

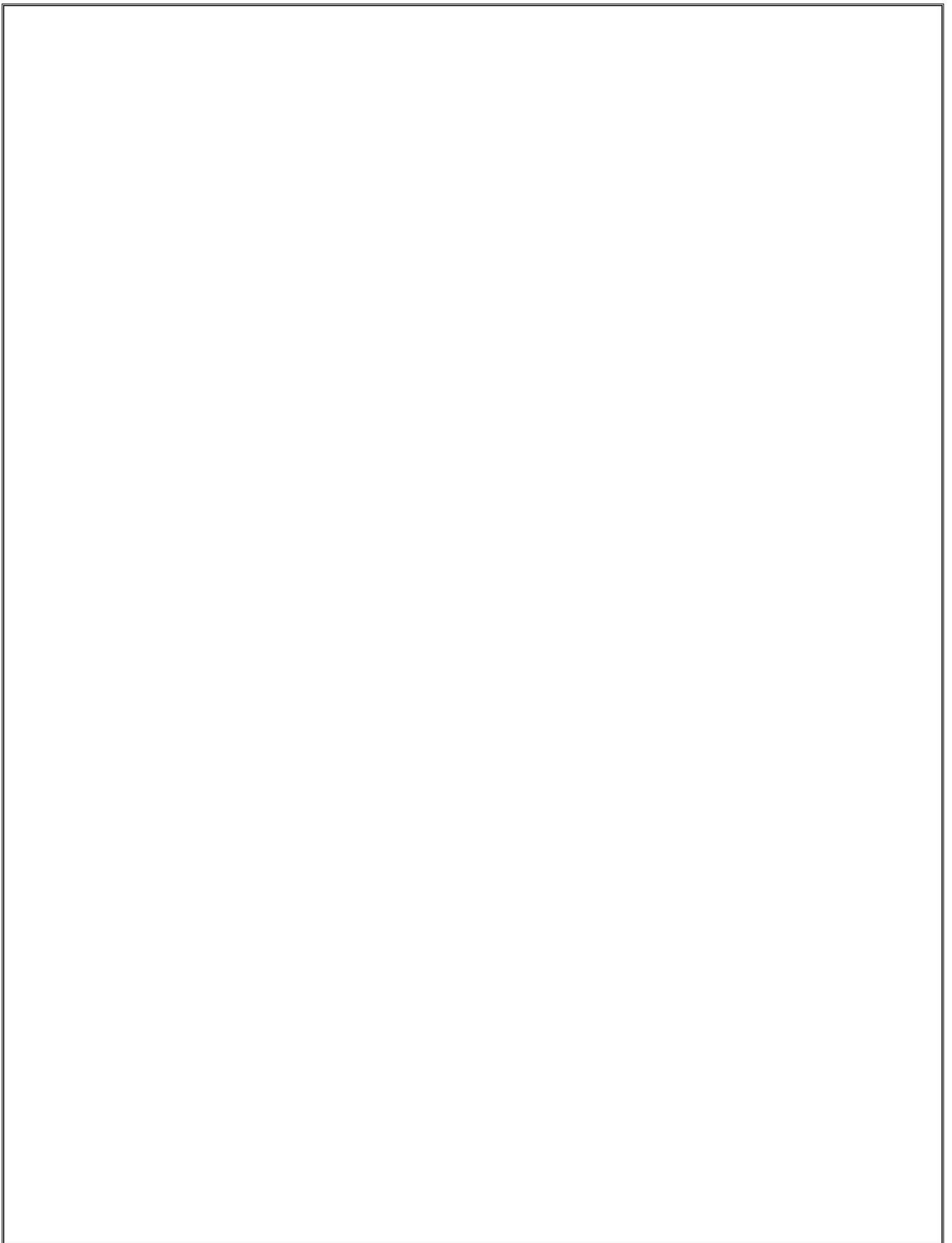


**Second Consolidated Progress Report on
Activities Implemented under the Lebanon Recovery Fund**

**Report of the Administrative Agent
of the Lebanon Recovery Fund for the period ending 31 December 2008**

**Multi-Donor Trust Fund Office
Partnerships Bureau
United Nations Development Programme
www.undp.org/mdtf**

**FINAL REPORT
17 July 2009**



LEBANON RECOVERY FUND

PARTICIPATING UN ORGANIZATIONS¹



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 Environment Programme (UNEP)



United Nations Population Fund (UNFPA)



United Nations Humans Settlement Programme (UN HABITAT)



United Nations High Commissioner for Refugees (UNHCR)



United Nations Children's Fund (UNICEF)



United Nations Industrial Development Organization (UNIDO)



United Nations Development Fund for Women (UNIFEM)



United Nations Office for Project Services (UNOPS)

CONTRIBUTING DONORS



Romania



Spain



Sweden

¹ Participating UN Organizations that have concluded a Memorandum of Understanding (MOU) with the UNDP Multi-Donor Trust Fund Office, as the Administrative Agent of the Lebanon Recovery Fund.

Abbreviations and Acronyms

ATWG	Ad-hoc Thematic Working Groups
FAO	Food and Agriculture Organization of the United Nations
ILO	International Labour Organization
LOA	Letter of Agreement
LRF	Lebanon Recovery Fund
MDTF	Multi-Donor Trust Fund
MOU	Memorandum of Understanding
PAG	Project Approval Groups
PSC	Project Steering Committee
RC	Resident Coordinator
RRC	Recovery and Reconstruction Cell
SC	Steering Committee
TOR	Terms of Reference
UN	United Nations
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
UN HABITAT	United Nations Humans Settlement Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNOPS	United Nations Office for Project Services

Definitions²

Approved Project

A project that has been approved by the Steering Committee of the Lebanon Recovery Fund (LRF) for which a project document has been subsequently signed.

Donor Pledge

An amount indicated as a voluntary contribution by a Donor. Pledges are not included in the financial statements. Financial reports will report on legally binding Donor commitments and deposits to the LRF.

Donor Commitment

A Donor contribution as per signed Letter of Agreement with the UNDP Multi-Donor Trust Fund Office (MDTF Office), in its capacity as the Administrative Agent of the LRF.

Donor Deposit

Cash deposit received by the MDTF Office for the LRF.

Project Expenditure

Amount of project disbursement plus un-liquidated obligations related to payments due for the year.

² Common definitions used by the MDTF Office in consolidated progress reporting.

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Executive Summary

Introduction

1. The Lebanon Recovery Fund (LRF) was established at the request of the Government of Lebanon and enables Donors to pool their resources and rapidly provide funding in the aftermath of the July 2006 war between Lebanon and Israel.
2. On 31 August 2006, the Government of Lebanon presented a strategy for a national early recovery process at the Stockholm Conference for Lebanon's Early Recovery, hosted by the Government of Sweden in close collaboration with the Government of Lebanon and the United Nations. At the conference the Government presented its early recovery priorities, and a number of Donors pledged their support.
3. The Multi-Donor Trust Fund Office (MDTF Office) of the United Nations Development Programme (UNDP) was designated as the Administrative Agent (AA) of the LRF and has, as of 31 December 2008, concluded a Memorandum of Understanding (MOU) with twelve Participating UN Organizations.
4. This Second Consolidated Progress Report on Activities under the LRF reports on the implementation of the eight projects (including extensions) approved for funding during the present reporting period (1 Jan. – 31 Dec. 2008). Four of these projects (LRF-11/12/13/14) were approved in 2007, but only submitted for funding in 2008. The Progress Report also covers progress recorded for the ten projects approved for funding (and funds transferred) during 2007. 2008 marks the second year of operations for the LRF. The Progress Report is consolidated based on information and data contained in the individual progress reports and financial statements submitted by Participating UN Organizations to the MDTF Office. The financial section includes some data and analysis extending to the first quarter of 2009 on the basis of unofficial figures received from the operational units of the Participating UN Organizations. It is neither an evaluation of the LRF nor the MDTF Office's assessment of the performance of the Participating UN Organizations.

Strategic Framework

5. The LRF, as stated in its Terms of Reference dated 3 November 2006, finances Government-approved priority recovery and reconstruction projects that can be executed with the support of Participating UN Organizations, in partnership and cooperation with government and non-governmental organizations, within the scope and time frame of national priorities. It also facilitates the Government's coordination of international assistance and enables the Government to ensure transparent fund administration and project implementation in line with its reform agenda.
6. The LRF complements other funding mechanisms that may be used by the Government and United Nations organizations, and its arrangements seek to ensure that:
 - each project approved for funding is part of a Government-approved priority programme for recovery and reconstruction activities based on and formulated in consultation with concerned line ministries and beneficiary communities and, to the extent possible, Donors and other stakeholders;
 - the activities financed through Participating UN Organizations are implemented, to the extent possible, directly by or in collaboration with national implementation partners, under the overall ownership and leadership of the Government, to ensure sustainable local capacities; and
 - funding and implementation are undertaken with special attention to transparency and accountability as well as to ensure prompt delivery and efficient use of donor funds.

Governance

7. The Lebanon Recovery Fund is governed by its Terms of Reference. The LRF Steering Committee (SC) provides strategic guidance and oversight as well as makes final decisions on fund allocation. The SC is chaired by the Minister of Economy and Trade, or his/her designate, and composed of the Head of the Recovery and Reconstruction Cell (RRC), a representative from the Ministry of Finance, five representatives of Donors, and the United Nations Resident Coordinator. A second-tier of review involves the Project Approval Group (PAG), which reviews and approves proposals and allocates funds for all projects specific to recovery activities. The Recovery and Reconstruction Cell is located in the Office of the Prime Minister and is the designated national entity in Lebanon responsible for prioritization of and resource allocation to recover and reconstruction. Ad-hoc Thematic Work Groups (ATWG) are established as required to review and prioritize project proposals and submit them to the SC.

Project Approval Status

8. Four projects approved by the LRF Steering Committee in November 2007 were only formally submitted for funding to the MDTF Office in January 2008. In addition, another four projects were approved and submitted for funding during 2008, bringing the total of LRF projects approved for funding (including extensions) as of the end of the reporting period to 18. These 18 projects amount to a total of \$33,426,023. The projects were executed by six Participating UN Organizations: the Food and Agriculture Organization (FAO), International Labour Organization (ILO), United Nations Development Programme (UNDP), United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Population Fund (UNFPA), and the United Nations Industrial Development Organization (UNIDO).

Project Implementation Status: Achievements and Challenges

9. The destruction caused to the lives, livelihoods, and social and physical infrastructure of the people of Lebanon by the month-long war in July/August 2006, coupled with the subsequent total land, sea, and air blockade imposed by Israel, resulted in a major setback to the country's encouraging economic outlook and to the reform agenda that the Government of Lebanon. The war also resulted in a longer-term unstable socio-economic and political environment in the country, posing challenges to and affecting the start-up phases of projects approved for funding under the LRF.
10. During the first reporting period of the LRF (2007), considerable efforts were made to establish project management units and coordination mechanisms, including negotiations with national counterparts and the development of terms of references, identification of project board members, and finalization of project documentation, whereas the majority of substantive project activities, including procurement and the recruitment of project staff, were not initiated before the third or fourth quarter of 2007. During the current reporting period, in 2008, project implementation got well underway for these projects that were approved in 2007. The lessons learned during the initial start-up phases of the projects in 2007 have allowed Participating UN Organizations to take appropriate measures in 2008 within existing projects as well as in new projects, and to ensure that improved project implementation and management arrangements are introduced, where applicable. On the other hand, for newly approved projects, initial start-up activities, as well as experiences from projects approved in 2007, have prepared the groundwork for Participating UN Organizations to continue the implementation of projects in 2009.
11. The range of projects approved by the LRF Steering Committee continues to grow, reflecting the vast recovery and reconstruction needs in place in the country. Projects approved under the LRF as of the end of the reporting period include three projects in support of energy efficiency and renewable energy (LRF-1, LRF-10 and LRF-16); projects in support of the recovery of horticulture smallholders

(LRF-3), resource-poor livestock keepers (LRF-4), livelihoods and economic recovery (LRF-2) and dairy producers in North Lebanon (LRF-11), as well as a project in support of integrated forest fire management (LRF-14). Other projects include efforts to enhance the performance of the social sector (LRF-7), increased integration of the poor and disabled (LRF-8), flood management projects (LRF-9 and LRF-17), and socio-economic rehabilitation of Beirut and its suburbs (LRF-13) as well as in South Lebanon (LRF-5). Finally, the LRF Steering Committee has approved projects in support of women empowerment (LRF-12), enhancing ICT education (LRF-15), supporting the digital documentation of World Heritage Sites (LRF-6), as well as supporting the Resident Coordinators sub-offices in the North and South of Lebanon (LRF-18).

12. Projects have reported on significant achievements during the reporting period. Comprehensive details of these achievements have been included in the report, but a notable characteristic across nearly all projects is Participating UN Organizations' extensive collaboration with implementing partners, including national authorities, local foundations or NGOs. Across most projects, Government Ministries, foundations, NGOs and community-based groups have formed a core-element of project formulation and implementation.
13. Despite the many achievements, Participating UN Organizations also report on delays caused by a challenging and volatile political environment. Coupled with various programmatic challenges, this resulted in some delays in the start-up of projects or postponement of individual activities. As of the end of the reporting period, however, all projects were reported to be on track with implementation, some having requested no-cost project extensions.

Financial Performance

14. As of 31 December 2008, the total amount contributed by donors to the LRF amounted to \$45,857,496. During the current reporting period (1 Jan. – 31 Dec 2008), \$15,491,000 was deposited by one donor (Spain) into the LRF account. The cumulative Administrative Agent fee charged at the approved rate of 1 percent on deposits amounted to \$458,575. For the reporting period, the AA-fee amounted to \$154,910.
15. The three contributors to the LRF as of 31 December 2008 were Spain (\$35,400,500), Sweden (\$9,797,465) and Romania (\$659,531), totalling \$45,857,496.
16. As of 31 December 2008, the LRF had transferred funds to six Participating UN Organizations for approved projects for a total of \$33,426,023, which accounted for 73 percent of total deposited funds (\$45,857,496). Of this amount, a total of \$9,239,715 (28 percent) was reported as expenditure as of 31 December 2008. The indirect support cost, as a percentage of total programme cost, was reported as 6.8 percent, below the 7 percent anticipated in the LRF MOU and LOA.

Transparency and Accountability of the LRF

17. The major vehicle for public transparency of operations under the LRF is the MDTF Office-developed and maintained LRF-website, www.undp.org/mdtf/lebanon. The website is updated monthly and provides the most current information on all information related to the LRF, including public notification of all project approvals made by the LRF Steering Committee, as well as additional information and progress updates on these projects. The website provides a high level of transparency to national authorities, donors, the public and the Participating UN Organizations. Donor pledges, commitments, and deposits, along with transfers to Participating UN Organizations, are updated monthly and provide the LRF Steering Committee, as well as all other stakeholders, up-to-date and accurate information on the financial status of the LRF.

18. In an effort to strengthen transparency and accountability in reporting, as well as to harmonize and simplify reporting procedures, the MDTF Office developed and launched in 2009 a web-based Reporting Portal and online informational data upload system (UNEX) that allows Participating UN Organizations to report expenditures electronically, including the generation of financial reports to be certified by the submitting Participating UN Organization. The Portal facilitates the accuracy and timeliness of annual reports submitted by Participating UN Organizations. For the current reporting period, Participating UN Organizations submitted financial reports through the Portal across all MDTFs administered by the MDTF Office, including the LRF, whereas for the next reporting period both financial and narrative reports will be submitted through the Portal.
19. Participating UN Organizations' individual progress reports are available to Donors upon written request to the MDTF Office.

Conclusion

20. This Second Consolidated Progress Report on Activities under the Lebanon Recovery Fund reports on the implementation of the eighteen projects approved for funding as of 31 December 2008. The Progress Report is consolidated based on information and data contained in the individual progress reports and financial statements submitted by Participating UN Organizations to the MDTF Office. It is neither an evaluation of the LRF nor the MDTF Office's assessment of the performance of the Participating UN Organizations.
21. As of the end of the reporting period, 31 December 2008, the total number of LRF projects approved for funding (including extensions) was eighteen. These projects amount to a total of \$33,426,023.
22. Whereas during the first reporting period of the LRF (2007), considerable efforts were made to establish project management units and coordination mechanisms, the current reporting period (2008) is marked by project implementation getting well underway for the majority of projects. A number of projects have reported on significant achievements during the reporting period, with six of the projects reporting a financial expenditure rate of nearly 50 percent or above.
23. However, Participating UN Organizations have also report on delays caused by a challenging and volatile political environment. Coupled with various programmatic challenges, this resulted in some delays in the start-up of projects or postponement of individual activities. As of the end of the reporting period, however, all projects were reported to be on track with implementation, some having requested a no-cost project extension.
24. The MDTF Office envisages that this Second Consolidated Progress Report on Activities under the Lebanon Recovery Fund will provide the LRF Steering Committee the basis on which to better assess the future of the LRF including its resource requirements and to advocate and mobilize additional funding in support of the recovery, reconstruction, and development process in Lebanon, as required and as appropriate.

Introduction

The Second Consolidated Progress Report on Activities Implemented under the Lebanon Recovery Fund (LRF) is submitted to the LRF Steering Committee for onwards submission to Donors contributing to the LRF, in fulfilment of the reporting provisions of the LRF Terms of Reference, the Memorandum of Understanding (MOU) between the UNDP Multi-Donor Trust Fund Office (MDTF Office) and Participating UN Organizations, and the Letter of Agreement (LOA) between the MDTF Office and Donors. The MDTF Office represents UNDP as the Administrative Agent of the LRF. This second consolidated narrative and financial report of the LRF covers the period from 1 January – 31 December 2008, but also includes comprehensive information on projects approved in the first year of LRF-operations, 2007. The Progress Report provides information on progress made in the establishment and implementation of projects funded by the LRF, as well as the common challenges faced and lessons learned.

By the end of the reporting period (31 December 2008), the LRF Steering Committee had approved funding for eighteen projects (including extensions) executed by six Participating UN Organizations. Building on the lessons learned to date, including shortcomings and achievements, the LRF will continue to strengthen its governance and implementation mechanisms, and to enhance monitoring and evaluation of its activities at the project level. It will further contribute to strengthening national institutional capacity, ensuring that every effort is made to sustain the recovery process in the country.

