

00071177	LRF-23 Hydro Agricultural Devt	UNDP	Financially Closed	2,000,000	1,904,897	1,904,897	100.00
00072096	LRF-24 Early Recovery of Nahr	UNDP	Financially Closed	2,500,000	2,486,651	2,486,651	100.00
00073340	LRF-25 M&E Team for the LRF	UNDP	Operationally Closed	746,304	746,304	739,504	99.09
00083004	LRF-26 Recovery and Rehabilitation	FAO	Financially Closed	1,562,727	1,562,081	1,562,081	100.00
00085932	LRF-27 National Action Program	UNDP	Financially Closed	500,000	500,000	500,000	100.00
00086602	LRF-28 Reviving farmers' livelihood	UNDP	Financially Closed	700,000	700,000	700,000	100.00
00090567	LRF-29:Selected rapid delivery	UNDP	Financially Closed	5,802,053	5,728,379	5,728,379	100.00
00092321	LRF-30 International Awareness	UNDP	Financially Closed	121,017	114,402	114,402	100.00
00100930	LRF-31 Supporting Lebanon in M	UNHCR	Financially Closed	495,000	495,000	495,000	100.00
00105974	LRF-32 Access to sustainable e	UNDP	Operationally Closed	486,000	486,000	486,000	100.00
00122996	LRF-33 Productive Sectors Deve	FAO	On Going	1,399,911	1,398,911	180,319	12.89
00122996	LRF-33 Productive Sectors Deve	ILO	On Going	664,577	664,577	132,594	19.95
00122996	LRF-33 Productive Sectors Deve	UNDP	On Going	1,504,513	1,504,513	367,223	24.41
00122996	LRF-33 Productive Sectors Deve	UNICEF	On Going	516,893	516,893	72,860	14.10
00122996	LRF-33 Productive Sectors Deve	UNIDO	On Going	1,344,629	1,344,629	398,205	29.61
00122996	LRF-33 Productive Sectors Deve	UNWOMEN	On Going	765,000	765,000	279,042	36.48
Lebanon Recovery Fund: Total				62,295,943	61,156,198	56,385,119	92.20
Grand Total				62,295,943	61,156,198	56,385,119	92.20

5.3 EXPENDITURE REPORTED BY CATEGORY

Project expenditures are incurred and monitored by each Participating Organization and are reported as per the agreed categories for inter-agency harmonized reporting. In 2006 the UN Development Group (UNDG) established six categories against which UN entities must report inter-agency project expenditures. Effective 1 January 2012, the UN Chief Executive Board (CEB) modified these categories as a result of IPSAS adoption to comprise eight categories. All expenditure incurred prior to 1 January 2012 have been reported in the old categories; post 1 January 2012 all expenditure are reported in the new eight categories. See table below.

2012 CEB Expense Categories

1. Staff and personnel costs
2. Supplies, commodities and materials
3. Equipment, vehicles, furniture and depreciation
4. Contractual services
5. Travel
6. Transfers and grants
7. General operating expenses
8. Indirect costs

2006 UNSDG Expense Categories

1. Supplies, commodities, equipment & transport
2. Personnel
3. Training counterparts
4. Contracts
5. Other direct costs
6. Indirect costs

Table 7 Expenditure by UNSDG Budget Category, as of 31 December 2021 (in US Dollars)

Category	Expenditures			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2020	Current Year Jan-Dec-2021	Total	
Supplies, Commodities, Equipment and Transport (Old)	11,393,403	-	11,393,403	21.63
Personnel (Old)	8,459,983	-	8,459,983	16.06
Training of Counterparts (Old)	586,973	-	586,973	1.11
Contracts (Old)	10,105,671	-	10,105,671	19.18
Other direct costs (Old)	3,540,481	-	3,540,481	6.72
Staff & Personnel Cost	585,522	368,814	954,336	1.81
Supplies, commodities and materials	1,438,348	41,141	1,479,489	2.81
Equipment, vehicles, furniture and depreciation	3,016,198	4,921	3,021,119	5.74
Contractual Services Expenses	9,567,542	570,097	10,137,640	19.24
Travel	359,966	1,960	361,926	0.69
Transfers and Grants	864,177	68,048	932,225	1.77
General Operating	1,563,538	140,270	1,703,808	3.23
Programme Costs Total	51,481,802	1,195,251	52,677,054	100.00
¹ Indirect Support Costs Total	3,615,451	92,615	3,708,065	7.04
Grand Total	55,097,253	1,287,866	56,385,119	

¹ Indirect Support Costs charged by Participating Organization, based on their financial regulations, can be deducted upfront or at a later stage during implementation. The percentage may therefore appear to exceed the 7% agreed-upon for on-going projects. Once projects are financially closed, this number is not to exceed 7%.

