









Eleventh 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 2017**

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

31 May 2018

Lebanon Recovery Fund (LRF)

Participating Organizations	
	Food and Agriculture Organization of the United Nations (FAO)
	International Labour Organization (ILO)
	United Nations Development Programme (UNDP)
	United Nations Educational, Scientific and Cultural Organization (UNESCO)
	United Nations Population Fund (UNFPA)
	United Nations High Commissioner for Refugees (UNHCR)
	United Nations Industrial Development Organization (UNIDO)

Contributors	
	Germany
	India
	Republic of Korea, Government of
	Romania
	Spain
	Sweden

Abbreviations and Acronyms

AA	Administrative Agent
CEDRO	Community Energy Efficiency and Renewable Energy Demonstration Project
DRR	Disaster risk and recovery
FAO	Food and Agriculture Organization of the United Nations
GoL	Government of Lebanon
ILO	International Labour Organization
ISIL	Islamic State of Iraq and the Levant
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)
MoA	Ministry of Agriculture
MoN	Municipality of Nabatieh
MOU	Memorandum of Understanding
NGO	Non-governmental organization
RHUH	Beirut Rafik Hariri University Hospital
SAA	Standard Administrative Arrangement
SDC	Swiss Agency for Development and Cooperation
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
UN OCHA	United Nations Office for the Coordination of Humanitarian Affairs

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Definitions

Allocation

Amount approved by the Lebanon Recovery Fund (LRF) Steering Committee for a project/programme.

Approved Project

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

Contributor Commitment

A contribution expected to be received or already deposited by a contributor based on a signed Standard Administrative Arrangement (SAA) with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent of the Lebanon Recovery Fund.

Contributor Deposit

Cash deposit received by the UNDP MPTF Office for the Lebanon Recovery Fund.

Delivery rate

A financial indicator of the percentage of funds that have been utilised by comparing the 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 project or activity of the Participating Organizations. Under UN MPTFs, these costs amount to 7 per cent as per the United Nations Development Group (UNDG) agreed MPTF cost recovery.

Net funded amount

The amount transferred to a Participating Organization less any refunds.

Participating Organization

UN Organizations that have signed a Memorandum of Understanding with the MPTF Office.

Project Expenditure

The sum of expenses reported by all Participating Organizations irrespective of which basis of accounting each Participating Organization follows.

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 is considered operationally closed when all programmatic activities for which a Participating Organization is responsible under the approved programmatic document have been completed.

Project Operational Closure

A project or programme is considered operationally closed when all activities for which a Participating Organization is responsible under the approved programmatic document have been completed.

Project Start Date

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

Total Approved Budget

Amount approved by the Steering Committee.

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Executive Summary

The Lebanon Recovery Fund (LRF) was established as a flexible mechanism to channel international assistance to the Government of Lebanon (GoL) in support of national recovery and reconstruction efforts related to the aftermath of the July 2006 conflict. In 2014, the fund was re-launched to provide support to vulnerable communities in the wake of the Syrian refugee crisis. 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 2017, the LRF concluded its eleventh 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 \$55.49 million US dollars to 32 projects in the following sectors:

- **Socio-economic recovery projects** that target 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. Seven 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)—have been involved in programme implementation throughout Lebanon since 2007.

As of 31 December 2017, the LRF received a total of \$53.2 million US dollars in contributions from Germany, India, the Government of the Republic of Korea, Spain, Sweden, and Romania. During that same period the Administrative Agent transferred \$56.8 million US dollars to seven Participating Organizations. Expenditure for the LRF as of 31 December 2017 was \$54.1 million US dollars, and over the course of the reporting period there were two active projects. One new project was launched in 2017: a twelve-month initiative that focused on supporting Lebanese institutions in managing the impact of the Syrian refugee crisis through access to sustainable energy for lighting. 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 since 2013). 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 the country's longer-term development priorities. During the reporting period, the LRF with key UN agencies have been undertaken efforts to develop prioritized joint programmes. In parallel, discussions have been initiated with the World Bank to ensure alignment and complementarities between the LRF and the Lebanon Syrian Crisis Trust Fund managed by the World Bank.