Report structure

This Progress Report is a consolidation of individual project-level progress reports submitted by Participating UN Organizations. Due to the lack of “clusters” or thematic areas of support under the LRF, the report is consolidated on the basis of individual projects and the Progress Report is structured thereafter. Chapter One provides a review of the strategic framework of the LRF as well as the establishment of the LRF. Chapter Two provides an overview of the LRF’s governance and fund management arrangements and decision-making bodies. Chapter Three provides an update on project approvals and implementation status during the reporting period as well as highlights of key project implementation progress, with details to demonstrate the achievements, challenges, and lessons learned to-date. Chapter Four provides an overview of the financial performance of the LRF and includes data and analysis extending to the first quarter of 2009 on the basis of unofficial figures received from the operational units of the Participating UN Organizations. Chapter Five elaborates on efforts made to ensure LRF transparency and accountability.

1. Strategic Framework

The Lebanon Recovery Fund (LRF) was established at the request of the Government of Lebanon and enables Donors to pool their resources and rapidly provide funding in the aftermath of the July 2006 war between Lebanon and Israel.

The month-long war caused immeasurable destruction to the lives, livelihoods, and social and physical infrastructure of the people of Lebanon. Prior to the conflict, the Government of Lebanon had prepared a reform agenda that sought to place the country on a path to solid growth and sustainable development. The war and the subsequent total land, sea, and air blockade imposed by Israel resulted in a major setback to the country's encouraging economic outlook and to the reform agenda that the Government of Lebanon had elaborated.

The Government presented a strategy for a national early recovery process at the Stockholm Conference for Lebanon's Early Recovery, hosted by the Government of Sweden in close collaboration with the Government of Lebanon and the United Nations, on 31 August 2006. At the conference the Government presented its early recovery priorities, and a number of Donors pledged their support. The early recovery process included initial quick-impact, sector-based initiatives developed to respond to Lebanon's most critical needs.

According to the strategy, the Government provides overall coordination of the recovery process, ensuring that initiatives are in alignment with national priorities, and projects are implemented in close coordination with partners, including UN agencies, bilateral development agencies, and international and local non-governmental organizations.

The LRF, as stated in its Terms of Reference of 3 November 2006, finances Government-approved priority recovery and reconstruction projects that can be executed with the support of Participating UN Organizations, in partnership and cooperation with government and non-governmental organizations, within the scope and time frame of national priorities. It also facilitates the Government's coordination of international assistance and enables the Government to ensure transparent fund administration and project implementation in line with its reform agenda.

The LRF complements other funding mechanisms that may be used by the Government and United Nations organizations, and its arrangements seek to ensure that:

- each project approved for funding is part of a Government-approved priority programme for recovery and reconstruction activities based on and formulated in consultation with concerned line ministries and beneficiary communities and, to the extent possible, Donors and other stakeholders;
- the activities financed through Participating UN Organizations are implemented, to the extent possible, directly by or in collaboration with national implementation partners, under the overall ownership and leadership of the Government, to ensure sustainable local capacities; and
- funding and implementation are undertaken with special attention to transparency and accountability as well as to ensure prompt delivery and efficient use of donor funds.

2. Governance

The Lebanon Recovery Fund is governed by its Terms of Reference which states the governance arrangements of the LRF. Below is an overview of the main bodies involved in the review, allocation, and decision-making process as well as the fund administration of the LRF.

2.1 The LRF Steering Committee

The LRF Steering Committee (SC) provides strategic guidance and oversight, and makes final decisions on fund allocation. The SC is chaired by the Minister of Economy and Trade, or his/her designate, and composed of the Head of the Recovery and Reconstruction Cell (RCC), a representative from the Ministry of Finance, five representatives of Donors (the European Commission, the State of Kuwait, the Kingdom of Sweden, the Kingdom of Spain, and the United Arab Emirates), and the United Nations Resident Coordinator. The Committee's work is governed by the Steering Committee Terms of Reference and Rules of Procedure, operates by consensus, and meets regularly to review progress of the LRF operations and ensure reporting to all LRF Donors.

2.2 The Project Approval Group

A second-tier of review involves the Project Approval Group (PAG), which reviews and approves proposals and allocates funds for all projects specific to recovery activities. The PAG submits its decisions to the SC for endorsement on a no-objection basis within seven days of submission. The PAG is co-chaired by the Head of the RRC and the UN Resident Coordinator, and comprises leaders of the Ad-hoc Thematic Work Groups, as necessary.

2.3 The Recovery and Reconstruction Cell

The RRC is located in the Office of the Prime Minister and is the designated national entity in Lebanon responsible for prioritization of and resource allocation to recover and reconstruction. The RRC supports the work of the SC and PAG and reviews all projects submitted for funding by the LRF to ensure alignment with approved national priorities and available resources. Following its review, project submissions and recommendations are forward either to the SC or the PAG.

2.4 The Ad-hoc Thematic Working Groups

The Ad-hoc Thematic Work Groups (ATWG) are established as required to review and prioritize project proposals and submit them to the SC. The ATWG assists the RRC to review all proposals to ensure their alignment with approved national priorities and available resources.

2.5 The Administrative Agent

The United Nations Development Programme's Multi-Donor Trust Fund Office (MDTF Office) has been designated as the Administrative Agent for the LRF. Its responsibilities as Administrative Agent include the receipt, administration, and management of contributions from Donors; disbursement of funds to the Participating UN Organizations in accordance with instructions from the Steering Committee; and consolidation of narrative and financial reports produced by each of the Participating UN Organizations as well as provision of these reports to the Steering Committee for onward submission to Donors.

3. Project Approval and Implementation Updates

3.1 Project Approval Status

The first project under the LRF was approved in May 2007. An additional nine projects were approved and funds transferred during 2007. During the current reporting period (1 Jan. – 31 Dec. 2008), an additional eight projects were approved and received funding (including four projects that were originally approved in November 2007, but submitted for funding in January 2008). The eighteen projects approved for funding by the LRF Steering Committee as of 31 December 2008 amount to a total of \$33,426,023. The eight projects that received funding during the reporting period (1 Jan. – 31 Dec. 2008) amounted to

The eighteen projects were executed by six Participating UN Organizations: ten projects by the United Nations Development Programme (UNDP) that received \$20,790,161 (62 percent of total funds transferred to Participating UN Organizations); three projects by the Food and Agriculture Organization (FAO) amounting to \$5,870,670 (18 percent); one project by the United Nations Industrial Development Organization (UNIDO) amounting to \$3,000,000 (9 percent); two projects by the United Nations Educational, Scientific and Cultural Organization (UNESCO) totalling \$1,587,226 (5 percent); one project by the International Labour Organization (ILO) that received \$1,183,108 (4 percent); and one project by the United Nations Population Fund (UNFPA) with an approved budget of \$994,858 (3 percent).

Table 3.1, below, provides details on the eighteen projects approved for funding by the LRF Steering Committee as of 31 December 2008.

Table 3.1 LRF Steering Committee Approved Projects 1 Jan. 2007 – 31 Dec. 2008				
Steering Committee Approval Date	Project Number	Project Title	Participating UN Organization	Approved Budget (USD)
7 May 2007	LRF-1	Community Energy Efficiency and Renewable Energy Demonstration Project for the Recovery of Lebanon (CEDRO I)	UNDP	2,732,240
7 May 2007	LRF-2	Support for Livelihoods and Economic Recovery in War-Affected Areas of Lebanon	UNIDO	3,000,000
12 Jun 2007	LRF-3	Early Recovery Assistance for the Horticulture Smallholder	FAO	1,370,670
12 Jun 2007	LRF-4	Early Recovery Assistance to War-affected Resource-poor Livestock Keepers in South Lebanon	FAO	1,900,000
12 Jun 2007	LRF-5	Local Socio-economic Recovery in War-affected Areas in South Lebanon	ILO	1,183,108
7 May 2007	LRF-6	Building of Human Resources for Digital Documentation of World Heritage Sites Affected by the War	UNESCO	767,226
3 Oct 2007	LRF-7	Enhance Performance of the Social Sector	UNDP	270,000

10 Oct 2007	LRF-8	Increased Integration of the Poor Disabled	UNDP	1,400,000
10 Oct 2007	LRF-9	Flood and Water Management for Livelihood Recovery in Baalback-Hermel	UNDP	2,843,880
10 Oct 2007	LRF-10	Country Energy Efficiency and Renewable Energy Demonstration Project for the Recovery of Lebanon (CEDRO II)	UNDP	3,500,000
5 Nov 2007 (transfer in 2008)	LRF-11	Strengthening the Dairy Production Channel in North Lebanon	UNDP	1,000,000
5 Nov 2007 (transfer in 2008)	LRF-12	Women Empowerment: Peaceful Action for Stability and Security (WE PASS)	UNFPA	994,858
5 Nov 2007 (transfer in 2008)	LRF-13	Socio-economic Rehabilitation and Recovery of War-affected Beirut and its Suburbs	UNDP	996,919
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	2,600,000
21 Aug 2008	LRF-15	Enhancing ICT in Education	UNESCO	820,000
19 Sept 2008	LRF-16	Country Energy Efficiency and Renewable Energy Demonstration Project for the Development of Lebanon (CEDRO III)	UNDP	3,500,000
19 Sept 2008	LRF-17	Flood Risks Prevention and Management in Baalbeck - Hermel	UNDP	3,800,000
24 Oct 2008	LRF-18	Recovery Coordination Support in Lebanon	UNDP	747,122
Total				33,426,023

3.2 Project Implementation Status: Achievements and Challenges

Projects approved under the LRF, eighteen in total as of 31 December 2008, are designed to address and attempt to mitigate the effects of the destruction caused to the lives, livelihoods, and social and physical infrastructure of the people of Lebanon by the month-long war in July/August 2006. The war, coupled with the subsequent total land, sea and air blockade imposed by Israel, resulted in a major setback to the country's encouraging economic outlook and to the reform agenda that the Government of Lebanon had elaborated. The war also resulted in a longer-term unstable socio-economic and political environment in the country, posing initial challenges to and affecting the start-up of projects approved for funding under the LRF in the initial phases of the trust fund.

3.2.1 Energy efficiency and renewable energy (CEDRO I, II, III) - UNDP

The LRF Steering Committee has approved three phases of a project to be executed by UNDP in the area of energy efficiency and renewable energy. The project, “Country Energy Efficiency and Renewable Energy Demonstration Project for Recovery of Lebanon (CEDRO)” (LRF-1, LRF-10 and LRF-16) has been approved for a total of \$9,732,240. The three phases of the project are CEDRO I: October 2007 – December 2009; CEDRO II: January 2009 – January 2011; and CEDRO III: January 2010 – October 2012. As of 31 December 2008, the CEDRO I was the only phase of the project that was operational with a reported expenditure of \$329,910 (12 percent of the CEDRO I budget). CEDRO II was scheduled to be initiated in January 2009 whereas CEDRO III is expected to start in January 2010, and both will therefore be reported on in future Progress Reports.

Background

Lebanon imports around 97% of its energy needs in the form of fossil fuel. In 2004, the national energy bill amounted to around USD 1.6 billion (around 20 percent of the annual public expenditure), increasing in 2005 to USD 2.1 billion (around 26 percent of the annual public expenditure). Despite major steps taken by the Government of Lebanon since 1990 towards improving the electricity sector, the sector still faces major challenges, including the inability to meet increasing national energy demands as well as large financial subsidies provided to Électricité du Liban (around USD 1.0 billion in 2006). As a result of the July/August 2006 conflict, the situation of the energy sector in Lebanon was further aggravated, leading to a reduction in electricity supply on a national level and an increase in electricity rationing. This only added to the existing electricity supply challenges faced by Lebanon and further deteriorated the living conditions in the country.

In light of this draining situation, the Government of Lebanon has placed the reform of the power sector among its highest national priorities. Given the enormity of the challenges faced by the power sector, the reform strategy has concentrated on addressing the energy supply side, without extending the scope to the demand side of energy management. The CEDRO project therefore aims at complementing the national power sector reform strategy by targeting the necessary counterpart (end-use energy conservation).

Objective

With the approval of the three phases of the CEDRO project, the initiative has become a part of a larger framework which aims not only at supporting Lebanon’s recovery activities, but also at supporting Lebanon’s recovery, reconstruction and reform activities, namely the power sector recovery, reconstruction and reform plan.

As such, the overall CEDRO project now has three overall objectives:

- Implementation of end-use energy efficiency and renewable energy projects to reduce national energy consumption and costs
- Setting an enabling environment for the conversion of all public sector buildings and facilities into energy efficient modalities
- Setting an enabling environment for the development of a national sustainable energy strategy and action plan

To achieve this, the first phase of the CEDRO project (LRF-1, Oct 2007 – Mar 2009) targets around 50 to 60 public sector buildings and facilities in three recovery areas (South, Bekaa and Akkar) highly affected by the July 2006 conflict. The second phase of the CEDRO project (LRF-10, Jan 2009 – Jan 2011) will target around 60 to 70 public sector buildings and facilities across Lebanon and will also involve the setting of an enabling environment for the conversion of all public sector buildings and facilities into energy efficient modalities. The third phase of the CEDRO project (LRF-16, Jan 2009 – Jan 2011) supplements the aforementioned two CEDRO objectives with a third key objective which is the setting of

an enabling environment for the development and implementation of a national sustainable energy strategy and detailed action plan. The third phase of the CEDRO project is the final key component to enable sustainability and a nationwide multi-sectoral scope.

The key outputs of the CEDRO project include: 1) installation of energy efficiency and renewable energy equipments and systems in public sector buildings and facilities; 2) increased public sector awareness and knowledge on energy efficiency and renewable energy applications; 3) availability of validated data on reduced energy consumption and cost; and 4) establishment of relevant policies and procedures to enable the continued implementation of sustainable energy measures in public sector buildings and facilities.

The CEDRO project builds on the objectives of the Ministry of Energy and Water to meet increased national energy demand, and the objectives of the Ministry of Finance to reduce government financial burdens. The project's main national implementing partners are: the Council for Development and Reconstruction, the Ministry of Energy and Water, and the Ministry of Finance, who are parties to the project formulation and approval, as well as parties to strategic decision making and evaluation throughout the project lifetime.

Achievements

Despite some delays in the initial phases of the CEDRO project (see below section on Challenges), progress on meeting the outputs envisaged are notable and include the following:

In the areas of project management, project documents and proposals were prepared for CEDRO I and II; project office premises and a project management unit were set up; project staff and a Technical Backstopping Agency were recruited; and a project coordination committee was set up. Additionally, project review meetings with the LRF Technical Committee were convened in February 2008 and July 2008, with corresponding field missions and stakeholder meetings organized.

With regards to the implementation of end-use energy efficiency and renewable energy demonstration projects for public sector buildings and facilities, a number of results were reported. The preparation of targeted assessment and identification of beneficiary sites included the following outputs:

- development of a site identification strategy;
- carrying out of detailed field visits and stakeholder meetings to assess the compatibility of potential building types with envisaged energy efficiency and renewable energy applications;
- analysis of site features and identification of site selection filters and criteria;
- development and posting of needs identification form to assess the needs for energy efficiency and renewable energy equipments and systems;
- receipt of over 600 forms and analysis of data including energy consumption data;
- coordination with the Lebanese Center for Energy Conservation Project (LCECP) on ongoing energy audits;
- carrying out of outreach and coordination including a project coordination committee meeting and one-on-one meetings
- preparation of the related evaluation report
- preparation of the final list of 60 beneficiary sites

In the area of development of technical specifications and tender documents for the envisaged implementation sites, and launching of the bidding and procurement process for the supply and installation of EE/RE equipments/systems, the following outputs were reported:

- preparation, posting of and evaluation of the received expressions of interest, and announcement of the short-listed companies;

- launching of a request for proposal for the supply and installation of photovoltaic lighting systems;
- launching of a request for proposal for the supply and installation of solar water heater systems for four public hospitals;

Efforts towards setting an enabling environment for the conversion of public sector buildings and facilities into energy efficient modalities included:

- development and dissemination of the first project brochure in both English and Arabic;
- participation in the annual Energy Week at the Order of Engineers and Architects in Beirut (with an outreach to around 150 engineers)
- participation in the Omsar municipalities workshop at the Grand Serail (with an outreach to around 200 municipalities);
- identification of all relevant project partners and potential members of the project steering committee followed by the organization of the CEDRO first stakeholder meeting (with an outreach to around 100 stakeholders);
- issuing of newspaper releases and magazine articles (national coverage);
- organization of press conference for the launch of the CEDRO implementation phase
- networking and coordination with national project partners and stakeholders, such as the Lebanese Order of Engineers, Ministry of Energy and Water, Ministry of Public Works etc.; and
- synergy with the on-going UNDP project at the Ministry of Energy and Water, Lebanese Centre for Energy Conservation Project (LCECP) on ongoing energy audits and activities to build on the project's technical know-how, experience on the ground and lessons learnt during the implementation of energy efficiency and renewable energy activities. This entails exchange of technical data and lessons learnt as well as brainstorming session to coordinate and maximize efforts for project implementation,

Challenges

The project is reported as having experienced some delays in its initial phases. Although CEDRO I (LRF-1) was approved by the LRF Steering Committee on 12 June 2007, the UNDP Project Document was not signed until 10 October 2007. As such, as reported on in the 2007 LRF Progress Report, the actual start date of the CEDRO I activities was 10 October 2007. As reported above, CEDRO II and III were expected to start in January 2009 and January 2010 respectively.

The CEDRO I project (LRF-1) experienced some delays related to two major issues: the technical backstopping agency and the security situation in Lebanon. Initially, some delays were experienced in undertaking the necessary procurement clearances from UNDP headquarters for contracting the technical backstopping agency. Later in the year, additional delays were experienced in the delivery of the required technical tender documents for the procurement of equipment from the technical backstopping agency. On the other hand, the security situation in Lebanon and related UN security requirements caused delay in identifying a project office that met security standards while clearances for site visits and field missions of the international consultants had to be rescheduled many times as a result of the unstable security situation in the country. Given the aforementioned delays, CEDRO I is to be extended to the end on 31 December 2009.

Future Work Plan

The total expected budget for 2009 for CEDRO I and II is estimated at USD 1.4 million. In summary, these two phases of the project are expected to undertake the following activities in 2009:

- Award contracts for tenders launched in 2009 which include the installation of solar water heater and energy efficient appliances in over 30 sites;

- Monitor and supervise the installation and commissioning of these equipment in the different sites;
- Continue undertaking technical site assessments for the first batch of beneficiary sites;
- Accordingly develop new tender documents for the installation of additional renewable energy and energy efficiency technologies based on needs and technical criteria;
- Initiate a second round of call for beneficiaries in the target areas and undertake technical evaluations to short-list another 30 sites for this year;
- Launch a second international call for expression of interest for suppliers of renewable energy and energy efficiency equipment with technical and financial requirements based on the lessons learnt from the first round;
- Issue tender documents to the second round of pre-qualified firms;
- Undertake at least five technical training workshops, including the development of appropriate training material;
- Continue with awareness raising activities and material, including the launch of the project website;
- Initiate the establishment of a project database that integrates energy data from all national public facilities and is GIS-based.