6. COST RECOVERY

Cost recovery policies for the Fund are guided by the applicable provisions of the Terms of Reference, the MOU concluded between the Administrative Agent and Participating Organizations, and the SAAs concluded between the Administrative Agent and Contributors, based on rates approved by UNDG.

The policies in place, as of 31 December 2021, were as follows:

- **The Administrative Agent (AA) fee:** 1% is charged at the time of contributor deposit and covers services provided on that contribution for the entire duration of the Fund. In the reporting period US\$ **00** was deducted in AA-fees. Cumulatively, as of 31 December **2021**, US\$ **600,136** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **92,615** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **3,708,065** as of 31 December **2021**.

7. ACCOUNTABILITY AND TRANSPARENCY

In order to effectively provide fund administration services and facilitate monitoring and reporting to the UN system and its partners, the MPTF Office has developed a public website, the MPTF Office Gateway (<https://mptf.undp.org>). Refreshed in real time every two hours from an internal enterprise resource planning system, the MPTF Office Gateway has become a standard setter for providing transparent and accountable trust fund administration services.

The Gateway provides financial information including: contributor commitments and deposits, approved programme budgets, transfers to and expenditures reported by Participating Organizations, interest income and other expenses. In addition, the Gateway provides an overview of the MPTF Office portfolio and extensive information on individual Funds, including their purpose, governance structure and key documents. By providing easy access to the growing number of narrative and financial reports, as well as related project documents, the Gateway collects and preserves important institutional knowledge and facilitates knowledge sharing and management among UN Organizations and their development partners, thereby contributing to UN coherence and development effectiveness.

5 Conclusion

This *fifteenth Consolidated Annual Report on Activities under the Lebanon Recovery Fund* provides details of ongoing projects in Lebanon along with new initiatives implemented in 2021. In the current reporting period, there was one active project. A total of 33 projects have been funded since the inception of the Lebanon Recovery Fund with a net funded amount of \$64.29 million US dollars transferred to nine Participating Organizations.

Thirty-two projects were operationally and financially closed as of 31 December 2021. LRF-funded projects have been largely successful in achieving objectives as significant cross-sectoral gains were reported in many communities, which prompted the scaling-up of several initiatives across the country. One noteworthy characteristic regarding all LRF projects is the growing collaboration between Participating Organizations and implementing partners—a network that includes national authorities, local foundations and NGOs. All projects have been closely developed with government counterparts and the majority relied on support from ministries, foundations, NGOs and community-based groups for implementation of activities, along with much-needed technical expertise in the development and execution of project activities. In 2021 and with the generous support from the government of Canada, the LRF continued support to the first UN joint programme within its operations and one of the largest UN joint programme in Lebanon.

The United Nations hopes to build on the achievements of the LRF in 2022 and beyond. **Initiatives under the fund form a solid, coherent and realistic set of interventions that cover some of the most affected regions of Lebanon and they have been successful in reaching some of the country's most vulnerable populations.**

Recommendations from an internal review of the LRF suggested **the fund be framed as a specialized mechanism that focuses on specific thematic issues not covered by other funding instruments and joint programmes under the new 2023-2025 UNSDCF.** The emphasis, in the case of Lebanon today, should be on providing urgent development support for the country and for vulnerable and at-risk populations, bolstering security, and addressing mid-term recovery and development priorities that compliment long-term development and infrastructure plans.

The LRF has a role to play in financing critical development gaps identified by the UNCT. Funds channeled through the fund can be used to promote coherence by focusing investments on common priorities and promoting alignment between partners, while also focusing on: specific thematic issues or approaches not covered by other funding instruments; strengthening national systems; providing technical and implementation support, and rolling out innovative and sustainable pilot initiatives, joint programmes and/or 'crowd-funding' approaches.

The LRF has been identified as a key instrument for multi-year financing for prioritized joint programming initiatives and critical funding and programming gaps. This is also in line with the UNDS reforms, and commitments provided by Member States to increase core, pooled and thematic funds, and commitments by the UN development system to strengthen joint activities.

Following the recent launch of the 2023-2025 UNSDCF and the ongoing prioritization of the UN work in country, the LRF will play a pivotal role in supporting joint programming of key priorities and needs identified. Complementing the bilateral work of the UN organizations, joint programming within the LRF help leverage comparative advantages to strengthen investments for collective outcomes and to address programming and financing gaps jointly identified with government, donors and partners. This support is a great example of strengthening UN coherence focusing on common

development priorities, reducing current fragmentation and promoting alignment and synergies within the UN system in Lebanon.

Because the situation in Lebanon continues to adversely affect vulnerable populations, the MPTF Office hopes the *fifteenth Consolidated Progress Report on Activities under the Lebanon Recovery Fund* will inspire donors and stakeholders to closely assess the LRF and find ways to secure the future of the fund. **Additional resources are vital for advancing the overall objectives of the LRF, which focus primarily on supporting recovery and development efforts in Lebanon**, and meeting the needs of Lebanese, and other vulnerable communities.