1 Introduction

1.1 Background

Lebanon's resilience continues to be tested as citizens struggle under the weight of external and internal pressures that have rocked the country. The main drivers of insecurity include the situation in southern Lebanon; the impact of the Syrian crisis on domestic stability and host communities, and border security issues between Lebanon and Syria.

The conflict in Syria, now in its eighth year, has directly affected Lebanon's stability. The country today is reeling from a combination of inter-related and mutually reinforcing challenges, including cross-border security threats, a deteriorating economy, and alarming levels of rising vulnerability and poverty. While the international community has been extremely generous in supporting Lebanon since the start of the crisis, international assistance to Lebanon has been largely focused on humanitarian and stabilization efforts that are related to mitigating the impact of the Syria crisis.

The government, along with the UN and other partners, has made strides in enhancing the coordination and effectiveness of the response to the Syria crisis. However, challenges remain in terms of responding to the size of the refugee population and mitigating the impact on Lebanese host communities, particularly in vulnerable areas.



Map of Lebanon – ©Google Maps

Main challenges facing Lebanon is the economic and social impact of the Syrian crisis, with Syrian refugees in country estimated at 1.5 million, with 1 million registered by UNHCR. The Lebanese economy continue to struggle, with growth estimates at 2 per cent and 2.2 per cent for 2017 and 2018¹. These struggles have been a direct result of a combination of challenges due to the crisis in Syria and pre-crisis bottlenecks which have affected key productive sectors and the construction and tourism industries, among the biggest contributors to the Lebanese economy. This has also strained Lebanon's public finances, service delivery, and environment. Lebanon is facing rising poverty, a deepening in long-standing inequalities, and overstretched public services where current demand exceeds the capacity of institutions and infrastructure. This has stoked tensions at the local level with community members feeling they must compete with refugees over jobs and access to resources/services.

All of this has placed Lebanon in a critical position where **safeguarding the country's stability and security requires adopting of a 'whole of Lebanon' approach**. The United Nation's system in Lebanon has embraced this 'whole of Lebanon' approach through its 2017-2020 UN Strategic Framework presenting the key shared objectives

¹ Lebanon/GDP growth rate (2010): 8%

of the UN system, the areas in which it intends to support the Government of Lebanon and its people, and the expected outcomes of its assistance. The UN Strategic Framework focuses on three priorities:

- *Core Priority 1: All people in Lebanon enjoy peace and security.*
- *Core Priority 2: Lebanon enjoys domestic stability and practices effective governance.*
- *Core Priority 3: Lebanon reduces poverty and promotes sustainable development while addressing immediate needs in a human rights/gender sensitive manner.*

1.2 The 2017 Consolidated Annual Progress Report

The *eleventh Consolidated Annual Progress Report on Activities Implemented under the Lebanon Recovery Fund* covers the period from 1 January to 31 December 2017 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.²

² 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.

2.1.1 Activity in 2017

One new project under the current LRF was approved in 2017 (LRF 32). The LRF 32 and the LRF 25 (M&E and secretariat support for the fund) will continue to be operational until June and December 2018 respectively.

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. The PAG met three times in 2017 to review the progress of ongoing projects, discuss major challenges and to coordinate the re-launch of the fund.



Table 1.1: Ongoing projects (1 January – 31 December 2017) in US Dollars

Sector/Project No. and Project Title	Participating Organization	Total Approved Amount	Net Funded Amount	Start Date	Completion date
00073340 LRF-25 M & E Team for the LRF	UNDP	746,304	746,304	17 Dec 2009	31 Dec 2018
00105974 LRF-32 Access to sustainable energy for lighting to host communities	UNDP	486,000	486,000	22 Jun 2017	30 Jun 2018 ³
Total for Lebanon Recovery Fund ongoing projects		1,232,304	1,232,304		

2.3 The Administrative Agent

The 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

³ The LRF 32 project is currently being reviewed for a three months no-cost extension to implement additional activities.

financial reports produced by each of the Participating Organizations, as well as provision of these reports to the Steering Committee for submission to 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 2017, project results are organized under the following three sectors:

- **Rapid delivery projects** that aim to support host communities and build capacities of national institutions affected by the impact of Syria crisis.
- **Coordination projects** that involve UN coordination offices and the LRF Monitoring and Evaluation Unit.

See the **Annex** for a complete list of all LRF projects and extensions approved between 2007 and 2017.