3.2.2 Support for livelihoods and economic recovery - UNIDO

UNIDO's project "Support for Livelihoods and Economic Recovery in War-affected Areas of Lebanon" (LRF-2, \$3,000,000) was approved for funding in May 2007. Overall, the project is reported to be on schedule and achieving its objectives. As of 31 December 2008, the project reported an expenditure rate of 62 percent (\$1,849,837) of funds received.

Objective

The objective of the project is to support economic recovery and restore industrial units in war-affected areas of Lebanon and thereby generating employment and alleviating poverty in the country. Supporting this, the project's immediate objectives include a) providing strategic support to the Ministry of Industry to monitor and implement the programme for the rehabilitation of the agro-industrial sector and b) providing technical assistance and inputs for the rehabilitation of damaged agro-processing facilities both in rural and urban areas.

The project aims to achieve its objectives through rehabilitating a number of SME agro-enterprises in South Lebanon, the Bekaa Valley Area and the Southern Suburb of Beirut. The project inputs, i.e. rehabilitation work, provision of equipment and capacity building, are based on a comprehensive action-plan. The action-plan and its ensuing activities are prepared and agreed upon by all stakeholders in accordance with the Project Document.

The project has made considerable strides towards meeting its objectives to support economic recovery and restore industrial units in war-affected areas of Lebanon, thereby generating employment and alleviating poverty in the country.

Achievements

While the project did face some initial delays in 2007, primarily due to the political situation in the country, during the current reporting period it has made significant progress. The project continues to support the restoration of the economic activities within micro, small and medium sized agro-industries that were damaged during the war in 2006; more specifically the project support enterprises within the food and beverage, olive oil, textile, leather and wood work sectors. The enterprises are located in South Lebanon, the Bekaa Valley and in the Southern Suburb of Beirut. The achievements made in relation to

the performance indicators (as per the project document) are as follows:

Restored economic activities and diversification of economic/income generating activities:

- Support in the form of equipment, building restoration and capacity building has been rendered to 122 entities (88 enterprises, 3 business associations, 6 government institutions and 12 university students).
- Among the 88 enterprises, 39 have received support in the form of equipment and 8 have had their premises renovated.
- 32 enterprises not listed as possible beneficiaries have become associated with the project through participation in capacity building activities.

Increased food security in households:

- Equipment began arriving in October 2008 and its installation and commissioning is ongoing. The restarted production is expected to impact positively on the food security of the enterprise owner's households and their employees.
- In view of the cultural traditions it is expected that impact of the support, i.e. the restoration of enterprises and provision of equipment, in some cases will reach beyond the nuclear families into the adjoining family levels.

Project is implemented efficiently and in accordance with the work plan:

- Implementation of the project is on schedule and in accordance with the work plan.
- Initially, implementation was negatively affected by the country's political situation, but the PMU has continuously taken steps to keep the project abreast with the implementation plan.

A minimum of 75 to 100 agro-enterprises restored and operational:

- The project has so far provided 161 units of support, i.e. capacity building, civil works and equipment. Of these, 125 (78%) have been for enterprises, 3 targeting business associations, 8 for government institutes and 25 for university students who requested to participate in capacity building activities.

Number of jobs created

- Equipment began arriving in October 2008 and is in the process of installation.
- The refurbished enterprises are expected to generate new employment opportunities in their respective areas.

Action-plan agreed upon by all stakeholders

- A work plan was produced and agreed with the PSC.
- Procurement of equipment and building renovation works were formally agreed with the beneficiaries prior to their implementation.

Figure 3.1, below, summarizes the support rendered by the end of the reporting period (31 Dec. 2008). Of the 122 entities, 88 are enterprises and among these are 32 enterprises which were not among those initially identified. They became informed about the various capacity building/training activities and requested to participate. Consequently, the project supports a higher number and a wider spectrum of enterprises than was initially planned for. This has been made possible for two reasons:

- The awareness of the project amongst the population in general has been achieved through media coverage, by word-of-mouth within the business community and through the project staff's participation in other organizations and project meetings, workshops and symposia that relate to the project's aims and objectives. Often, such participation has included requests for the project staff to present issues about the project.
- Collaboration with other projects, such as the UNIDO Food Safety Project, Quality Project for Lebanon (QUALEB), the Market Access and Compliance of Lebanese Export (MACLE) project, Euro-Lebanese Centre for Industrial Modernization (ELCIM), the Lebanese Cleaner Production

Centre (LCPC) and business associations such as the Syndicate for Lebanese Food Industries (SLFI), the Association of Lebanese Industrialists (ALI) etc.

Figure 3.1 Overview of Support Rendered under LRF-2 (UNIDO) as of 31 Dec 2008

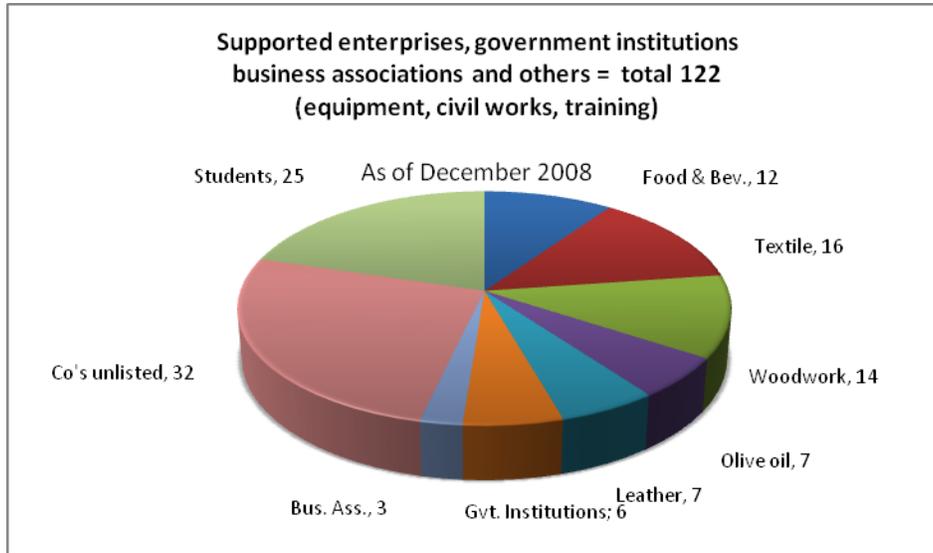
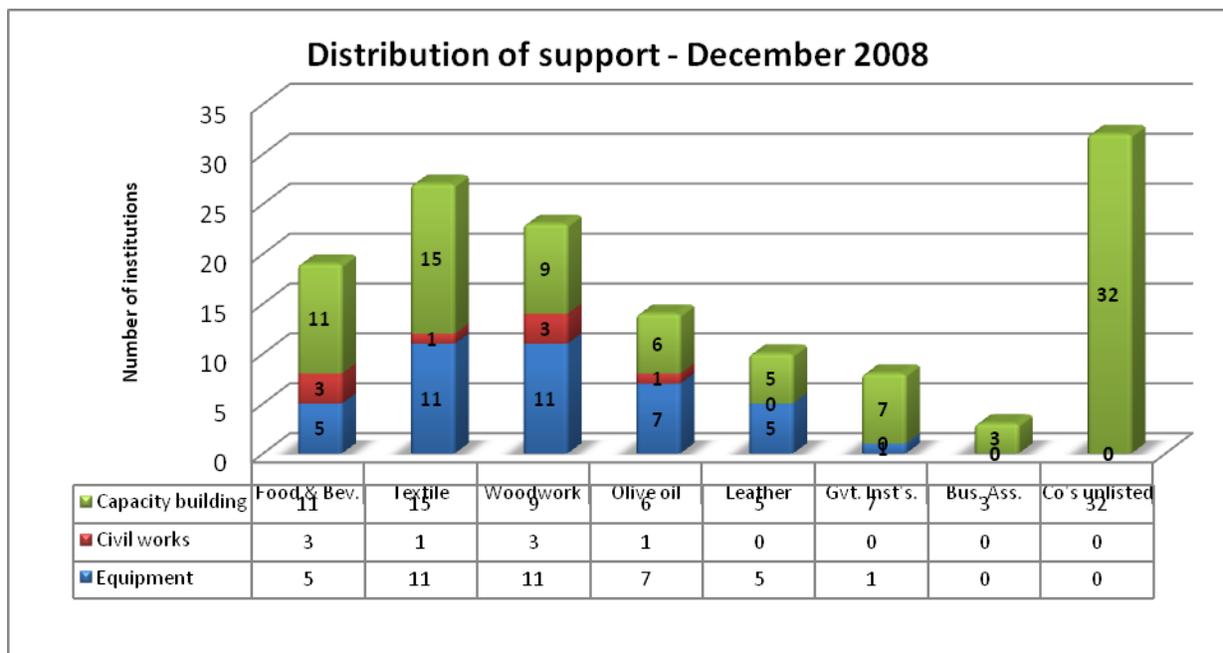


Figure 3.2, below, provides an overview of the type and distribution of support per sector. Among the 12 enterprises in the food & beverage sector, 5 are supported with equipment, 3 with civil works and 11 have participated in capacity building/training activities.

Figure 3.2 Overview of Distribution of Support under LRF-2 (UNIDO) as of 31 Dec 2008



As shown in Figure 3.2, the government institutions (i.e. the Ministry of Industry, the Industrial Research Institute, the Ministry of Agriculture, the Ministry of Economy and Trade and the Financial Institute)

have also received capacity building support. Similar support has been rendered to the business associations (i.e. the Association of Lebanese Industrialists and the Syndicate of Lebanese Food Industrialists), in addition to 32 companies not previously listed under the project which have received support in the form of participation in capacity building activities.

Equipment and capacity building has been provided to companies in all five sectors supported by the project (i.e. food & beverage, textile, woodwork, olive oil and leather. With the exception of the leather sector, civil works has also been provided to all sectors.

Capacity building, one of the major activities in achieving the project objectives, has been carried out as direct training and study tours to relevant fairs and trade shows. The trainers for the different courses have been both local and international and activities have taken place both inside and outside Lebanon. A complete overview of the activities undertaken under this project is available in the individual project progress report which may be requested from the MDTF Office, or directly from UNIDO.

Photos from the project are available on the LRF website (www.undp.org/mdtf/lebanon/).

Challenges

Though the project is on schedule according to the work plan and is achieving the expected results, numerous brief suspensions of implementation activities have been faced since its inception. These suspensions have primarily been due to the fragile political situation of the country and the armed clashes that has taken place during the project period. Project management has continuously taken steps to ensure progress and, while there initially were delays in the project's implementation, these have been overcome and the project brought back on schedule in line with the work plan.

Future Work Plan

Project implementation is on track and in line with the work plan, and no adjustments were made either to the work plan or the budget during the reporting period. No adjustments are foreseen for the 2009-implementation and reporting period. However, based on the success of the project and additional requests from beneficiaries for assistance, the project developed a proposal for additional funding from the LRF in order to assist more enterprises. The proposal was submitted by UNIDO and approved by the LRF Steering Committee on 1 April 2009 and was awarded \$1,500,000 in additional funding (*LRF-20; Support for Livelihoods and Economic Recovery in War-Affected Areas of Lebanon, Phase II*).

3.2.3 Assistance to horticulture smallholders and livestock keepers - FAO

FAO's project "Early Recovery Assistance for the Horticulture Smallholder" (LRF-3, \$1,370,670) was approved for funding in June 2007. All the activities for assisting resource-poor farmers were completed during the current reporting period and in accordance to the project work plan. As of 31 December 2008, FAO reported \$1,207,146 (88 percent) in expenditure under this project. A no-cost project extension until April 2009 has been requested.

Background

Following the hostilities in Lebanon in the summer of 2006, and at the request of the Government of Lebanon, FAO conducted jointly with the Ministry of Agriculture a "Damage and Early Recovery Needs Assessment of Agriculture, Fisheries and Forestry" mission. To meet the recovery needs of the most vulnerable, war-affected horticulture farmers and respond to the national reconstruction goals of Lebanon, a project was developed in order to support farmers through the replacement of lost assets. The improved greenhouse design has contributed to an increased harvest of high quality produce. In addition, the project has introduced nurseries in remote areas, thus introducing a supply of plantlets farmers. FAO is distributing high quality hybrid vegetable seed of certified origin, in compliance with FAO international

standards and registered with the Ministry of Agriculture in Lebanon. All plant protection products are registered in Lebanon. All these measures are to provide a sustainable vegetable production system in south Lebanon and introduce innovative agricultural practices that will benefit the farming community and contribute to poverty alleviation in the long term. The main implementing partners with FAO include Ministry of Agriculture, local municipalities, farmers unions and farmer cooperatives.

Objective

The overall objective of the project is to improve horticulture practices in Lebanon by improving cultivars, planting densities, greenhouse structure, Good Agriculture Practices (GAP), efficiency-use of water, fertilizers and rational use of low toxicity pesticides for the production of organic vegetables. The key immediate objective of the project is to provide support to the lives and livelihoods of 1,600 resource-poor and vulnerable horticulture farmers – with critical crop harvest losses – in south Lebanon who were severely affected by the July/August 2006 hostilities.

The project aims to meet these objectives through knowledge transfer and by: 1) enabling small-scale farmers to resume crop production activities and technical improvement of the production systems; 2) improving water and fertilizer efficiency through effective use of localized/adapted drip irrigation systems; 3) building the capacity of farmers and stakeholders regarding the needs and means to rehabilitate the horticulture sector; and 4) enhancing the design of greenhouses for improved quality harvest and higher yields. In summary, it is expected that these improvements in agriculture practices in south Lebanon will help provide the essential nutrients for the family diet of targeted vulnerable groups and also help generate much needed household income.

Achievements

All the activities for assisting resource-poor farmers were completed during the current reporting period and in accordance to the project work plan. FAO provided assistance to 1,846 beneficiaries in 77 villages (246 more beneficiaries than originally planned in the project document). The activities completed may be summarized as follows:

- Installation of 50 crop production greenhouses, four plant nurseries, procurement of 1 000 low tunnels for open field farming, and upgrading of 40 single and double span greenhouses.
- Distribution of high quality vegetable seeds (cucumber, melon, squash, snake melon, okra and bean) to open field farmers and 60,000 grafted plantlets from high quality, high yielding vegetable seed (tomato and cucumber) were distributed to plant nursery greenhouse farmers in September in time for the autumn cropping season.
- Completed distribution of fertilizers, including organic fertilizer and peat to enrich the soil with nutrients for improved crop production, quality and increase yield.
- Procurement of low toxicity plant protection products for pest control.

In addition, considerable training and capacity building of farmers and stakeholders was undertaken during the reporting period. Training sessions on good agriculture practices and plant grafting were conducted in September and October 2008 to all greenhouse farmers and technical support was also provided to open-field farmers during site visits. The four plant nursery farmers received training on plant grafting during the months of September and October in order to prepare the plantlets for the fall cropping cycle. In addition, the training materials for distribution were produced, including four technical manuals in Arabic (Greenhouse Design and Construction, Good Agricultural Practices in Greenhouse Crops, Irrigation and Fertigation Management of Greenhouse Crops, and Vegetable Production in Open Field) and one technical manual in English on practices in greenhouse crops.

Challenges

An evaluation mission in November 2008 revealed that the horticulture and livestock projects distributed high-value, well-appreciated inputs. However, some challenges were identified, including:

- Training provided to farmers was not adequate and some farmers are not following required good practices (double door system not used in greenhouses).
- Delivery of seeds during April and May 2008 meant that some farmers did not plant for the summer crop season and saved the seeds for the next season or traded them with other farmers and used the fertilizer for their olive trees instead. Some farmers did not appreciate some of the seeds varieties, such as squash.
- Greenhouse nurseries (4) were set up at the request of the Ministry of Agriculture; however, the Mission mentions that a “market research and feasibility study” for each nursery should have been carried out. The adequacy of this intervention was done by FAO so perhaps some of the beneficiary owners of these nurseries may not know how to market their products to make a viable business.
- Open-field farmers received only small quantities of seeds and fertilizers so not high impact from FAO intervention.

Future Work Plan

In order to enhance the training carried out in September and October, FAO will continue training and technical assistance to farmers during January and February 2009. As some of the agriculture practices are new to farmers, practical and on-farm training is necessary. Furthermore, the recommendations of the above-mentioned evaluation will be taken into account. In order to carry out these recommendations for further training to beneficiaries to maximize the impact of FAO’s activities, a no-cost extension has been applied for and the project closing date is expected to be 30 April 2009.

3.2.4 Assistance to horticulture smallholders and livestock keepers - FAO

FAO’s project “Early Recovery Assistance to War-affected Resource-Poor Livestock Keepers in South Lebanon” (LRF-4, \$1,900,000) was also approved by the LRF Steering Committee in June 2007, though the majority of project implementation took place during the current reporting period. All activities of the project were completed and carried out in accordance to the established project work plan. As of 31 December 2008, FAO reported an expenditure rate of 95 percent (\$1,802,748) under this project.

Background

Livestock smallholders in South Lebanon had little resources prior to the hostilities and in the aftermath of the 2006 conflict. These farmers saw their income decrease dramatically or disappear due to the loss of their livestock. Many farmers who fled their villages came back to find their livestock dead from starvation or thirst. FAO’s project for livestock keepers aimed to help kick-start activities and assist in the reconstruction their livelihoods through the restocking of cattle, female baladi goats, male shamee goats, and animal feed. The current project is the outcome of the joint FAO-Ministry of Agriculture (MOA) “Damage and Early Recovery Needs Assessment of Agriculture, Fisheries and Forestry” completed in November 2006. The exercise evaluated the overall damage caused to the farming and fishing communities and elaborated an early recovery programme for the immediate needs of the most vulnerable farming and fishing communities in the affected areas. Since the assessment was carried out jointly, the priorities of the MOA are a fundamental part of the project. The main implementing partners with FAO include MOA, local municipalities, farmers unions and farmer cooperatives.

Objective

The overall objective of the project is to improve the food security, nutritional and economic status of low-income rural families by initiating comprehensive recovery measures to support the war-affected

livestock smallholders, mainly by restocking and distribution of animals (dairy cattle, goats, and animal feed). The immediate objectives are the improvement of the lives and livelihoods of 715 war-affected livestock owners with special emphasis on female-headed households, through restocking of animals.