3.1 Rapid Delivery Projects

3.1.1 Access to sustainable energy for lighting to host communities—UNDP

The energy sector in Lebanon has many shortcomings and faces several barriers. Deteriorating and inadequate infrastructure has resulted in poor reliability and inadequate levels of electricity supply. Service delivery standards are low compared to other countries with similar GDP per capita. Even prior to the Syrian crisis, Lebanon suffered extensive load-shedding, with supply cuts in Beirut of at least 3 hours per day and up to 12 hours per day outside of Beirut. The sector is causing a massive drain on the GoL which subsidizes the cost of fuel used in Electricite Du Liban (EdL) power plants. The sector cost the government US\$3.056 billion in 2014, \$2.056 billion in 2015 and \$2.1 billion in 2016.

Given the current shortage in electricity supply in the country, especially in these remote locations in Lebanon that suffer from long hours of black-outs, using solar energy seems to be the only way to provide these rural communities with an additional cost-effective and independent source of electricity and energy. UNDP and key municipalities developed a project that relies on renewable energy systems, to save on municipal spending while ensuring basic needs of Syrian refugees and local host-communities are met. This project provides public solar street lighting as a cost effective short-to-medium term solution to energy problems in growing communities on a sustainable and continuous basis.

Table 3.2.1.1: Stabilization and Recovery Project Summary

Project Number, Title and Participating Organization	LRF 32: Access to sustainable energy for lighting to host communities
Total Allocation	US\$ 486,000
Project Duration	22 Jun 2017 – June 2018 (being considered for extension until September 2018)

Key Objective	To contribute to stabilization and recovery in refugee hosting areas through municipal services enhancement and providing sustainable energy for lighting to host communities.
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Results

During the reporting period, the project has finalized the project set-up, identified the areas for implementation and progressed in initiating the installation of the renewable energy equipment which will contribute towards the achievement of the overall outcome of the project. Building on extensive prior experience in solar street lighting undertaken by the UNDP-CEDRO project, an internal assessment and evaluation of all the prior projects of similar nature was undertaken. From these experiences, the project team developed updated guidelines for works and updated technical specifications.

Based these specific selection criteria, the project is installing 280 street lighting poles in thirteen shortlisted villages in the Akkar, South and Nabatieh governorates as targeted beneficiaries for public renewable energy. These criteria include the need for street lighting, previously installed solar street lighting poles, social impact, road traffic safety, general safety, electrical infrastructure, technical assessment, population density and maintenance capacity.

3.2 Coordination Projects

3.2.1 Monitoring and Evaluation Team for the LRF—RCO

The Monitoring and Evaluation (M&E) unit for the LRF strengthened existing monitoring mechanisms by improving the timeliness, cost efficiency and reliability of LRF project activities. The M&E unit was established to support project managers in achieving their deadlines and in evaluating revisions made by other LRF projects (e.g. no-cost time extensions, budget re-evaluations or changes in scope).

Table 3.3.1.1: M&E Project Summary

Project Number, Title and Participating Organization	LRF 25: Monitoring and Evaluation Team for the LRF - UNDP
Total Allocation	US\$ 746,304
Project Duration	December 2009 – December 2018
Key Objective	To generate and enhance the framework whereby projects improve efficiency and prevent unnecessary expenditures and project delays that may arise.

Results

In 2017, the M&E unit monitored on-going LRF projects in relation to planned outcomes. The unit reviewed narrative and financial reports in close cooperation with implementing agencies, in order to highlight results and the impact of LRF activities. The final versions of all reports have been uploaded to the [MPTF GATEWAY](#).

Throughout the year the M&E unit conducted field/office visits so staff could assess project progress, obtain feedback from beneficiaries and local stakeholders, and ensure fund recipients, government actors and project staff adhered to LRF visibility guidelines.

Proposal submission and review

A call for proposals was submitted to earmarked United Nations agencies. The M&E unit worked closely with relevant government counterparts and UNDP in submitting one new project proposal in 2017. The UNDP project (LRF 32) was approved for US\$ 486,000.