Achievements

All planned procurement and distribution of livestock and feed was completed during the reporting period and the project had reached a delivery rate of 95 percent. Training on livestock dairy production and animal health was completed in October 2008.

More specifically, the project has achieved the following results:

Identification of Project Sites: FAO provided support to livestock farmers located in 50 villages south of the Litani River. The criteria for selection were as follows: 1) farmers must be from villages hit by the heaviest battles during the conflict, with the most damage and losses of animals; 2) villages with the most vulnerable populations in terms of poverty and deprivation in the area; and 3) livelihoods of the beneficiaries based traditionally on animal production activities.

Identification of Project Beneficiary Farmers: All project beneficiaries were identified and validated in collaboration with the MOA. The categorization and prioritization of project inputs and beneficiaries were approved by the first PSC and endorsed by the second PSC.

Procurement and delivery of project inputs: All FAO planned inputs were delivered to beneficiaries between May and July 2008 and include 202 dairy heifers originating from Holland and Germany, 99 male shamee goats from Cyprus, 1,500 local baladi goats and 1,500 kids, 200 tonnes of animal feed concentrate from Holland and 190 tonnes of alfalfa pellets from a local supplier in Lebanon.

- *Pregnant heifers:* Distribution of 202 heifers was completed in July 2008. Calving of the pregnant heifers was completed in October 2008. In accordance to the recommendations made by the Evaluation Mission, FAO carried out on-site training to dairy farmers on improved milk production and processing techniques to maximize dairy production. Some of the farmers required follow up technical assistance and training in order to sustain good animal production practices.
- *Shamee Bucks:* During the previous reporting period, 99 pure-bred Shamee bucks originating from Cyprus arrived May 2008 and had received all vaccinations and health treatments from FAO veterinarian.
- *Baladi Goats:* Local “baladi” goats currently show a low milk production, not exceeding 150 to 200 litres per lactation. Genetic improvements for milk production using pure breeding Shamee bucks is highly appreciated by farmers for mating goat flocks. FAO completed distribution of 1 500 baladi goats together with 1,500 kids in late July 2008.
- *Animal feed:* FAO delivered 200 tonnes of animal feed concentrate and 190 tonnes of alfalfa pellets to beneficiaries. Each beneficiary of a dairy heifer received a three-month supply of feed concentrate and alfalfa pellets to ensure the heifers are adequately fed. Further training will be provided to farmers on feeding techniques and animal care in January and February 2009 as some of the heifers are underweight and living conditions are below recommended standards.

In the areas of training and capacity-building, activities were also undertaken. Training to livestock farmers was conducted before and after the distribution of animals. During the reporting period, training was carried out in September and October 2008 and focused mainly on milk processing technologies and animal feed resources. Technical assistance needs to continue in south Lebanon to improve the livestock sector to better utilize the potential local feed resources (forages, crop residues, by-products

and non-conventional feeds) with efficient supplementation (such as protein foliage, multi-nutrient blocks) through farmers training. Farmers are currently struggling with the high costs of animal feed.

The project has targeted the resource-poor livestock keepers in targeted villages and this support is expected to help in various cross-cutting issues such as poverty alleviation and food security. Livestock around the world are considered a valuable asset and animal production provides needed household income and provides the necessary nutrients to supplement the family diet. In addition, by targeting women and widows, the project is able to empower these female headed households in order to provide for their families the basic household necessities.

Challenges

An independent evaluation mission in November 2008 revealed that the livestock project distributed high-value, well-appreciated inputs. However, it also pointed out some challenges that remain, including:

- Further training and technical assistance is required by livestock farmers; particularly for veterinary services and animal husbandry extension is necessary for farmers. During the project cycle, only limited on-farm training was carried out and much of the training was of a theoretical nature. Therefore, further assistance to cattle and goat beneficiaries should help to maintain and improve dairy production levels.
- Agricultural advisory services are weak in Southern Lebanon and will not likely be able to keep up the work initiated by the project.
- Supporting laboratory with minimal capacity could provide essential information to veterinarians to perform adequate diagnosis and therefore proper treatment.
- Environment and the management standards of many visited livestock beneficiaries are poor, which might explain the low performance of heifers and Shamee bucks. (A local veterinarian hired by the project estimated that about 30% of beneficiaries had poor animal husbandry standards).

Future Work Plan

In order to implement the above recommendations indicated by the evaluation mission, FAO has revised the project closing date to 30 April 2009. This will allow also FAO technical staff to provide livestock farmers with more practical, on-farm technical assistance.

3.2.5 Local socio-economic recovery - ILO

The ILO-executed “Local Socio-economic Recovery in War-affected Areas in South Lebanon” (LRF-5, \$1,183,108) was approved for funding in June 2007 and project implementation was initiated in August 2007 with most planned activities completed as of the end of the reporting period. A second phase of the project (LRF-22; \$1,500,000) was approved by the LRF Steering Committee on 15 April 2009. As of 31 December 2008, the project reported an expenditure rate of 84 percent (\$997,583) of the funds received.

Objective

Through a participative, integrated, bottom-up approach, the project aims at rapidly implementing socio-economic recovery activities and enhancing the capacities of institutions at the community level. It is working in coordination with local public, private and civil society institutions and the UNDP ART Gold Regional and Municipal Working Groups to build the economic and planning capacities of local communities. The purpose is to enable local communities to play a leading facilitative role in the development of strategically planned, locally-driven and locally implemented livelihoods recovery projects for the Bint Jbeil caza.

The expected outcomes of the project are to enhance the implementation capacities of local stakeholders (public, private and civil society stakeholders) in identifying and providing direct services to recover sustainable livelihoods, and to contribute to the local economic recovery of Bint Jbeil caza through the rapid implementation of integrated socio-economic activities (with a focus on micro and small enterprise recovery, employment and income generation revival).

The project principally targets:

- Quick impact recovery projects, in partnership and cooperation with governmental and non-governmental institutions, within the framework of national priorities.
- Each project approved for funding is part of a Government-approved priority for recovery activities, based on and formulated in consultation with concerned line ministries and beneficiary communities and, to the extent possible, donors and other national stakeholders;
- Projects are nationally executed by implementing partners, under the overall ownership and leadership of the Government, to ensure sustainability of results through capacity building;
- Funding and implementation are undertaken with special attention to transparency and accountability, as well as prompt delivery and efficient utilization of donor funds.

Achievements

Since its inception in August 2007, the project has utilized a participatory approach to address the local socio-economic needs of the Bint Jbeil caza. This approach relies on the active involvement of local stakeholders involved in the Olive Oil and Beekeeping sectors to design and implement recovery projects.

During the reporting-period, a two-week workshop for the Beekeeping sector was organized in South Lebanon (February 2008), involving more than fifty local stakeholders from the private, public and civil society sectors. Diagnoses of the strengths and weaknesses of the four components in the value chain of honey production (e.g. productivity, marketing, strengthening of supporting institutions, training and capacity development initiatives) were carried out. Based on this analysis, the participants proposed and agreed on several inter-related projects covering the identified needs (e.g. organization of the sector, training, marketing, access to credit).

The project partnered with local and international institutions to implement local economic recovery initiatives in Bint Jbeil caza as prioritized by the local stakeholders in the Olive Oil and the Beekeeping PVCA workshops. Moreover, in response to the recommendations of the PVCA Beekeeping workshop in South Lebanon (February 2008), a Local Beekeeping Forum was established. This Forum continues to meet regularly to conduct assessments, propose projects, provide technical and operational advice and present development guidelines for the sector. Beekeeping projects are being implemented under the supervision of the Forum.

With regard to the component on small and medium enterprise (SME) development, three local microfinance institutions (ADR, Al Majmoua and Ameen) participated in a Training of Trainers workshop on Business Management Training. The workshop (June 2008) was attended by 15 trainees/trainers representing the three microfinance institutions and other related stakeholders, such as the Ministry of Industry, Chamber of Commerce, Beekeeping Union, Union of Cooperatives and entrepreneurs involved in the targeted sectors.

Al Majmoua Lebanese Association for Development was identified as the main implementing partner. It implemented a project of \$160,889, of which \$130,000 were spent on micro-credit loans to 104 small entrepreneurs. The remaining funds were invested in providing Business Management Training to 145 beneficiaries in the thyme, handicrafts, beekeeping and construction sectors. The project also supported

Al Majmoua by providing office equipment that enabled the organization to open a new branch in Bint Jbeil, effectively extending geographic coverage of its microfinance services.

In its continuous efforts to integrate people with disabilities in the interventions, the project also conducted two specialized vocational training workshop for these beneficiaries. The project also provided a grant/loan/business management training package to eight trainees willing to either start or improve their business, after each candidate was screened and approved by Al Majmoua.

In summary, the results of project interventions up to December 2008 are as follows:

- 270 vulnerable households regained their main source of income.
- One local economic forum created for the Beekeeping sector.
- One local economic recovery strategy developed through a participatory process for each targeted economic sector (Olive Oil and Beekeeping).
- 248 permanent jobs and 184 temporary jobs created.
- Eight grants for future activities have been allocated to local entrepreneurs.
- 104 loans already provided, with 80-100 loans anticipated in the near future.
- Six public, 43 private and 32 civil institutions trained in PVCA methodology
- Two municipal sub-projects approved.
- 40 people with disabilities have received a combination of skills and Business Management Training.
- 34 villages from Bint Jbeil caza reached and 996 direct beneficiaries were targeted.

Challenges

Some of the challenges faced, and reported on, during project implementation included:

UN joint project integration: Integrated UN projects demand regular dialogue within the teams and with partner organizations. The pace of work in South Lebanon is fast and often offers limited opportunities for a systematic knowledge sharing and collaborative initiatives. However, the common location of key partners, i.e. UNDP and FAO and a number of existing collaborative initiatives favors regular information sharing, cost efficiencies and programmatic coherence.

Capacity of local institutions: The conflict-affected South Lebanon region has suffered from weak local institutions in both the governmental and non-governmental sectors. There are a number of civil society organizations, universities and research organizations. Unfortunately, these organizations are operating with inadequate coordination arrangements and face competing demands for services, while having limited technical and organizing capacity. The ILO LSER Project has made significant efforts to involve these local partners in its programme planning, design, implementation and evaluation work and invested considerable resources in capacity development initiatives. There are also significant gaps in existing assessments and statistics for the agriculture sector.

Vocational Training Infrastructure: The limitations of the vocational training infrastructure make it difficult to refer farmers and other workers in that direction to improve their technical skills. As regards other vocational training areas, the ILO will be launching soon a large project focusing on the development of vocational skills and relevant institutional support for the construction sector with special geographical emphasis in South Lebanon.

Lessons Learned

Furthermore, a number of lessons learned have been identified by the project. Firstly, community engagement requires significant time and energy, but this can pay significant dividends. When the ILO gains the trust of partners and community stakeholders, it can increase its engagement with national and local stakeholders' and impact on job creation and poverty reduction. The work undertaken involves a

broad range of outcomes and a broad representation of local actors to reach these outcomes. While this initiative is aimed at creating more and better jobs and a stronger local community, there are other outcomes that are produced as well. Development in the LED sense is a participatory process, which strengthens social cohesion through local public-private partnerships, fosters skills development, provides institutional capacity building and lays the foundations for a sustainable development process.

Secondly, close collaboration with formal and informal community leaders ensures transparency in the distribution of benefits and encourages accountability among the community for its own development. As a result, it helps in identifying beneficiaries most in need of, and best able to use, their support.

Thirdly, based on an independent evaluation of the project carried out by a team of external consultants, some of the lessons drawn may be summarized as:

- The geographical focus of project support to livelihood recovery and improvement should remain limited to Bint Jbeil caza. *(However, given the scope for replication of the project's approach, it should promote and support its use beyond Bint Jbeil caza, without becoming involved in implementation of livelihood interventions.)*
- Support implementation of interventions higher up the Olive Oil and Beekeeping value chains, to increase their competitiveness and therefore sustainability as well as the scope of impact.
- Support at least two more PVCAs if stakeholders agree that there is potential.
- Facilitate the establishment of a forum in the Olive Oil sector, as well others for separate value chains.
- Conduct more training for stakeholders to enable them to conduct PVCAs independently.
- Fully integrate microfinance and Business Management Training in the support to value chain development.
- Seek advice from a gender specialist to increase the number of women who benefit directly from interventions supported by the project and its partners.
- Continue assistance to people with disabilities, but provide advice and support to vocational training providers to enable them to include this group in ongoing courses.
- The project should have a longer time frame of at least two years. The planned duration of the current project is too short and this has reduced its success.
- Review the effectiveness of the PVCA methodology in identifying constraints on the competitiveness of the value chain as a whole.
- Explicitly include consideration of working conditions in the PVCA methodology, not simply for its own sake, but also as a way to enhance value chain competitiveness.
- Consider dropping Business Management Training as a pre-condition for loans, especially when people have business experience already.
- Design a database for monitoring of project implementation that allows for easier extraction of information for reports, including gender specific reporting.
- For new interventions, consider commissioning small baseline surveys of intended beneficiaries, so that impact can be assessed with greater certainty.
- A comprehensive institutional and territorial mapping is likely to take too long to be of benefit to livelihood recovery projects. At the start of such projects, approaches such as informal consultations and workshops with stakeholders may suffice to collect enough information to take the most urgent strategic and implementation decisions and to ensure stakeholder participation.

Future Work Plan

A second phase of the project was approved by the LRF Steering Committee on 15 April 2009 (LRF-22; \$1,500,000). To ensure the continuity of the project activities between the end of the first phase and the beginning of the second phase, a three-month bridge (until 31 March 2009) was approved and financed by ILO.

3.2.6 Capacity building of human resources for digital documentation of World Heritage Sites - UNESCO

The UNESCO-executed “Building of Human Resources for Digital Documentation of World Heritage Sites Affected by the War” (LRF-6, \$767,226) was approved for funding in May 2007, but finalised and signed off on – and submitted for transfer of funds – only at the end of August 2007. The project is well underway with the implementation in accordance with the project document and work plans. As of 31 December 2008, UNESCO reported an expenditure rate of 41 percent (\$313,198) under this project.

Background

In the aftermath of the July-August 2006 conflict, UNESCO fielded an assessment mission for war damages on World Heritage Sites of Lebanon, and expressed concern regarding the routine maintenance of those sites and recommended to prioritize the establishment of an integrate action plan for tangible cultural heritage conservation all over the country.

UNESCO, as the Participating UN Organization executing this project, believes that the expressed urgent need for capacity building of Lebanese human resources in the field of conservation and management of heritage sites is beneficial for the reconstruction of Lebanon. The assessment mission recommended that a the digital documentation for heritage sites and its risk mapping could be launched by a limited operation on one selected World Heritage Site of Lebanon and be considered as a pilot experience that in the future would be extended to other sites. It is further envisaged that the establishment of a training tool concerning the digital documentation of heritage site with most advanced and sophisticate techniques, a tool, which should be disseminated as an on-line course, and an on-site training of DGA staff and potential sites managers, students of the University of Lebanon, will contribute to the development of the country. Furthermore, the promotion of new information technology with the purpose of heritage management, conservation and daily maintenance will ensure the impact of heritage components in Lebanon; a country rich in heritage and strong tourism potential.

The project is implemented by the UNESCO Beirut Office in collaboration with the Directorate General of Antiquities and the Ministry of Culture of Lebanon, the beneficiary of the project.

Objective

The main objective of the project is to respond to the concerns raised by above-mentioned UNESCO assessment mission. The assessment raised concerns regarding the routine maintenance of sites, and recommended to prioritise the establishment of an integrated action plan for tangible cultural heritage conservation all over the country through the establishment of risk maps and exhaustive digital technical documentation for World Heritage Sites, as well as building the capacity of human resources able to ensure the enhancement of tangible cultural heritage in the country.

Achievements

The implementation of the programme is well underway and includes the following key milestones: In the first quarter of 2008, the recruitment of a Technical Coordinator took place, followed by the publishing of this World Heritage Site bid on the UN Global market place. Following this, a number of administrative activities were undertaken, including the advertisement of a procurement notice and a tender process leading to the contracting of relevant implementers, followed by the procurement of required equipment (including a scan station and a metric camera). International consultants were selected to support the project from the University of Leuven, and a subsequent three-day training to three DGA technical and specialized staff on Leica Scan Station and Rollei Metric Camera was delivered. In December 2008, the official ceremony took place in the National Museum where the material from the UNESCO Beirut Office to the Director General of Antiquities was hand-over.

Challenges

No major challenges were reported by the Participating UN Organization.

Future Work Plan

With the required technical equipment in place, the implementation of the project activities on World Heritage Sites and the launching of the first component of the project, the laser scanning documentation and training sessions are planned. The project is on track and all activities are envisaged to be completed by the end of 2009.

3.2.7 Enhancing the performance of the public sector – UNDP

The UNDP-executed “Enhance Performance of the Social Sector” (LRF-7, \$270,000) was approved in October 2007 and initiated in November 2007. The implementation of the project is well underway and all project-related activities are expected to be completed by October 2009. As of 31 December 2008, the project had an expenditure rate of 15 percent (\$39,596).

Background

The Social Action Plan that was submitted by the Government of Lebanon to the Paris III Donors Conference in January 2007 called for a number of initiatives to enhance the performance of the social sector. This project is the implementation tool of many of the Social Action Plan recommendations. The initiatives include the elaboration of a social strategy which represents the government’s vision and policy to improve the social conditions of the population and to push the social development forward. In addition to the social strategy, the Social Action Plan emphasized the need for increasing coordination and synchronization in the delivery of social services and programs and the implementation of local development initiatives; both are crucial to improve efficiency in public social spending and implementation of social interventions.

Objective

The main objectives of the project include developing a national social development policy, strategy, and related implementation plan to enhance the effectiveness in social service delivery and implementation of social programs between public agencies and to enhance the effectiveness in the implementation of local development initiatives. The project aims at supporting the implementation of a number of reform initiatives that were called upon in the Social Action Plan to be undertaken by the inter-ministerial committee for Social Issues. It supports the Inter-Ministerial Committee to enhance the performance of the Social Sector in the country through increased coordination in the implementation of social programs and provision of social services as well as in devising and building consensus around a social development strategy.

Achievements

The project has identified three outputs and achievements have been made against all three:

Output 1: A national social strategy and related work plan developed: The preparation of TORs for consultant(s) to support the elaboration of social strategy has been completed and the recruitment is ongoing.

Output 2: Provision of Social Services and implementation of programs coordinated between MoSA, MoPH and MEHE: The identification of duplicated programmes between the Ministries of Social Affairs, Public Health, and Education and Higher Education have been completed and subsequent working sessions/meetings to discuss and reach consensus on actions to reduce duplication are ongoing.