Support for LRF resource mobilization

Following the review of the LRF in 2016, the M&E unit supported the steering committee to re-launch the LRF as a funding mechanism for joint programming of key priorities articulated in the 2017-2020 UN Strategic Framework. The LRF aims to primarily channel support for national development priorities, not covered by existing funding instruments, and which are in line with the Government stabilization and development vision, and cooperation frameworks, endorsed by the Government of Lebanon.

In 2017, the M&E unit has been working with key government stakeholders and UN agencies to implement the endorsed recommendations derived from the review, particularly to develop a pipeline of prioritized joint programmes for funding through the LRF. The pipeline is being widely consulted with Government, UN, and donors in an effort to ensure joint programmatic priorities and ambitions.

Discussions are currently ongoing with the World Bank to explore ways to ensure alignment and complementarities between the UN-LRF and the WB-Lebanon Syrian Crisis Trust Fund. This will ensure coordinated support to critical Government priorities, including through strengthening synergies between programmes supported through both instruments and engage in joint resource mobilization and outreach to donors.

Challenges

The current aid landscape has changed since 2006 with the bulk of support under the framework of the humanitarian response (LCRP) now channelled bilaterally to international and national (non-governmental) partners. This, along with the absence of a multi-year programming framework and resource mobilization strategy, has made it difficult for the LRF to secure new contributions that will provide stakeholders with the resources they need to maintain current gains and/or develop new, and much needed, initiatives that will benefit Lebanese, and Syrian refugee communities.

4 Financial Performance

This consolidated financial report covers the period 1 January to 31 December **2017** and provides financial data on progress made in the implementation of projects of the **Lebanon Recovery Fund**. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/LRF00>).

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

As of 31 December **2017**, 6 contributors deposited US\$ **53,218,156** in contributions and US\$ **2,889,294** was earned in interest. The cumulative source of funds was US\$ **56,107,450** (see respectively, Tables 4.1 and 4.3).

Of this amount, US\$ **54,858,675** has been net funded to **7** Participating Organizations, of which US\$ **54,170,788** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **532,182**. Table 1 provides an overview of the overall sources, uses, and balance of the **Lebanon Recovery Fund** as of 31 December 2017

Table 4: Financial Overview, as of 31 December 2017 (in US Dollars)

	Annual 2016	Annual 2017	Cumulative
Sources of Funds			
Contributions from donors	500,000	-	53,218,156
Fund Earned Interest and Investment Income	9,615	9,748	1,560,915
Interest Income received from Participating Organizations	2,104	10,393	1,328,379
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
Total: Sources of Funds	511,719	20,141	56,107,450
Use of Funds			
Transfers to Participating Organizations	566,867	486,000	56,781,291
Refunds received from Participating Organizations	(25,471)	(61,498)	(1,922,616)
Net Funded Amount	541,396	424,502	54,858,675
Administrative Agent Fees	5,000	-	532,182
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	56	37	538
Other Expenditures	-	-	-
Total: Uses of Funds	546,452	424,539	55,391,395
Change in Fund cash balance with Administrative Agent	(34,733)	(404,398)	716,055
Opening Fund balance (1 January)	1,155,186	1,120,453	-
Closing Fund balance (31 December)	1,120,453	716,055	716,055
Net Funded Amount (Includes Direct Cost)	541,396	424,502	54,858,675
Participating Organizations' Expenditure (Includes Direct Cost)	927,353	(430,010)	54,170,788
Balance of Funds with Participating Organizations			687,887

4.1 Partner Contributions

Table 4.1 displays the breakdown of the received contributions. The governments of Germany, Romania, Spain and Sweden all signed standard administrative arrangements and contributed to the Lebanon Recovery Fund. In 2017, the total amount of LRF funds amounted to \$53.2 million US dollars. The largest contribution to the Lebanon Recovery Fund was made by Spain (\$35,400,500 million US dollars, 66 per cent of total donor deposits), followed by Sweden (\$9,797,465 million US dollars), Germany (\$5,860,660 million), the Government of the Republic of Korea (\$1,000,000 million), Romania (\$659,531 US dollars), and India (\$500,000 US dollars).