Output 3: Implementation of local development initiatives better coordinated and synchronized with needs and priorities: Support to the elaboration of a mapping of local development initiatives implemented by the public sector has been completed, and the establishment of a national database of local development initiatives is under final revision, whereas a framework of needs and priorities/regional profiles has been initiated.

Challenges

No major challenges were reported by the Participating UN Organization.

Future Work Plan

All project-related activities are expected to be completed by October 2009. By then, it is expected that the Inter-Ministerial Committee will have endorsed the National Social Strategy, a plan for reduction of duplication of social services and programs elaborated and duplication reduction activities is initiated and a mapping and database of local development project is produced and disseminated and a framework of development needs and priorities developed.

3.2.8 Increasing integration of the poor disabled - UNDP

The UNDP-executed “Increased Integration of the Poor Disabled” (LRF-8, \$1,400,000) was approved in October 2007. Project implementation is on track and all activities are envisaged to be complete by April 2009, as planned. As of 31 December 2008, the project had an expenditure rate of 60 percent (\$842,469).

Background

The Social Action Plan that was submitted to Paris III International Donor Conference in January 2007 highlighted the need to implement projects with immediate positive impact on improving the lives of the poorest and most vulnerable groups in Lebanon. Within this framework, the Government of Lebanon is keen to put into action around 14 safety net programmes, one of which is targeting, directly or indirectly, the disabled through the increase of allocations for “the Right and Access Programme” to cater for the chronic needs of the disabled and to cover the emerging requests of the newly disabled people as a result of the war.

Within this context, the project “Increased Support to Disabled People” was conceived and developed to provide proximity services to the disabled as both corrective and preventive measure as it often precludes the development of chronic or longer term treatments that are usually costly, time consuming and more painful.

Objective

The project aims at expanding and improving access of the people with disabilities, considered as marginalized and vulnerable population that was most affected by the war, to proximity services. The key objective of the project is to increase the integration of the disabled within the society and increase their independence through the provision of the needed proximity services and disability aids in order to better perform their regular roles in the community which will ensure their participation in the social, professional and economic life. It intends to do so by extending the provision of good quality, reliable, and suitable aids to persons registered as disabled and by catering for the new disabled groups that emerged as a result of the war. The project makes use of the systems and procedures established by the Ministry of Social Affairs (MOSA) Rights and Access programmes that have proven to be efficient and reliable during the past years.

Achievements

Project implementation is reported as on track, exacerbated by the fact that most of the extended services are priorities for disabled persons.

The project is proving to have a very positive impact on the beneficiaries particularly just a few years ago many had started to lose confidence in the Government’s capability to ensure their rights due to the budget

limitation and cuttings that were becoming more constraining every year since 2004.

However, within the available budget for this project, the provision of disability aids and proximity services is not sufficient to cover all persons with disabilities and address their needs that are prominently increasing also triggered by the difficult socio-economic situation in the country. Requests for more quantities of delivered aids are repeated. The project, through the Rights and Access ministerial initiative, served the largest numbers of disabled within its financial capacity. People with disabilities were initially not entitled for more than two service delivery per year, but with the support of the current LRF funded project, MOSA is able to cover almost third of the disabled needs instead of less than 10%.

The project outputs and activities are reported as follows:

Assessment of persons with disabilities and compliance with general conditions of the R&A centre: The needs of 6,363 persons with disability have been assessed by Rights and Access staff in the 6 operating administrative centres.

Delivery of services: The Rights and Access delivered during 2008 11,399 vouchers for services. The beneficiaries came from different regions and cuts across different religious groups, gender and age.

Control & Monitoring: As of 31 December 2008, 70 home visits had been conducted by staff of Rights and Access and UNDP. Continuous control on the procedure is achieved. All executed vouchers had been double-checked by both Rights and Access staff and UNDP programme and finance departments.

The types of services provided included:

- Orthopaedic shoes
- Special chairs (special seats, attendant propelled chair, bathroom chair)
- Self propelled wheel Chairs
- Mobility aids (crutches, canes, walkers)
- Other technical aids (Medical beds, hangers, bed sides, standing frame)
- Aids for bedsores (water mattresses, pneumatic and gel cushions)
- Aids for incontinence and colostomy (pads, catheters, colostomy aids)

Challenges

The main constraints faced by Rights and Access Programme, as reported by the Participating UN Organization, are summarized as follows:

- The three accredited NGOs took some time to cope with the new flow of work, because the number of delivered vouchers has increased and the rhythm of reimbursement procedure has accelerated.
- The financial disbursement of the project does not reflect the actual executed services; this is mainly because of the time span between commitment and reimbursement due to two known and assessed factors:
 - The time needed for the person with disability to get the requested service delivered (choice of the service provider, selection of the adapted service, measurement when needed, and delivery of the service. Every type of technical aids has a specific time span, depending on its nature – minimum time requested, maximum time allowed for the use of the rendered service)
 - The administrative process necessary to make the transfer to each NGO/service provider: internal procedure for each NGO before sending the vouchers delivered, controls by R&A Staff, electronic execution of the vouchers, preparation of request of payment and reports, controls by UNDP Staff, execution of payments.

- The Rights and Access Programme witnessed two unexpected events that affected indirectly the flow of daily work:
 - The preparation for the elections of 12 members of the National Committee of the Disabled, as per the law 220/2000; and the elections that took place on the 14th of December in the 6 centres, mobilized all the staff to respond to the deadlines fixed by the Minister of Social Affairs.
 - Change of the location of the main centre in Hadath and the second one in Mount Lebanon. Consequently, efforts were made to ensure a temporary working environment that will allow the execution of the most urgent operations, and to reinforce the process of selecting and moving

In spite of all mentioned factors, no interruption of service provision was observed, and the project has positively impacted the beneficiaries in terms of continuation of providing services, given that the budget normally allocated by the Ministry of Social Affairs has been blocked due to lack of liquidities since August 2008 and have not been reactivated to date; all the services requested and assessed since then were charged against this project.

Future Work Plan

The project is on track and will continue extending the services to disabled populations as indicated in the original work plan following the same methodology detailed in the modality of implementation of the project. The project is envisaged to complete all activities by April 2009.

3.2.9 Flood and water management for livelihood recovery - UNDP

The UNDP-executed project “Flood and Water Management for Livelihood Recovery in Baalback-Hermel” (LRF-9, 2,843,880) was approved in October 2007. In September 2008, the LRF Steering Committee approved a second phase of the project, “Flood Risks Prevention and Management in Baalbeck-Hermel” (LRF-17), with an additional allocation of \$3,800,000. As of 31 December 2008, the first phase of the project (LRF-9) had an expenditure rate of 13 percent (\$375,350), whereas no expenditure was reported under the second phase (LRF-17).

Objective

The project aims at assisting the Government of Lebanon in its recovery efforts in the conflict-affected and desertification-prone region of Baalback – El Hermel through better land management practices, namely: flood risk reduction, restoration of vegetation cover and improved availability of irrigation water needed to increase crop productivity and improve standards of living. This will be achieved through the construction of stone walls, check dams and water collection reservoirs to prevent runoff water from reaching villages and farms and through the restoration of land cover to reduce soil erosion. The objectives related to water management will be achieved through construction of several membrane-lined reservoirs to collect unused water from springs, rainfall and snow melts and through installation of water-use efficient irrigation networks and systems that will be used by local farmers to improve their crop diversity and productivity

The project objectives will be met through the following outputs:

- Coordination and linkage with on-going projects established and strengthened
- Risks and damages caused by floods in target area managed and reduced
- Water for irrigation harvested, managed and made available to farmers
- Land cover in risk areas increased and soil erosion reduced
- Sustainability, capacity building and public awareness

The expected outcomes from the current project, particularly those related to water harvesting, increased vegetation cover and higher productivity, will serve very well the national efforts and plans aiming at combating desertification and alleviating poverty in North Bekaa. They will also serve the recovery efforts made by the Lebanese government in normalizing the living conditions of rural communities and in restoring the basic needs and infrastructure for practicing sound and profitable agriculture in the affected area.

The Ministry of Agriculture is the main national project partner responsible for the supervision and execution of the project through the National Action Programme to Combat Desertification project already established at the Ministry. The local municipalities and communities in the region are the project stakeholders and will be involved in the project activities. The Ministry of Energy and Water and the German Agency for Technical Cooperation (GTZ) will be involved in technical information sharing and coordination of the project, while the Arab Centre for Studies in Arid Zones and Drylands (ACSAD) will have a technical backstopping role for the flood management component of the project.

Achievements

Progress was reported on the various outputs of the project:

1. Project Management and Coordination

- A local project appraisal committee (LPAC) served as the initiation of the project and its integration within the Ministry of Agriculture's strategy.
- A new site engineer was recruited on a full-time basis, based in Bekaa region.
- The project launch meeting was held in the target region and attended by UNDP, Embassy of Spain, Baalback Caza Municipalities and Ministries of Agriculture and Water Resources/Bekaa, local heads of communities and municipalities, among others.
- Contract signed with the Arab Center for Studies in Arid Zones and Drylands (ACSAD) Water Department, being the technical back-stopper for this phase of the project, for the development of a flood management model in target watershed and the consequent supervision of installation of flood management structures by sub-contractors.
- An international bidding process was undertaken for the selection of consultancy firm for the assessment and design of water harvesting structures in the Baalback Caza.
- Several coordination meetings were held among the working group members from GTZ, MoA, PIU and ACSAD to discuss the technical aspects of the project, difficulties faced and the flood management plan in Aarsal
- A contract signed with a local NGO in the region, Aarsal Rural Development Association (ARDA), for the collection of wild fruit tree seeds from the region, the production of seedlings, followed by the forestation of samplings, their maintenance and protection. This important activity will ensure the reforestation of the area for future soil and water conservation to protect the land against the impact of floods.
- Water Reservoirs: An international bidding process was launched for the procurement of a contractor for excavation activities totaling 300,000 m³ in water storage volume distributed over 9 water storage reservoirs in target area.
- Flood Management Structures: an international tender was launched for the construction of 185 stone walls and check dams in Aarsal.

2. Flood Risk Management and Reduction

- Collection of needed hydrological, soil and topographic data for the target area.
- Flood history in target area and dates of floods during the past 15-20 years collected through discussions with local municipalities and meetings with relevant institutions.

- Identification of the target watershed area for the project intervention was done based on the collected data and field visits. The water shed has an area of 94 km² and is isolated from the remaining larger watershed; its impact is to be seen on the villages of Aarsal and Fakheha in North Bekaa.
- Generation of several maps for the target watershed including soil infiltration map, elevation map, land use map and soil map.
- Cadastral maps for target sites were acquired from the municipality of Aarsal.
- Installation of rain gauge in Aarsal at the Municipality Bldg for recoding of rainfall data in order to link precipitation amounts with flood severity and occurrence.
- A flood management model was presented by ACSAD and was adopted by the project's working group. The model is based on the establishment of 9 reservoirs ranging in volume from 20,000-50,000 cubic meters. Total water storage capacity is equal to 390,000 m³. The model will have a great impact in terms of reduction of flood runoff water.
- Establishment of a water and soil conservation plan for the target watershed based on the construction of 185 walls including 92 stone walls, 55 check dams, 22 gabion walls and repair of 20 existing stone walls. The walls will have a great impact on reducing soil erosion and moisture conservation and will create moist spots where trees can be planted and crops can be cultivated. In addition, they will act as a filter to the runoff water before it reaches the storage reservoirs.

3. *Water harvesting for extending irrigation periods*

- A preliminary survey for identification of villages with potential for water harvesting was made through contacts with municipalities in Baalback-Hermel caza: 17 municipalities were identified for further field studies based on several selection criteria including: availability of water springs, land ownership and use, topographic data, prevailing agricultural practices and number of possible beneficiaries
- Following the second assessment, five potential sites were identified in Baalback, Deir Al-Ahmar, Fakhe and Chlifa. Final selection of sites suitable for the establishment of the proposed lakes was delayed however till 2009 due to problems related to land ownership.

4. *Land Cover Increase and Soil Erosion Reduction*

- Seeds of wild fruit trees and few other forest trees were collected and planted in two established nurseries by the contracted association ARDA in Aarsal. A total of 28,500 seeds were planted, these were distributed as follows:
 - Wild Almonds: 9,000
 - Wild Plums: 5,000
 - Wild Pears: 7,500
 - Wild pistachio: 2,000
 - Other wild fruits: 1,500
 - Pine trees: 1,500
 - Cedars: 500
 - Evergreen Cypress: 1,500

The planted seeds are expected to start germinating in the spring of 2009.

5. *Capacity building and awareness-raising*

- An awareness raising meeting was held in July 2008 with 15 land owners where the water collection reservoirs were to be established. The project objectives and activities were introduced, and the benefits of the flood management structures were explained in more detail.

- An awareness workshop was held on the 28 November 2008 in Aarsal. 70 farmers from Aarsal participated. During the workshop, the activities of the project, the finalized flood management plan and the importance of stone walls and check dams were presented.
- Project brochures were prepared and distributed, they include awareness information in English and Arabic about the project's background, objectives and approach in addition to causes of flash floods in target area
- A more technical second awareness brochure was developed and distributed to farmers, the new brochure demonstrated to the farmers the types and benefits of stone walls, check dams, contour walls and gabions.
- The project participated in the Environment Fair targeting students (30 Nov-1 Dec). Banners and posters about desertification and flood management were displayed.

Challenges

Challenges faced during the implementation of the project were two-fold. Firstly, *land ownership* is a serious problem in North Bekaa region. Most of the land along the runoff path which will host the proposed storage reservoirs is privately owned and is cultivated. In addition, the Municipality of Aarsal had serious difficulties in expropriating the needed lands due to multiple inheritances; the best solution was to go for long-term rental agreements (15 years) with the land owners to provide the municipality of Aarsal adequate time to complete the expropriation procedures. Secondly, during 2008 *sharp increases in fuel costs* occurred with a direct effect on the costs of excavations which resulted in sharp differences from the offers originally submitted by the contractors. Consequently, this influenced the number of excavations and size of the proposed reservoirs/lakes which had to be adjusted in accordance with the available budget.

3.2.10 Strengthening Dairy Production - UNDP

The UNDP-executed project "Strengthening the Dairy Production Channel in North Lebanon" (LRF-11, \$1,000,000) was approved in November 2007, but not submitted for funding before January 2008. The project is ongoing and on track to complete all project activities by October 2009, as planned. UNDP did not report any expenditure on this project as of 31 December 2008.

Background

The July/August 2006 conflict resulted in massive destruction of infrastructure and services. Agriculture workers already rated among the poorest in the country, suffered from huge losses resulting from the interruptions in harvesting, difficulty of marketing and destruction of facilities. This has resulted in a decline in living conditions and loss of income and revenues for a significant group of the population in North Lebanon. The Rene Moawad Foundation (RMF), given its extensive experience in the North and the agricultural sector, had the comparative advantage to develop and implement this specific project, prioritizing war affected agricultural workers/farmers/small industries; thus leading to economic development through job creation in SMEs. Although the project upgrades the production capacity of three dairy centres located in North Lebanon, however a larger number of cooperatives were targeted by the capacity development and technical assistance components. These centres, once operational in their full capacity, they will contribute to the reinforcement of this channel ultimately leading to restoring the war losses. Furthermore, supporting the forage production will help improve the quality of the milk and reduce the costs of production of milk. The project meets the priorities set by the Government in a region where agriculture and agro-food processing are major sectors to promote social and economic development in North Lebanon.

Objective

The main objective of the project is to promote social and economic development in North Lebanon, one of the most deprived regions as indicated in the poverty report, where social and economic indicators

show high levels of illiteracy, especially among women, high rates of unemployment beside low incomes and lesser access to services. In spite of many factors that impede agricultural development such as lack of extension services, difficulty to access credits, high costs of production, there are few niches of production with high potential. By strengthening the integrated channel (breeding/dairy products) including downstream and upstream activities and targeting not only breeders but also small-scale industrialists involved in the processing phase, the project aims at improving quality of local productions and increasing competitiveness.

Achievements

A needs assessment was conducted by RMF at the early stages of the project implementation to determine the needs of the farmers in terms of identifying common problems and best solution, required technical assistance, needed development projects in order to improve their production.

Planning and implementation of a new dairy plant

In order to develop the plan for the construction of the upgraded production unit, RMF consulted with technical entities to provide them with the detailed studies for the construction of the plant. A “Guidance Document for the construction of a new Dairy production Plant” was prepared by Apave and submitted to RMF for the implementation of the new Dairy production Unit in Mejdlaya within RMF campus.

Rehabilitation activities

Assessment of Coops and small-scale dairy industries needs had been achieved in 8 villages in Akkar and Zghorta regions: Tikrit, Aabdeh, Kobayet, Tal Abbas, Kweichra, Meryata, Akkar El-Aatika and Mejdlaya. Assessment reports of the fact-finding investigations were prepared and included the following information: i) General description of the dairy unit which include: location and size of the unit, hygiene of surrounding area, divisions, infrastructure and utilities, offices and vehicles; ii) Number of operators and their educational and technical qualifications; iii) List of products and accessed markets; and iv) Technical evaluation of the dairy unit including the list of processing and laboratory equipments. Subsequently, training sessions were tailored according to the identified needs using the on-the-job training mechanism and larger training workshops, including intensive one-day sessions, of which 26 have so far been conducted for 9 small-scale dairy industries and farmers benefit more than 160 individuals.

Animal Production

Field surveys have been conducted with RMF staff visits benefiting 60 growers from 17 different villages, discussing a range of topics including the reproductive process, heat detection and time of insemination, artificial and natural insemination, pregnancy and calving, farm construction, farm hygiene, alimentation and a feasibility study (creation of new farms). In order to ameliorate the genetic characteristics (milk and meat production improved) of the herd, Artificial insemination had been done to 139 cattle's belonging to 12 farmers from 5 villages. Similarly, in order to increase the productivity and decrease the production cost, RMF linked the farmers to the Forage Production Project implemented in Akkar aiming to provide them with good quality of forage at lower cost. 50 farmers from 35 villages benefited from forage sales (3,712,818 tones of forage).

RMF also assisted the cattle breeders' cooperatives in the creation of veterinary pharmacies that provide farmers with many technical advices and diagnosis on animal diseases (free of charge) and also proposes them the adequate medicament for the livestock (low price). 18 farmers from 7 villages have benefited from this facility. Furthermore, 11 one-day sessions have been conducted by a University Doctor lecturing topics about breeding of calves, feeding of cows, raising new born calves, controlling the quality of milk, benefiting 165 individuals. Lastly, due to the facilities provided by RMF (collect tanks/collect truck) milk is collected from 45 farmers in the different villages of Akkar, Danniye and Zgharta and quantities are as follows:

- 60.23 tones of milk during July 2008
- 63,520 tones of milk during August 2008
- 65,669 tones of milk during September 2008
- 66.753 tones of milk during October 2008
- 74,820 tones of milk during November 2008
- 82,016 tones of milk during December 2008

Challenges

Delaying factors reported on vary from the political instabilities of May 2008 in Beirut to programmatic challenges. The implementation phase of the project was affected by the critical political and security conditions Lebanon is passing through. This has imposed on RMF restrictive measures especially that the subject project targets North Lebanon where many clashes had erupted. The repercussions of the unfortunate May 2008 incidents echoed throughout the following months and halted the operations for at least two months. The rainy weather had also impeded the construction of the upgraded milk processing unit.

Future Work Plan

The project is ongoing and on track to complete all project activities by October 2009, as planned.

3.2.11 Women Empowerment - UNFPA

The UNFPA-executed project “Women Empowerment: Peaceful Action for Stability and Security (WE PASS)” (LRF-12, \$994,858) was approved in November 2007, but not submitted for funding before January 2008. The project is ongoing and on track to complete all project activities by November 2009. As of 31 December 2008, the project had an expenditure rate of 14 percent (\$142,459).

Background

As part of the post war recovery initiatives, UNFPA pursued the partnership with the National Commission for Lebanese Women (NCLW) to seek funding for the third phase of the project “Women Empowerment: Peaceful Action for Security and Stability (WE PASS)” through the LRF. The first phase of the project was funded by the Government of Norway and the second phase by the Government of Italy. The idea started initially as a pilot project that aims to promote the implementation of the UNSCR 1325 (Women, Peace, and Security) relative to its context in Lebanon targeting selected communities that suffered from the war of July/August 2006. It was launched in cooperation with municipal councils and Social Development Service Centres (SDSC) of the Ministry of Social Affairs in selected communities. One of its main results was the establishment of WE PASS Women Committees (WWC) that act as beneficiaries of capacity building programs and partners to conduct community activities. The project complements United Nations programmes on women empowerment through transparent fund administration and project implementation in line with the Government reform agenda. The activities are executed by national partners with the aim of transferring ownership to beneficiaries to ensure sustainability. The project also abides by transparency and accountability principles and is implemented with efficient utilization of donor funds.

Objective

Further to the above, the focus of the project is to accomplish the following objectives:

- Support institutional building of women machinery entities for advocacy and policy dialogue for mainstreaming gender in peace and security related programmes, initiatives, strategies and policies.
- Promote advancement of women and youth in citizenship, democracy, decision making, leadership, literacy programmes, and reduced vulnerability to violence.

- Promote and support protection of and respect of women and girls human rights.
- Promote and support protection of women and girls from gender based violence as well as other forms of violence in various initiatives and interventions.
- Promote and support the full participation of women and youth in the peace process and conflict prevention at community and national levels.
- Promote and fully support the empowerment of women in economic development.
- Promote and support creation and operationalization of solidarity and coalition networks within and between the targeted villages as well as with national entities/

Achievements

Results achieved during the reporting period included the identification of new communities, a community mobilization process starting by approaching the municipalities about the project followed by a field visit, recruitment of new staff, and the creation of five WE PASS Women Committees in Bourjein, Kantara, Sebel, Ardhe and Beit Lahya Cluster. These Committees are in the process of planning activities for the coming quarters. During the first meetings, focus was dedicated towards sensitizing the women on gender discrimination and the role they would like to play as a Committee. In turn, this is envisaged to influence the training plan that will be designed and implemented for each Committee.

The micro credit component that was launched during the previous phase of the project (Phase II) created a supportive environment to further implement and expand the economic empowerment component for women under this third phase of the project. The process was initiated through a) a rapid economic development assessment in the initial 10 villages, b) a feasibility study by an economist for operationalizing the micro-credit projects, c) consultation with a local NGO for providing technical know-how regarding the micro-credit projects, and d) developing a monitoring and evaluation mechanism and tools.

Based on the evaluation of previous launching of micro credit in the six villages (under Phase I), a slight shift in approach took place. People are confusing “credit” with “grant” and this was affecting the credibility of the project and the focus of the beneficiaries. Therefore instead of a general meeting to introduce micro credit component, focused groups were planned resulting in the identification of vocational training needs and potential beneficiaries of micro-credit. This activity is ongoing in all the villages. It will be addressed with special focus in Yarine where women work in agriculture and are victims of illiteracy, and so the economic component seemed of a big value when it was announced. Yet after the focus group, women are sharing their fears and hesitancy to profit from micro-credit schemes due to their weak self confidence and lack of control over decision making at home. They are afraid that the business would be a new reason for their men (husband/father/brother/son) to interfere in their lives and impose load of work additional to their own responsibilities at home mainly in the fields.

Prior to providing access to funds, group of women who showed interest in starting their own businesses or develop their existing economic activities participated in trainings on business concepts such as: Innovative Business Ideas, Basic Accounting and Bookkeeping, Financial Management, Business Management, Marketing Skills, Quality Chain, and Entrepreneurship. Other training were organized on life skills that help the beneficiaries conduct their businesses include themes such as Negotiation Skills, Time Management, Self Confidence and Decision Making.

Based on market survey and interest of women in targeted areas, vocational training were organized on “Chocolate Making and Ornaments”, as well as in “Souvenir Design”.

As part of their plan to build the practical experience of women in business, a field trip to Souk Bazouriyeh in Syria was organized. A total of 21 women were exposed to negotiation deals with

merchants, costing and pricing of goods. The trip built the self confidence of the women and initiated a network for marketing and outsourcing. Furthermore, the trip had a major impact in encouraging the women and motivate them to initiate or expand their own businesses.

From the six villages, 12 women have applied for micro-credit upon completion of training and presenting a feasible business idea, and they would continue to benefit from individual consultation and follow up. Ten micro-credits were approved as follow:

- In Ras Baalback: Grocery Shop, House-ware Shop, Bakery, Small Food Processing Factory.
- In Doueir: Lingerie shop, Cosmetics Shop, Perfume and gift Shop
- In Nabatiyeh: Hair Dressing Salon, Beauty Specialist, Mosaic workshop

Numerous other initiatives were implemented through the project, including trainings and programmes in the areas of individual consultations (business management training), gender mainstreaming at community level, adult literacy, awareness sessions on reproductive health services, sensitization efforts on gender-based violence, a review and update of the 1997 “Woman National Strategy”, the creation and building of capacities of Women Committees in new villages, and the training of Women Committees towards becoming sustainable entities.

Challenges

At the national level, constraints reported resulted from the highly unfavourable security situation in the country. The armed conflict of May 2008 not only impeded all activities, but it also paralyzed the ability of staff and WWC to re-launch the enthusiasm and positive attitude based on set agenda. Immediately after resuming the project following the conflicts, it was not easy to talk about specific issues i.e. reproductive health or gender discrimination, to motivate people to take part in the micro credit, or to participate in a plenary session; people’s priorities shifted, first to ensure their own safety and security, then to absorb the shock and the after-shock. This matter was further aggravated by the sporadic armed conflicts and incidents in North Lebanon that prevented community mobilization events to take place. Limitations on the project’s execution of activities have also been influenced by the transitional government; especially that NCLW was in a transitional phase awaiting the appointment of a new board after the election of the new president of the republic.

A number of challenges were also reported at the local level, including:

- Limited time that can be provided by the WWC due to their other commitments is a constraint to implement many scheduled activities especially those involving a whole day of training;
- Because the communities are mostly small villages with strong family ties, sometimes social occasions and functions such as weddings and funerals, can postpone activities and affect further obligation in other villages;
- Considerable needs of poor and deprived communities, which affect the priorities perceived by the beneficiaries versus priorities defined by project;
- The high level of “non-financial” services create a feeling of dissatisfaction among people, and often lead to lack of support from municipalities;
- Challenging behaviour of municipalities who have a major role as a partner in this project, but who rarely understand the concept of women empowerment as it is perceived by women of the local communities;
- Lack of local awareness on importance of capacity building, and adoption of participatory approach create a feeling of un-patience within some committees, and sometimes affect the judgment of others on the advantage of such projects;
- The participatory approach, despite its long term result, which requires involvement of WWC in assessing needs and planning of activities, is taking time to come up with a plan that respects the project design while addressing the priorities set by women;

- The high expectations had a negative impact on the micro-credit, there was a need for intensive mobilization to absorb the deception generated because it was a “credit” and not a “grant”, although grants were never promised nor promoted;
- The timing factor slowed down the process in implementing activities such as in Ramadan during September, return to school in September, followed by the olive season and Achoura during the month of December;
- Shortage of staff members and wide distances among villages;
- Launching economic empowerment in Yarine is very challenging given the fear women have from increased control from the male head of households;
- Women consider interest rate as high and it is requiring continuous attempts from project staff and the local NGO Al Majmoua to explain the comparative advantage of this component;
- Moving from awareness into behavioural change is starting to cause some frustration for the women who became aware of the importance of changing their situation, but find the path too long.

Lessons Learned

A number of lessons learned have also been identified, including:

- Significance of following indirect approaches in introducing awareness, especially when awareness is not of interest to a community.
- Linkage and coordination with other NGOs and government or UN supported projects to provide tangible services together with the activities of the project.
- Work on the visibility of the project, which is a mean to attract a wider range of resource people and support the credibility of the women committees, and eventually their sustainability.
- Increase mixed activities among villages will maximize profit and reduce time for team to be able to provide quality consultation. It will also serve the purpose of building solidarity among women from different backgrounds.
- Literacy whether alphabetical or computer is very important to build women’s self confidence and connection to the future. It is easier to mobilize women to learn about gender issues through such indirect approaches.
- Women interact more positively and faster with trainers they have worked with before. Therefore it is advisable to sub-contract the same trainers to work with the same group, provided the topic is of their specialization of course.
- Organizing big events in communities increase the credibility of the WWC and their motivation;
- Men would have a better attitude towards the project activities when they are involved not just as participants.
- The importance in using a variety of methodologies, such as awareness sessions, forum theatres, trainings, and many others in targeting individuals and the community on many levels and areas of importance.
- Continue to use interactive methods in sensitizing the community and transmitting our messages, and continue to adopt participatory approaches with the women committee in planning, implementing, and evaluating all the activities, which boost their sense of ownership and motivate them.

Future Work Plan

The project is ongoing and on track to complete all project activities by November 2009.

3.2.12 Socio-Economic Rehabilitation and Recovery of Beirut and its Suburbs - UNDP

The UNDP-executed project “Socio-economic Rehabilitation and Recovery of War-affected Beirut and its Suburbs” (LRF-13, \$996,919) was approved in November 2007, but not submitted for funding before January 2008. The project experienced delays in its start-up phases, but is currently ongoing and on track to complete all project activities by December 2009. As of 31 December 2008, the project had an expenditure rate of 11 percent (\$113,387).

Background

Whereas most of the recovery projects that were approved in the post July/August-war period concentrated on areas outside Beirut, this project places emphasis on Beirut as it has been greatly affected by the war and the recent hostilities and hence, is in need of attention from the on-going development initiatives, especially for youth employment and mobilization. The importance of including the capital of Lebanon, Beirut, in the development programmes resided in the fact that besides being the most densely populated area, it also encompasses high levels of social and economic injustices, crimes, abuses and social gaps.

Youth unemployment increased as a result of the 2006 war and its aftermath effect on tourism and economic sectors. Unlike the previous wars, the July war has severely impacted the private sector and hindered its capability to respond and contribute to the recovery, rehabilitation and revitalization of the country. In this context, the project addresses reviving the human potential, especially youth, as well as mobilizing the local non-governmental organizations. Moreover, the events that have occurred consecutively after the war turned the country into a deep crisis. Two years after the war, Beirut is still struggling with economic stagnation, political instability, sectarian unrest, all reflected in different forms of manifestations, reaching to the outburst of the capital in May 2008.

The crisis, notably the sectarian clashes that took place in May 2008, has radically increased distrust among citizens. It highlighted a number of crucial political and humanitarian themes and made a major impact on Lebanese citizens mainly the youth, leading to further deprivation, immigration, unemployment, etc. Unemployment is currently estimated at 25 percent of the work force, and the inflation rate is said to go higher. In addition, many factories and other businesses have been destroyed in the years of factional fighting, and foreign investment has dried up.

The aforementioned incidents and the repercussions highlight the significance and urgency for carrying this project further into immediate implementation for embracing the youth and creating social safety net in a vibrant positive atmosphere that is capable of participating in the development of their communities.

The project is executed by the Hariri Foundation for Sustainable Development which is designated as the NGO Executing Agency for this project.

Objective

The main objective of the project is to promote social equity and local stakeholders’ empowerment through local employment recovery and livelihood opportunities projects in Beirut and its suburbs. The project is tailored to address three main outputs:

- Enhancing the implementation capacities of local stakeholders (NGOs and CSOs) in identifying and providing direct services to recover sustainable livelihoods. Local stakeholders can then select and implement community projects for recovery of livelihood.
- Providing skills training for unemployed youth and support job creation through employment/ job search centre matching demand and supply. The centre will act as the enabling structure to create, enhance and develop skills and competencies of the youths.

- To rehabilitate two underserved areas in Beirut with a focus on the poor and multi-cultural neighborhoods after providing the youth with the proper training on how to enhance the socio-economic capacities for local communities.

Achievements

Given that the project faced a delay in implementation, progress toward to the achievement of the agreed-upon outputs was also delayed. However, progress on specific outputs was clearly observed as indicated below.

To create a network of qualified youths, in an effort to collect and analyze the pool of applications, a final database of 200 youths (local NGOs and youth from local neighbourhoods) has been completed. Similarly, in order to share experiences, needs assessments and gaps identification, a national workshop prior to the initiation of the manual write-up will be organized. For that purpose, background information for the manual write-up, including needs assessment and identification of gaps and training needs, networking among the participants through exchange of know-how and concerns has been completed.

In efforts towards establishing an employment creation centre, a centre has been rented based on predetermined criteria (strategic location - geographical accessibility, dense and young area, diverse backgrounds).

Lastly, plans to undertake a field survey to select the appropriate neighbourhoods are well underway now that the project has selected two sets of Beirut neighbourhoods that have been identified to be rehabilitated. The selection was based on a set of criteria that included levels of poverty, multi-cultural diversity and population density.

A number of other activities are ongoing, in accordance with the work plan.

Based on the implemented activities, the project reached out to the following beneficiaries:

- Unemployed youth from Beirut Suburbs particularly ones coming from Tariq El Jadidah, Karem Al Zaytoun and Chatila neighbourhoods.
- Local NGOs working in the community development fields and operating in the target area.
- Public and governmental representatives, Local Leaders and stakeholders from Beirut Suburbs including Beirut Municipality.

Challenges

Challenges faced during the implementation of the project included both socio-political factor, as well as programme implementation issues.

Political and social factors: As with a number of other LRF-funded projects, the implementation of this project, especially its early phases, was affected and hindered by the critical security situation Lebanon, particularly during the spring of 2008. This imposed restrictive measures on the Hariri Foundation, especially as the project targets youth in Beirut. The repercussions of the unfortunate May 2008 incidents echoed throughout the following months. Although this has created additional obstacles, it has stressed the significance and urgency for carrying this project further and implementing socio-economic recovery activities targeting the youth. Furthermore, as the training of youth and NGOs fell within Ramadan period, the Hariri Foundation postponed the convening of this until after Ramadan in order to have a greater impact on the ground and attract a bigger number of participants.

Programmatic factors: The Hariri Foundation set high standards to conduct the NGOs and Youth capacity assessment and further link it to the implementation of rehabilitation activities involving youth in

a specific sustainable development perspective. Thus the Hariri Foundation resorted to an international consultancy firm to perform this assignment. The international organization, INTRAC, was recruited to undertake the assessment knowing that it is also preparing a five year strategic plan aimed at building the capacities of NGOs in Lebanon to change their charitable approach into a long term sustainable development one. Similarly, the national capacity to conduct a labour market survey was relatively weak in addition to others factors hindering this process such as the lack of national database of graduates (specifically the years 1984-2004) from the public universities selected in the survey sample. Thus, the Hariri Foundation amended the target population and the sampling representation to include all students currently enrolled in public universities, and kept the focus sample on the students of private universities. Moreover this process has put some inevitable delay especially that in many cases several approvals from universities are needed before starting the survey.

Future Work Plan

The project is ongoing and on track to complete all project activities by December 2009.

3.2.13 Integrated Forest Fire Management - FAO

The FAO-executed project “Forest Fires Management – Forest Fires Prevention, Forest Fires Fighting (Control) and Damaged Forests Assessment and Rehabilitation” (LRF-14, \$2,600,000) was approved in November 2007, but not submitted for funding before February 2008. The project is currently ongoing and on track to complete all project activities by February 2010. As of 31 December 2008, the project had an expenditure rate of 47 percent (\$1,217,676).

Background

The programme is part of the Ministry of Environment’s (MoE) National Campaign for the management of forests in Lebanon (prevention, control and rehabilitation) that has been recently launched in cooperation with the various partners and stakeholders.

Objective

The objective of the project is to create an enabling environment for the Government of Lebanon to address through its early recovery efforts: 1) the prevention of future forest fires; 2) the efficient fighting of fires when they occur; 3) updating the assessment of the ecological and socio-economic damage resulting from the July/August 2006 war as well as by the enormous fires that were erupted simultaneously and repeatedly during October 2007 in different parts of the country; and 4) the rehabilitation of forests that were damaged during the July 2006 war and recent environmental disasters to allow for re-access of rural communities to their land resources (woodlands, forests, etc.) through the alleviation of obstacles, such as demining.

The main implementing partner for the project is the Association for Forests, Development and Conservation (AFDC). FAO’s partners include MoE, AFDC, Ministry of Agriculture and the Lebanon Agriculture Research Institute.

In line with the project document and the project outcome to support early recovery and alleviating poverty through improved forest fires management (prevention, control, assessment and rehabilitation), and their associated benefits to environment and rural communities, five immediate objectives have been set:

- i) Adoption and implementation of preventive measures aiming at forests protection from fires and other risks. Adoption and implementation of control measures aiming at efficient forest fire fighting.
- ii) Adoption and implementation of control measures aiming at efficient forest fire fighting.
- iii) Assessment of the cost of environmental degradation from forest fires.
- iv) Assessment and rehabilitation of forests in areas that suffered from the July 2006 war and

- October devastating fires.
- v) Restoration of livelihoods generated from the sound and sustainable use of forested trees (long term).