Table 4.1: Contributor Commitments and Deposits, as of 31 December 2017 (in US Dollars)

Contributors	Total Commitments	Prior Years as of 31-Dec-2016 Deposits	Current Year Jan-Dec-2017 Deposits	Total Deposits
GERMANY, Government of	5,860,660	5,860,660	-	5,860,660
INDIA, Government of	500,000	500,000	-	500,000
REPUBLIC of KOREA, Government of	1,000,000	1,000,000	-	1,000,000
ROMANIA, Government of	659,531	659,531	-	659,531
SPAIN, Government of	35,400,500	35,400,500	-	35,400,500
SWEDEN, Government of	9,797,465	9,797,465	-	9,797,465
Grand Total	53,218,156	53,218,156	-	53,218,156

4.2 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 **2017**, Fund earned interest amounts to US\$ **1,560,915** and interest received from Participating Organizations amounts to US\$ **1,328,379**, bringing the cumulative interest received to US\$ **2,889,294**.

Details are provided in the table below.

Table 4.2. Sources of Interest and Investment Income, as of 31 December 2017 (in US Dollars)

Interest Earned	Prior Years as of 31-Dec-2016	Current Year Jan-Dec-2017	Total
Administrative Agent			
Fund Earned Interest and Investment Income	1,551,167	9,748	1,560,915
Total: Fund Earned Interest	1,551,167	9,748	1,560,915
Participating Organization			
FAO	74,747	10,393	85,140
ILO	41,076		41,076
UNDP	940,803		940,803
UNESCO	65,076		65,076
UNFPA	45,905		45,905
UNIDO	150,379		150,379
Total: Agency earned interest	1,317,986	10,393	1,328,379
Grand Total	2,869,153	20,141	2,889,294

4.3 Transfer of Funds

Donor contributions are the main source of funding for the Lebanon Recovery Fund. Table 5.3 shows the transfer of funds according to Participating Organization. The term “Net Funded Amount” refers to amounts transferred to a Participating Organization minus refunds of unspent balances from the Participating Organization.

With the overall aim of facilitating the realization of the Lebanon Recovery Fund project outcomes, transfers were made to Participating Organizations. As seen in Table 4.3, the Lebanon Recovery Fund transferred a total of \$56.7 million US dollars to seven Participating Organizations prior to the end of December 2016.

Table 4.3: Transfer, Refund, and Net Funded Amount by Participating Organization as of 31 December 2017 (in US Dollars)

Participating Organization	Prior Years as of 31-Dec-2016			Current Year Jan-Dec-2017			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO	9,933,397	(389,822)	9,543,575		12,177	12,177	9,933,397	(377,645)	9,555,752
ILO	2,683,108	(45,443)	2,637,665				2,683,108	(45,443)	2,637,665
UNDP	36,101,702	(481,458)	35,620,244	486,000	(73,675)	412,325	36,587,702	(555,132)	36,032,570
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		495,000				495,000		495,000
UNIDO	4,500,000	(140,900)	4,359,100				4,500,000	(140,900)	4,359,100
Grand Total	56,295,291	(1,861,117)	54,434,174	486,000	(61,498)	424,502	56,781,291	(1,922,616)	54,858,675

UNDP was the recipient of 65 per cent of all allocations due to the large-scale projects implemented (e.g. CEDRO) and the fact that many UNDP projects were implemented through national entities or local non-governmental organizations (NGOs).

4.4 Expenditure and Financial Delivery Rates

All final expenditures reported for the year **2017** were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

Project expenditures are incurred and monitored by each Participating Organization, and are reported as per the agreed upon categories for inter-agency harmonized reporting. The reported expenditures were submitted via the MPTF Office's online expenditure reporting tool. The **2017** expenditure data has been posted on the MPTF Office GATEWAY at <http://mptf.undp.org/factsheet/fund/LRF00>

4.4.1 Expenditure by Participating Organization

In **2017**, US\$ **424,502** was net funded to Participating Organizations, and US\$ **430,010** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **54,858,675** and cumulative expenditures reported by the Participating Organizations amount to US\$ **54,170,788**. This equates to an overall Fund expenditure delivery rate of **99** percent.