Achievements

The project has reported a number of results during the reporting period. These include:

Establishment of the tree nursery in Andket village: The cornerstone for the new tree nursery in Andket village was placed in November 2008 and the construction of the nursery was on-going at the end of the reporting period. The nursery will have the capacity to grow 100 000 tree seedlings which will be used for planting/reforestation of damaged forest land.

Training and public awareness including publication and dissemination: Training activities for volunteers and the public awareness campaign had been on-going during the reporting period. This public awareness campaign included Press Ads, Radio spots, and Mass Media (Billboards and Unipoles). The TV was aired in October 2008, which is the most dangerous month for forest fires in addition to billboards and unipoles that will be displayed in different sensitive locations in Lebanon.

Publications and Dissemination: Material for awareness on forest fire prevention, fighting and rehabilitation addressed to local communities living in and around sensitive forest areas were designed and produced including:

- A total of 500 forest fire awareness kits including an A0 display were developed. These kits are being disseminated to trained volunteers from various regions of the country. These kits will be used in local community awareness raising events in different regions of Lebanon.
- The display is constituted of several sections with information on forests fires, impact of forest fires, economic value of Lebanese forests, and tips on forest fires prevention, fighting, control and burned areas rehabilitation. The displays are designed in such a way as to be practical for presentation and easy to follow by the targeted audience. The display and its annexes are all packed in a specially designed handbag.
- A total of 5000 magnetic “Forests’ calendar”, that include forest related indicators in the different seasons of the year. Such indicators are planting, irrigation, pruning, cleaning and fires. These calendars will be distributed to farmers particularly those living in forest sensitive areas in an attempt to decrease forest fires.
- Press Ads of three different designs were published in five Lebanese Newspapers (An Nahar, Al Mustaqbal, Ad Diyar, Al Balad, and The Daily Star) in different sizes and at different dates.

Establishment of a tree nursery: Purchase Orders had been issued during the reporting period for construction materials for establishing the tree nursery in North Lebanon. AFDC has received bids from various suppliers and a supplier has been selected to begin works in the coming weeks.

Field assessment: The field assessment has started. The assessment of Akkar, Batroun, Metn and Shouf were achieved. The assessment of remaining region is on-going.

Equipment: FAO completed procurement activities in the third and fourth quarter of 2008 for nearly all specified items to be purchased under this project. Purchase orders were issued for the following types of equipment: fire hoses; manual tools, including: backpack firefighting pumps, shoulder harness, drip torches, fire swatters, fire rakes, firefighting shovels, axes; safety clothing – wildland firefighting pants, coats, and shirts, carbon shield fire bandana, and firefighting gloves. The equipment arrived in Lebanon in December 2008 and January 2009 and handed over to the Civil Defense. A tender for six vehicles to be retrofitted into fire trucks was issued in the third and fourth quarter of 2008 but the responses from

suppliers did not meet FAO specifications. However, the trucks were retendered in 2009 and expected to be delivered during the next reporting period.

Challenges

As numerous other projects funded through the LRF, this project also refers to the current general political and security situation in Lebanon as creating challenges for project implementation.

Future Work Plan

Project implementation is in line with the work plan. The main activities for 2009 include:

- Training Module 2 (Coordination in fire fighting) will be done in 2009 to avoid repetition of the same trainings in other projects.
- Training Module 3 (forest fire fighting for volunteers): two additional trainings will be conducted between January and February 2009.
- Awareness campaign: The community awareness activities will resume in May 2009.
- Distribution of tools

3.2.14 ICT in Education - UNESCO

The UNESCO-executed project “Enhancing ICT in Education” (LRF-15, \$820,000) was approved by the LRF Steering Committee in August 2008. The project is ongoing and on track to complete all project activities by September 2009, as planned. UNESCO reported \$1,499 (equivalent to 0.2%) in expenditure on this project as of 31 December 2008.

Background

The Ministry of Education and Higher Education (MEHE) made a commitment, documented in the Strategic Plan, to improve the quality of education utilizing ICT tools and methods. Several projects were developed and started to provide infrastructure in the schools to meet two of the four strategic goals, namely; a) Education for a Knowledge Society and b) Governance of Education. However, due to the July/August 2006 war, this effort was delayed. Nevertheless, MEHE managed to put it back on track and the Strategic Plan has been delivered to the Council of Ministers.

In parallel to this, in the aftermath of the 2006-war, MEHE has been the recipient of significant aid to reconstruct schools, its equipment as well as the entire educational system with a big portion of this aid going to ICT equipment.

Objective

As a result and to help achieve the above, the objectives of the current project include building up the MEHE capacity for strategic planning as well as supporting and ensuring the maintenance for all MEHE ICT infrastructures, guaranteeing the creation of a modern organisation that is able to drive the education system towards information age and setting up an Information Management Unit (IMU) able to perform a wide mandate related to the management of all ICT projects in MEHE.

The main target and partner in the project is the MEHE, providing full cooperation and full support of all activities related to the project, full political support and logistics according to its capacities. It will also host the IMU and its antennas in the regions and provide it with premises, furniture and logistical support. In addition, CERD will be a main contributor for data on schools, curricula and training.

Achievements

The initial phase of project implementation has focused on establishing the project management arrangements, including establishing a technical committee to follow-up on the project implementation

and revisiting the project document in order to merge certain activities due to unforeseen changes. Furthermore, UNESCO and MEHE have reviewed various project strategies, including the option of using the ICT in Education toolkit to help in its strategy. Other administrative arrangements have also been undertaken, including the initiation of the recruitment of a project coordinator, administrative assistants, as well as twelve regional technicians. The possibility of integrating the staff recruited by the project within MEHE at a later stage for sustainability has also been explored.

Future Work Plan

As 2008 was primarily spent on preparing the project management arrangements, 2009 is envisaged consist of following up on the project implementation with all its aspects as this project should, in principle, end in September 2009. Activities envisaged for 2009 include the continuation of recruitment of staff, subcontracting, conducting of training, purchasing of equipment and various travel, procurement of supplies etc.

3.2.15 Recovery Coordination Support - UNDP

The UNDP-executed project “Recovery Coordination Support in Lebanon” (LRF-18, \$747,122) was approved by the LRF Steering Committee in October 2008. The project is ongoing. UNDP reported \$6,859 (equivalent to 1%) in expenditure on this project as of 31 December 2008.

Objective

The project aims at strengthening the coordination capacity of the UN Resident Coordinator sub-offices in the north and south of Lebanon to ensure a more effective and efficient delivery of recovery interventions in the most affected areas of the country.

More specifically, the project aims at:

- *Enhancing coordination at the field level through the RC sub-offices:* The primary function of the sub-offices is to facilitate and promote coordination of recovery efforts at the field level to avoid duplication and promote synergy and complementarities, strengthen community outreach in the regions, and act as interlocutors with different partners and stakeholders (decentralized units of line ministries and government agencies, NGOs, civil society organizations etc.).
- *Providing support to Data Management and GIS functions:* One of the key coordination functions that can help make a difference in the recovery effort is to provide information on recovery and reconstruction to the national government, local and international partners, donors, and media. A successful recovery response is dependent on the collection, analysis and distribution of information on the work of development partners on the ground to support the recovery and reconstruction efforts.

The ultimate goal of the coordination support structure is two-fold: i) to establish a coordination mechanism and information management system that allows the UN Resident Coordinator to ensure a smooth and coordinated implementation of recovery efforts and provide information to national and international actors involved in the recovery effort; and ii) to ensure the coordination support structure strengthens national capacity and ownership, in order for national authorities to better coordinate and plan their own reconstruction and development.

Achievements

Achievements under the project are clustered in two areas; coordination at the field level and the level of comprehensive information collection system, both in relations to results for the RC sub-office in the north and the south.

Coordination at the field level:

- For the RC sub-office in the north:

From the outset of the crisis, the UN Heads of Agencies in Lebanon were convened by the UN Resident Coordinator, and decided unanimously to align themselves behind UNRWA's leadership of the UN's humanitarian response, in view of the primacy of UNRWA's mandate with regard to the Palestinian camp population. The UN agencies which engaged, to varying degrees, in the humanitarian response include UNICEF, WHO, UNFPA, WFP, UNHCR, OHCHR, ILO, UNDP and UNDSS. The UN RC sub-office in Tripoli continues to support the cluster system established in 2007 as a coordination mechanism through which channel the assistance being provided within the NBC response operation.

This support included:

- Organization and facilitation of 2 inter-cluster meetings (October and December 2008).
 - Organization and facilitation, together with cluster leads, of the following cluster meetings:
 - 6 FI / NFI cluster meetings.
 - 6 Health cluster meetings.
 - 4 Protection cluster meetings.
 - 7 Education cluster meetings.
 - 6 Shelter / WATSAN cluster meetings.
 - 5 Livelihood cluster meetings.
 - Distribution of clusters and inter-clusters minutes (36) to all participants.
 - Action plans (6) have been developed for all clusters, and are being reviewed on a regular basis.
 - ToRs (6) have been developed and disseminated to all clusters' members in Arabic and English.
 - 6 different assessments (one for each cluster) are being undertaken by small working groups in order to identify each cluster's needs/gaps.
 - The shelter and WATSAN clusters started to meet separately as of 11 December 2008, with the shelter cluster now under the leadership of UNRWA.
 - WATSAN cluster is now lead jointly by UNRWA and UNICEF.
 - Save the Children Sweden started co-leading the Education cluster as of 10 December 2008 with UNRWA.
 - Whenever a change in cluster lead has taken place, the UNRC has provided capacity-building & support to new cluster leads to ensure a smooth transition.
 - The municipality of Bhanine has been invited to take part in the WATSAN cluster meetings.
 - UNRC Tripoli sub-office contacted Muhammara municipality to invite them to participate in WATSAN cluster meetings and we are waiting for their response.
 - 2 situation reports were produced and disseminated to all UN agencies working in the North.
-
- For the RC sub-office in the south:

With the end of the relief operations in Lebanon in the aftermath of the July 2006 war, coordination activities in southern Lebanon continue to focus on recovery interventions since the beginning of 2008. Support to coordination mechanisms continues to be the core function of the RC sub-office, though the number of operational clusters has been reduced since the beginning of the operation. Coordination with UNIFIL (DPKO) has increased both in terms of security and sector interventions.

 - The RC sub-office continues to organize ad hoc and weekly inter-agency and general meetings, providing the appropriate forum for information sharing, joint-programming and complementarity of projects. Programming and sector coordination meetings involve

the UN family and international and national NGOs and local authorities as well as other partners.

- Two clusters continue to be operational, namely livelihoods and water and sanitation. Though the livelihoods cluster has been meeting regularly, the water and sanitation clusters composition and terms of reference is being reviewed as there is need to revitalize it.
- Bearing in mind the dwindling resources and the decrease in the number of donors and international NGOs present in southern Lebanon, the RC sub-office has endeavor to meet with each entity to understand better their mandate and needs especially in terms of coordination, to rationalize, adapt and strengthen existing mechanisms. Meetings are schedule to take place in early 2009, and a revised coordination structure should be agreed upon.
- The sub-office is also the normal channel for weekly briefings and updates on security issues for all partners.
- The sub-office participates in emergency preparedness meetings and the monthly Security Risk Management meeting in Naqoura (UNIFIL).
- The RC sub office continues to liaise with DPKO, and more particularly with UNIFIL's CiMic and Civil Affairs sections. These meetings are aimed at strengthening the civilian and security coordination
- As part of its local contribution to build national and local capacity and ownership in accordance with the project's objective, the RC- sub-office has taken a two-fold approach:
 - revitalizing after a long interruption the SWGs' monthly meetings under the lead of the relevant ministries and their regional representatives (the RC sub-office continues to provide the general secretariat)
 - assisting and increasing the involvement of local authorities in community based projects to promote synergy and avoid duplications.

Comprehensive information collection system

- For the RC sub-office in the north:
 - A Memorandum of Understanding (MoU) with Handicap International (HI) (International NGO) has been signed to ensure that this component of the project is implemented by Lebanon Support, national NGO and implementing partner in this project.
 - A new information system is being finalized and will be eventually accessible through Lebanon Support portal (www.lebanon-support.org/nbc). The portal is meant to provide access to documents such as clusters' minutes, Action Plans, and MoUs, needs assessments, updates on IDP and returnee movements, maps, etc.
 - The RC Tripoli sub-office keeps an updated contact list of all national and international active NGOs in the early recovery operations in NBC and shares it with them.
- For the RC sub-office in the south:
 - A matrix of all projects implemented in the South in addition to a detailed contacts list with International Agencies and NGOs posted on the UN web-site and to be updated in 2009.
 - Clusters' ToRs, minutes, MoUs, needs/gaps assessments as well as NGOs profiles database are being prepared to be posted online by the end of January 2009.
 - The office continues to respond regularly to requests for maps coming from a number of different actors (i.e. INGOS, NGOs, etc.)
 - With the support of the GIS staff, is planning on updating SWG and Mine action maps.

Challenges

Overall, project implementation continues to progress in accordance with the agreed timeline, implementing the activities that were originally identified in the project document. However, the dynamic context under which the project is being implemented has generated a different set of challenges for the project.

For the RC sub-office in the north: Security incidents in Tripoli have forced the UN agencies to postpone some of the planned cluster/coordination meetings. Also, the move to the newly established UNRWA compound slowed down the rhythm of implementation of activities at the end of the year.

For the RC sub-office in the South: In this context, the pressure for a greater integration is likely to grow dictated by the pressure of the financial crisis and the decreasing numbers of donors and international agencies and NGOs. Therefore, the role of the coordination sub-office is even more crucial in terms of providing mechanisms for a better and wiser implementation of projects and resources; becoming a support tool for the government policies and strategies, assisting in building capacity in order to address greater expectations and frustrations. The sub-office needs to adapt and redefine a strategy to reflect those changes. Due to the lack of capacity and resources, the sub-office is facing expectations beyond the Coordination's mandate in strengthening and building the capacity of local authorities. However, with networking and a greater involvement of government representatives, the sub-office is expanding this new role as mediator and facilitator while looking at the same time for an exit strategy to hand over to Local Authorities and in doing so, supports the Government on the regional and central level.

Future Work Plan

Though the overall coordination functions performed by the two RC sub-offices will remain, both offices are currently reviewing their current work plans to make them more relevant to the dynamic situation in the country characterized by the following main elements:

- *Finances:* UNRWA, UNDP, ILO, UN Habitat, ILO and the UN Resident Coordinator submitted to ECHO a joint programme for northern Lebanon, "Integrated support to the rehabilitation of the NBC adjacent area", that was approved (July 2008) before the LRF project was. Since this project is currently funding the expenses related to the RC sub-office, the LRF project has accumulated considerable savings that will make necessary the submission of project extension request to the LRF Steering Committee. This request will be submitted in 2009.
- *Revision of the IASC cluster system in northern Lebanon:* The NBC response operation currently being implemented in north Lebanon is functioning under the umbrella of a coordination mechanism that uses a tailor-made IASC cluster system to deliver results. As the NBC response operation has progressed, priorities have changed, and the need for reviewing the way the current system works has become even more blatant.
- *Dwindling presence of recovery partners in southern Lebanon:* Since the end of the July 2006 war and the on-going transition from recovery to development and the relatively calm situation south Litani River, attention is shifting to other parts of the country (i.e. north Lebanon) and funds allocated to the South are shrinking. In this regard, we can say that coordination needs have moved from southern Lebanon (July 2006 war) to northern Lebanon (NBC conflict in 2007). Moreover, the number of working groups / clusters that were established in the south after the July 2006 has obviously been reduced, and there are currently only 2 clusters that really fit the needs of the recovery partners.

The project is currently preparing a revised work plan that takes into account the above mentioned elements, and will submit it to the LRF Steering Committee for their consideration in 2009.

4. Financial Performance

The MDTF Office, as Administrative Agent of the LRF, officially reports to Donors, through the LRF Steering Committee, on total contributions received, transfers made to Participating UN Organizations for the implementation of approved projects, and the expenditures incurred against these projects.

4.1 Sources, Uses, and Balance of LRF Funds

As of the end of the reporting period ending on 31 December 2008, \$45.86 million was deposited into the Lebanon Recovery Fund account. Of this amount, \$33.43 million (73 percent) had been transferred to six Participating UN Organizations by 31 December 2008. Table 4.1 provides an overview of the overall sources, uses, and balance of the LRF as of 31 December 2008.

Table 4.1 Sources, Uses, and Balance of LRF Funds, as of 31 Dec 2008 (US\$)

Source of Funds	
Gross Contributions	45,857
Fund Earned Interest Income	1,395
Agency Earned Interest Income	122
Total – Source of Funds	47,374
Use of Funds	
Transfers to Implementing Agencies	33,426
Transfers from Donor Contributions	33,426
Refunds from Implementing Agencies	0
Administrative Agent Fees	459
Direct Costs	0
Bank Charges	0
Total – Use of Funds	33,885
Balance of Funds Available	13,490

Apart from Donor contributions, the other source of funds for the LRF is interest income. The two sources of interest earned income are Administrative Agent (Fund) earned interest, which is the interest earned by the MDTF Office as the Administrative Agent on the balance of funds remaining in the LRF account, and agency earned interest, which is the amount earned by the Participating UN Organizations on the undisbursed balance of LRF funds. As of the reporting period, the fund earned interest of \$1.4 million and the Participating UN Organizations refunded interest earnings of \$121,948. Additional information relating to interest earnings is given in section 4.6.

The Administrative Agent fee was charged at the approved rate of 1 percent on deposits and amounted to \$458,575 as at 31 December 2008.