Table 4.4.1: Expenditure by Participating Organization as of 31 December 2017 (in US Dollars)

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2016	Current Year Jan-Dec-2017	Cumulative	
FAO	9,947,357	9,555,752	9,985,394	(429,090)	9,556,304	100.01
ILO	2,683,108	2,637,665	2,637,665		2,637,665	100.00
UNDP	36,587,702	36,032,570	35,345,051	(920)	35,344,131	98.09
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
UNIDO	4,500,000	4,359,100	4,359,100		4,359,100	100.00
Grand Total	55,997,421	54,858,675	54,600,798	(430,010)	54,170,788	98.75

4.4.2 Expenditure by Project

The table below shows the net amount transferred and the financial delivery rates according to project.

Table 4.4.2: Expenditure by Project as of 31 December 2017 (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						
00073340 LRF-25 M&E Team for the LRF	UNDP	On Going	643,304	643,304	345,960	53.78
00105974 LRF-32 Access to sustainable e	UNDP	On Going	486,000	486,000	94,876	19.52
00083004 LRF-26 Recovery and Rehabilita	FAO	Operationally Closed	1,562,727	1,562,081	1,562,633	100.04
00086602 LRF-28 Reviving farmers' livel	UNDP	Operationally Closed	700,000	700,000	700,029	100.00
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 recov assist. for	FAO	Financially Closed	1,370,670	1,363,074	1,363,074	100.00
00065544 LRF-4 Early recov 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. worl	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 Educat	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 Rehabilita	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
00085932	LRF-27 National Action Program	UNDP	Financially Closed	500,000	500,000	500,000	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
Lebanon Recovery Fund: Total				55,997,421	54,858,675	54,170,788	98.75
Grand Total				55,997,421	54,858,675	54,170,788	98.75

4.4.3 Expenditure by Category

In 2006 the UN Development Group (UNDG) devised six categories against which UN entities must report their project expenditures. Effective 1 January 2012, the UN Chief Executive Board modified these categories as a result of the adoption of the International Public Sector Accounting Standards, which comprise eight categories in total. All expenditures reported up to 31 December 2011 are presented under the previous six classifications while expenditures as of 1 January 2012 are presented using the eight new categories. Both old and new categories are listed in the table below.

Table 4.4.3: Expenditure by UNDG Budget Category as of 31 December 2016 (in US Dollars)

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2016	Current Year Jan-Dec-2017	Total	
Supplies, Commodities, Equipment and Transport (Old)	11,393,403	-	11,393,403	22.50
Personnel (Old)	8,459,983	-	8,459,983	16.71
Training of Counterparts (Old)	586,973	-	586,973	1.16
Contracts (Old)	10,105,671	-	10,105,671	19.96
Other direct costs (Old)	3,540,481	-	3,540,481	6.99
Staff & Personnel Cost (New)	561,289	(260,195)	301,094	0.59
Suppl, Comm, Materials (New)	1,436,739	-	1,436,739	2.84
Equip, Veh, Furn, Depn (New)	3,075,060	(62,835)	3,012,225	5.95
Contractual Services (New)	8,939,431	89,680	9,029,111	17.83
Travel (New)	296,515	65,766	362,281	0.72
Transfers and Grants (New)	929,899	(74,367)	855,532	1.69
General Operating (New)	1,719,328	(163,406)	1,555,923	3.07
Programme Costs Total	51,044,772	(405,357)	50,639,416	100.00
¹ Indirect Support Costs Total	3,556,026	(24,653)	3,531,373	6.97
Total	54,600,798	(430,010)	54,170,788	

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 per cent agreed-upon for on-going projects. Once projects are financially closed, this number is not to exceed 7 per cent.

5 Transparency and Accountability

The MPTF Office provides information on the operations of the LRF via MPTF's GATEWAY (<http://mptf.undp.org/factsheet/fund/LRF00>). The MPTF GATEWAY tool (<http://mptf.undp.org>) is a knowledge platform that provides real-time financial data from the MPTF Office accounting system on donor contributions, programme budgets and transfers to Participating UN Organizations (with a maximum two-hour delay). All narrative reports are posted on GATEWAY, which provides users with easy access to relevant reports and documents, including tools and tables for displaying financial and programme data. It is designed to provide transparent and accountable fund-management services so the UN system can enhance its coherence, effectiveness and efficiency.

Details of LRF projects and joint programmes, including Steering Committee decisions and project reports are posted on the LRF segment of the GATEWAY site (<http://mptf.undp.org/factsheet/fund/LRF00>).

6 Conclusion

This *eleventh Consolidated Annual Report on Activities under the Lebanon Recovery Fund* provides details of ongoing projects in Lebanon along with new initiatives implemented in 2017. In the current reporting period there were two active projects. A total of 32 projects have been funded since the inception of the Lebanon Recovery Fund with a net funded amount of \$56.8 million US dollars transferred to seven Participating Organizations.

Thirty projects were operationally closed, and 21 were financially closed as of 31 December 2017. 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. Almost all projects 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.

The United Nations hopes to build on the achievements of the LRF in 2018 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 (carried out in 2016 and launched in 2017) suggested **the fund be framed as a specialized mechanism that focuses on specific thematic issues not covered by other funding instruments.** The emphasis, in the case of Lebanon, should be on providing economic opportunities and job creation for vulnerable and at-risk populations, bolstering security, and addressing mid-term stabilization and development priorities that compliment long-term development and infrastructure plans.

The LRF has a role to play in financing critical gaps identified through the 2017-2020 UNSF. 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 through a national implementation window; 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 by the UNCT as a key instrument for multi-year financing for prioritized joint programming initiatives and critical funding and programming gaps.

Because the situation in Lebanon continues to adversely affect citizens and Syrian refugees alike, the MPTF Office hopes the *eleventh 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 stabilization and development efforts in Lebanon,** and meeting the needs of Lebanese, and Syrian refugee, communities.

Financial Annex

Annex: Lebanon Recovery Fund Steering Committee Approved Projects as of 31 December 2017

Steering Committee Approval Date	Project Number	Project Number and Title	Participating Organization	Key Government/ NGO Counterpart	Net Funded Amount (US\$)	Implementation Status (Financial Delivery Rate)
7 May 2007	LRF-1	Community Energy Efficiency and Renewable Energy Demonstration Project for the Recovery of Lebanon (CEDRO I)	UNDP	Ministry of Energy and Water	2,732,240	Financially closed (100%)
7 May 2007	LRF-2	Support for Livelihoods and Economic Recovery in War-Affected Areas of Lebanon	UNIDO	Ministry of Industry	2,860,643	Operationally closed (100%)
12 Jun 2007	LRF-3	Early Recovery Assistance for the Horticulture Smallholder	FAO	Ministry of Agriculture	1,370,670	Operationally closed (99.4%)
12 Jun 2007	LRF-4	Early Recovery Assistance to War-Affected Resource-Poor Livestock Keepers in South Lebanon	FAO	Ministry of Agriculture	1,900,000	Operationally closed (99.6%)
12 Jun 2007	LRF-5	Local Socio-Economic Recovery in War-Affected Areas in South Lebanon	ILO	Ministry of Labour	1,153,121	Financially closed (100%)
7 May 2007	LRF-6	Building of Human Resources for Digital Documentation of World Heritage Sites Affected by the War	UNESCO	Ministry of Culture	761,947	Financially closed (100%)
3 Oct 2007	LRF-7	Enhance Performance of the Social Sector	UNDP	Ministry of Social Affairs	263,497	Financially closed (100%)
10 Oct 2007	LRF-8	Increased Integration of the Poor Disabled	UNDP	Ministry of Social Affairs	1,400,000	Financially closed (100%)
10 Oct 2007	LRF-9	Flood and Water Management for Livelihood Recovery in Baalback-Hermel	UNDP	Ministry of Energy and Water	2,843,880	Financially closed (100%)
10 Oct 2007	LRF-10	Community Energy Efficiency and Renewable Energy Demonstration Project for the Recovery of Lebanon (CEDRO II)	UNDP	Ministry of Energy and Water	3,500,000	Operationally closed (99.9%)
5 Nov 2007 (transfer in 2008)	LRF-11	Strengthening the Dairy Production Channel in North Lebanon	UNDP	Renee Maawad Foundation	1,000,000	Operationally closed (100%)
5 Nov 2007 (transfer in 2008)	LRF-12	Women Empowerment: Peaceful Action for Stability and Security (WE PASS)	UNFPA	National Commission for Lebanese Women	994,472	Financially closed (100%)
5 Nov 2007 (transfer in 2008)	LRF-13	Socio-Economic Rehabilitation and Recovery of War-Affected Beirut and Its Suburbs	UNDP	Hariri Foundation	996,919	Operationally closed (100.0%)

Steering Committee Approval Date	Project Number	Project Number and Title	Participating Organization	Key Government/ NGO Counterpart	Net Funded Amount (US\$)	Implementation Status (Financial Delivery Rate)
5 Nov 2007 (transfer in 2008)	LRF-14	Forest Fires Management—Forest Fires Prevention, Forest Fires Fighting (Control) and Damaged Forests Assessment and Rehabilitation	FAO	Ministry of Environment	2,325,977	Financially closed (100%)
21 Aug 2008	LRF-15	Enhancing ICT in Education	UNESCO	–	22,170	Terminated (100.0%)
19 Sept 2008	LRF-16	Community Energy Efficiency and Renewable Energy Demonstration Project for the Development of Lebanon (CEDRO III)	UNDP	Ministry of Energy and Water	3,772,827	Operationally Closed (100%)
19 Sept 2008	LRF-17	Flood Risks Prevention and Management in Baalback - Hermel	UNDP	Ministry of Energy and Water	3,467,735	Financially closed (100%)
24 Oct 2008; 9 Dec 2010	LRF-18	Recovery Coordination Support in Lebanon	UNDP	Development Unit, Office of the Prime Minister	1,109,271	Financially closed (100%)
26 Mar 2009	LRF-19	Socio-Economic Rehabilitation Programme in the Framework of ART GOLD Lebanon	UNDP	Council for Development and Reconstruction	2,389,642	Operationally closed (100%)
1 Apr 2009	LRF-20	Support for Livelihoods and Economic Recovery in War-Affected Areas of Lebanon (Phase II)	UNIDO	Ministry of Industry	1,498,457	Operationally closed (100%)
15 Apr 2009	LRF-21	Recovery and Rehabilitation of Dairy Sector in Bekâa Valley and Hermel-Akkar Uplands	FAO	Ministry of Agriculture	2,400,033	Operationally closed (95.9%)
15 Apr 2009	LRF-22	Local Socio-Economic Development in War-Affected Areas in South Lebanon	ILO	Ministry of Labour	1,484,544	Operationally closed (100%)
29 May 2009	LRF-23	Hydro Agricultural Development for Marjeyoun Area	UNDP	Ministry of Energy and Water	1,904,897	Operationally closed (100%)
13 Aug 2009	LRF-24	Early Recovery of Nahr el Bared Surrounding Lebanese Communities Affected by 2006 and 2007 Conflicts	UNDP	Presidency of the Council of Ministers	2,500,000	Operationally closed (99.4%)
15 Dec 2009	LRF-25	Monitoring & Evaluation Team for the LRF	UNDP	Ministry of Economy and Trade	308,323	Ongoing (46.3%)
22 May 2012	LRF-26	Recovery and Rehabilitation of the Dairy Sector in Bekâa Valley and Hermel-Akkar Uplands (Phase II)	FAO	Ministry of Agriculture	1,562,727	Operationally closed (100%)

Steering Committee Approval Date	Project Number	Project Number and Title	Participating Organization	Key Government/ NGO Counterpart	Net Funded Amount (US\$)	Implementation Status (Financial Delivery Rate)
14 March 2013	LRF-27	National Action Programme to Mainstream Climate Change in Lebanon's Development Agenda	UNDP	Ministry of Environment	500,000	Operationally closed (100%)
22 May 2013	LRF-28	Reviving Farmers' Livelihoods in South Lebanon	UNDP	Ministry of Agriculture	700,000	Operationally closed (100%)
17 May 2014	LRF-29	Selected Rapid Delivery and Immediate Impact Interventions	UNDP	Ministry of Social Affairs	5,802,053	Operationally closed (98.7%)
24 October 2014	LRF-30	International Awareness Campaign on Lebanese Hosting Communities	UNDP	Various	121,017	Operationally closed (94.5%)
17 Jun 2016	LRF-31	Supporting Lebanon in Managing the Impact of the Syrian Refugee Crisis	UNHCR	Ministry of Public Health	495,000	Operationally closed (100%)
22 Jun 2017	LRF-32	Access to sustainable energy for lighting to host communities	UNDP	Ministry of Energy & Water	486,000	Ongoing (19.5%)
TOTAL					54,628,062	