4.2 Donor Contributions

Table 4.2 gives the breakdown of the total contribution received amounting to \$45.86 million as of the end of the reporting period, 31 December 2008. The largest contribution was made by Spain (\$35.40 million), followed by Sweden (\$9.80 million) and by Romania (\$0.66 million)

Table 4.2 Total Donor Deposits into the LRF

Donor	Gross Donor Deposits											
	Jan to Dec 2006		Jan to Dec 2007		Jan to Dec 2008		Total Jan 2006 to Dec 2008		Total Jan 2006 to Mar 2009			
	(Donor Curr)	(US\$)	(Donor Curr)	(US\$)	(Donor Curr)	(US\$)	(Donor Curr)	(US\$)	(Donor Curr)	(US\$)		
Romania	EUR 500,000	659,531					EUR 500,000	659,531			EUR 500,000	659,531
Spain			EUR 15,000,000	19,909,500	EUR 10,000,000	15,491,000	EUR 25,000,000	35,400,500			EUR 25,000,000	35,400,500
Sweden	EUR 7,436,276	9,797,465					EUR 7,436,276	9,797,465			EUR 7,436,276	9,797,465
TOTAL		10,456,996		19,909,500		15,491,000		45,857,496				45,857,496

4.3 Transfer of Approved Funding to Participating UN Organizations

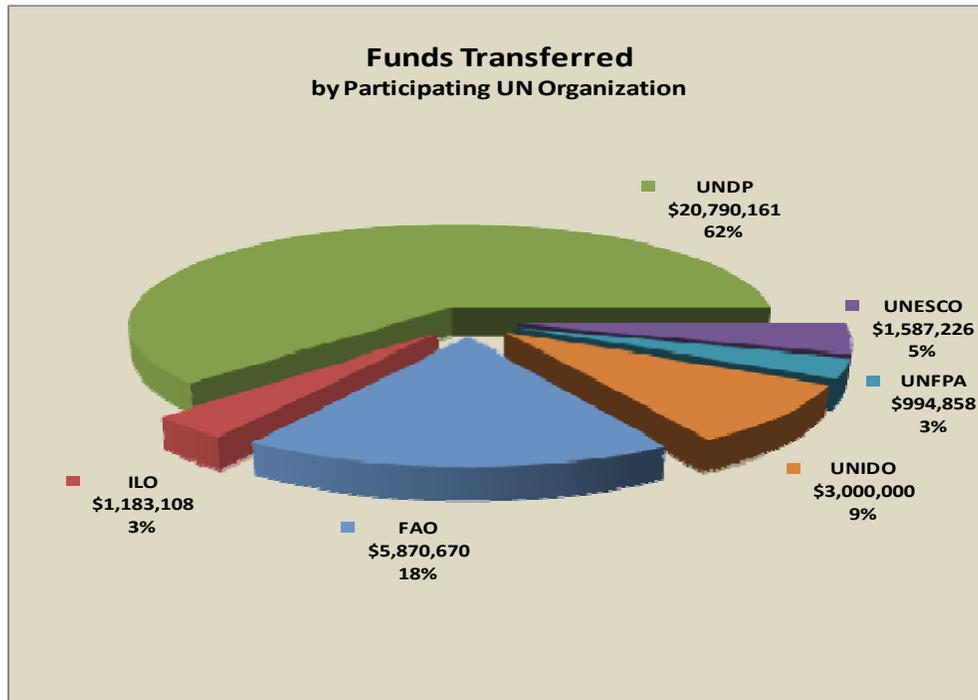
As of 31 December 2008, the LRF had transferred funds to six Participating UN Organizations for approved projects for a total of \$33.43 million, which accounted for 73 percent of the total deposited funds. The distribution of approved funding, consolidated by UN Participating Organization and reporting period, is summarized in Table 4.3.

FAO, ILO, UNDP, UNESCO, UNFPA and UNIDO were the six implementing agencies that received funding for eighteen projects approved by the LRF Steering Committee as of 31 December 2008. UNDP received the bulk of the funding (62 percent) followed by FAO (18 percent), UNIDO (9 percent), UNESCO (5 percent), ILO (3 percent) and UNFPA (3 percent). Figure 4.1 reflects the transfer of funds by Participating UN Organization as of 31 December 2008.

Table 4.3 Funds Transferred and Number of Projects, by PUNO

AGENCY	Funds Transferred					
	as of 31 December 2008			as of 31 March 2009		
	Amount (US\$)	% of Amount Transferred	No. of Projects	Amount (US\$)	% of Amount Transferred	No. of Projects
FAO	5,870,670	18	3	5,870,670	18	3
ILO	1,183,108	3	1	1,183,108	3	1
UNDP	20,790,161	62	10	20,790,161	62	10
UNESCO	1,587,226	5	2	1,587,226	5	2
UNFPA	994,858	3	1	994,858	3	1
UNIDO	3,000,000	9	1	3,000,000	9	1
TOTAL	33,426,023	100	18	33,426,023	100	18

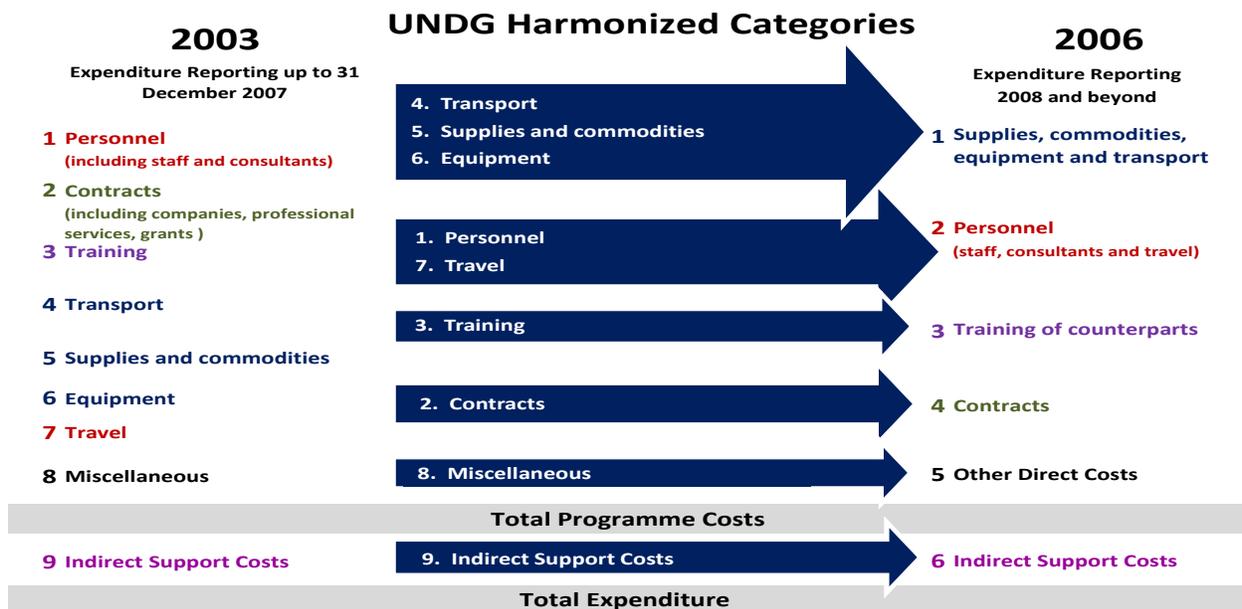
Figure 4.1 Funds Transferred as of 31 Dec 2008 and 31 Mar 2009



4.4 Expenditure

As part of the process to streamline expenditure reporting for all the Multi Donor Trust Funds and Joint Programmes, the 2003 UNDG approved nine budget and expenditure categories were replaced by the 2006 UNDG approved six budget and expenditure categories and the Participating UN Organizations have reported on the six harmonized categories for period ending 31 December 2008. The mapping of the 2003 UNDG harmonized nine categories to the 2006 UNDG harmonized six categories is given in Figure 4.2.

Figure 4.2 Mapping the 2003 to the 2006 UNDG Harmonized Categories



Despite the continued difficult situation on the ground, the pace of programme activities increased in 2008 and the Participating UN Organizations were able to reflect expenditure of 27 percent of funds transferred. Table 4.4.1 reflects expenditure, by Participating UN Organization with a breakdown by the six categories for the period 1 January to 31 December 2008.

Table 4.4.1 Total Expenditure, by PUNO, with Breakdown by Category, 1 Jan-31 Dec 2008

Participating UN Organization	Funds Transferred	Total Expenditure (Jan - Dec 08)		EXPENDITURE by CATEGORY (US\$)							Indirect Support Costs as % of Total Programme Costs
	(US\$)	(US\$)	% of Funds Transferred	Supplies, Commodities, Equipment and Transport	Personnel	Training of Counterparts	Contracts	Other Direct Costs	TOTAL	Indirect Support Costs	
									PROGRAMME COSTS		
FAO	5,870,670	4,099,993	70	2,044,317	514,451	69,806	1,000,000	203,195	3,831,769	268,224	7.0
ILO	1,183,108	919,381	78	28,785	327,988	63,145	302,580	151,877	874,375	45,006	5.1
UNDP	20,790,161	1,670,739	8	893,101	302,289	0	214,573	151,524	1,561,487	109,252	7.0
UNESCO	1,587,226	314,696	20	268,098	807	1,204	24,000	0	294,109	20,588	7.0
UNFPA	994,858	142,459	14	445	61,350	20,500	30,037	20,807	133,139	9,320	7.0
UNIDO	3,000,000	1,746,785	58	1,134,853	263,564	94,613	127,958	11,522	1,632,509	114,276	7.0
TOTAL	33,426,023	8,894,054	27	4,369,599	1,470,449	249,268	1,699,149	538,924	8,327,389	566,665	6.8
<i>Percentage of Total Programme Costs</i>				<i>52.5</i>	<i>17.7</i>	<i>3.0</i>	<i>20.4</i>	<i>6.5</i>		<i>6.8</i>	

All expenditure reported for the year 2008 were submitted by the headquarters' of the Participating UN Organizations via the MDTF Office Reporting Portal, and extracted and analyzed by the MDTF Office. As shown in Table 4.4.2 and Figure 4.3, ILO reflected the highest expenditure (84 percent) followed by FAO (72 percent), UNIDO (62 percent), UNESCO (20 percent), UNFPA (14 percent) and UNDP (8 percent). Summary of expenditure by Participating UN Organization and periods is given in Table 4.4.4.

Table 4.4.2 Total Expenditure, by PUNO, with Breakdown by Category, 1 Jan 2007-31 Dec 2008

Participating UN Organization	Funds Transferred	Total Expenditure (Jan 07 - Dec 08)		EXPENDITURE by CATEGORY (US\$)							Indirect Support Costs as % of Total Programme Costs
	(US\$)	(US\$)	% of Funds Transferred	Supplies, Commodities, Equipment and Transport	Personnel	Training of Counterparts	Contracts	Other Direct Costs	TOTAL	Indirect Support Costs	
									PROGRAMME COSTS		
FAO	5,870,670	4,227,570	72	2,044,317	616,226	69,806	1,000,000	220,651	3,951,000	276,570	7.0
ILO	1,183,108	997,583	84	82,039	330,046	74,904	302,580	157,892	947,461	50,122	5.3
UNDP	20,790,161	1,707,569	8	897,289	331,251	0	214,573	152,794	1,595,907	111,662	7.0
UNESCO	1,587,226	314,696	20	268,098	807	1,204	24,000	0	294,109	20,588	7.0
UNFPA	994,858	142,459	14	445	61,350	20,500	30,037	20,807	133,139	9,320	7.0
UNIDO	3,000,000	1,849,837	62	1,174,054	317,529	94,665	127,958	14,614	1,728,820	121,017	7.0
TOTAL	33,426,023	9,239,715	28	4,466,242	1,657,209	261,078	1,699,149	566,757	8,650,436	589,279	6.8
<i>Percentage of Total Programme Costs</i>				<i>51.6</i>	<i>19.2</i>	<i>3.0</i>	<i>19.6</i>	<i>6.6</i>		<i>6.8</i>	

Figure 4.3 Total Expenditure by PUNO as of 31 Dec 2008

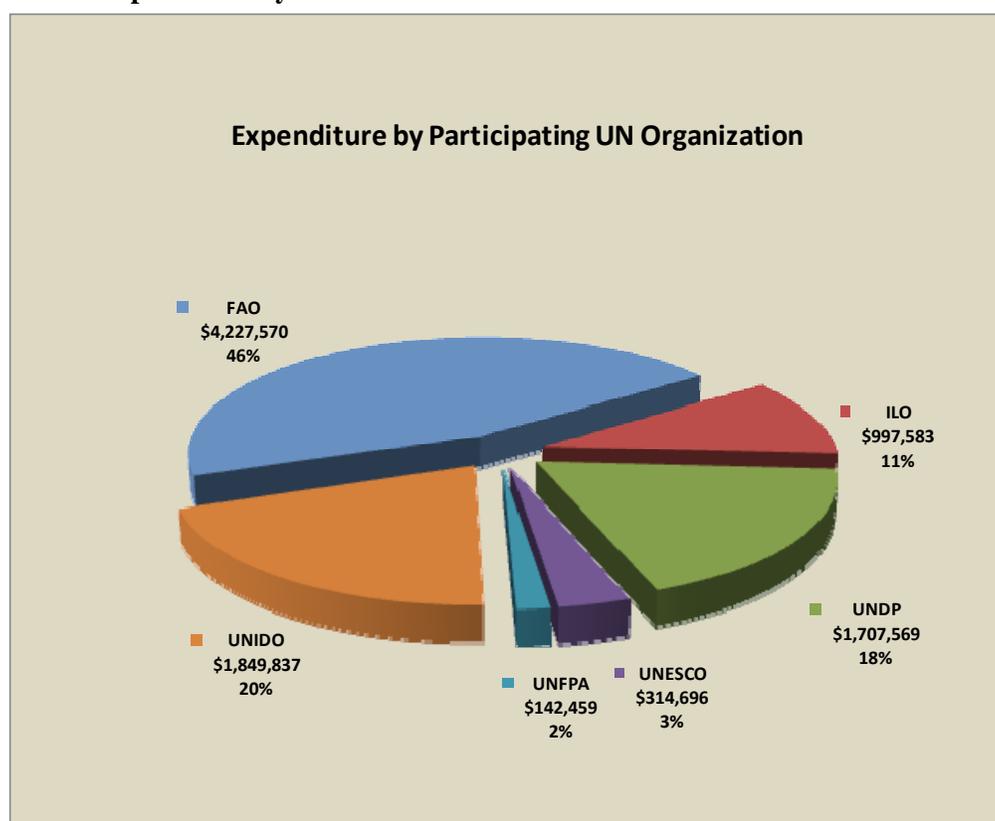


Table 4.4.3 and Figure 4.4 reflect the expenditure by category for the period 1 January 2007 to 31 December 2008. The highest percentage of expenditure was incurred on Supplies, Commodities, Equipment and Transport (51.6 percent), followed by Contracts (19.6 percent), Personnel (19.2 percent), Other Direct Costs (6.6 percent) and Training of Counterparts (3 percent). The indirect support costs are at 6.8 percent, which is well within the 5-9 percent range specified in the MOU and LOA.

Table 4.4.3 Summary of Total Expenditure, by Category and Period, 2007-2008 (US\$)

CATEGORY	TOTAL EXPENDITURE		January 2007 - December 2008	% of Total Programme Costs
	P1 Jan - Dec 2007	P2 Jan - Dec 2008		
Supplies, Commodities, Equipment and Transport	96,643	4,369,599	4,466,242	51.6
Personnel	186,760	1,470,449	1,657,209	19.2
Training of Counterparts	11,811	249,268	261,078	3.0
Contracts	0	1,699,149	1,699,149	19.6
Other Direct Costs	27,833	538,924	566,757	6.6
Total Programme Costs	323,047	8,327,389	8,650,436	-
Total Indirect Support Costs	22,614	566,665	589,279	6.8
TOTAL Expenditure	345,661	8,894,054	9,239,715	

Figure 4.4 Total Expenditure by Category as of 31 Dec 2008

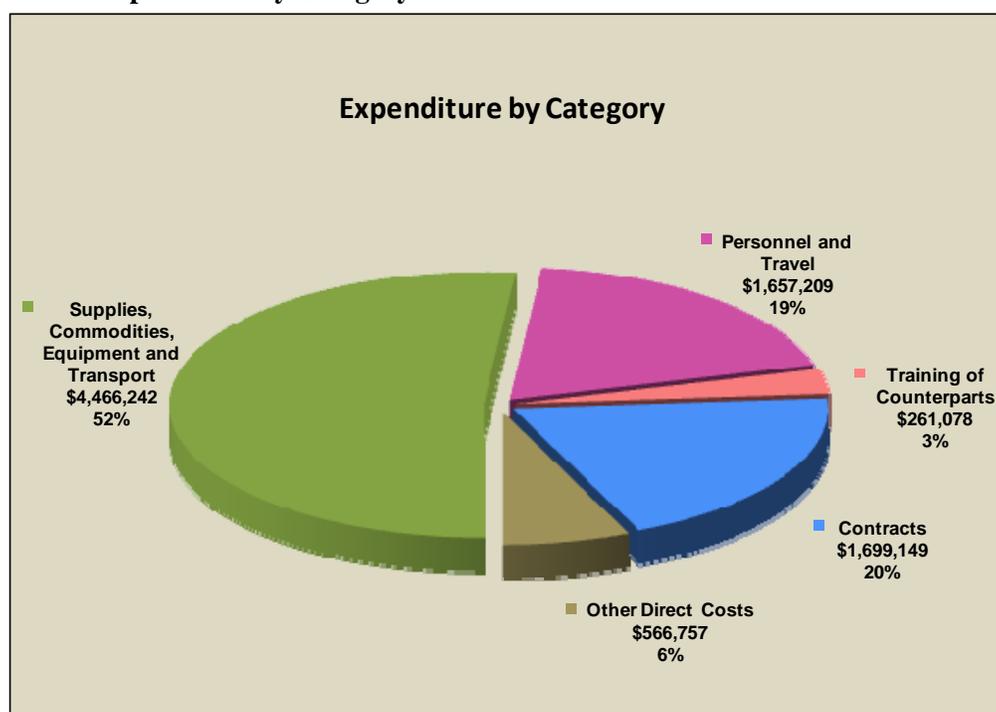


Table 4.4.4 Summary of Total Expenditure, by PUNO and Period, 2007-2008 (US\$)

Participating UN Organization	FUNDS TRANSFERRED		EXPENDITURE			% of Funds Transferred
	Amount	No. of Projects	Jan - Dec 2007	Jan - Dec 2008	January 2007 - December 2008	
FAO	5,870,670	3	127,577	4,099,993	4,227,570	72.0
ILO	1,183,108	1	78,202	919,381	997,583	84.3
UNDP	20,790,161	10	36,830	1,670,739	1,707,569	8.2
UNESCO	1,587,226	2	-	314,696	314,696	19.8
UNFPA	994,858	1	-	142,459	142,459	14.3
UNIDO	3,000,000	1	103,052	1,746,785	1,849,837	61.7
TOTAL	33,426,023	18	345,661	8,894,054	9,239,715	27.6

Table 4.4.5 Total Expenditure, by PUNO, 1 Jan 2007-31 Dec 2008

Project	Agency	Steering Committee Approval Date	Amount Transferred January 2006 to December 2008 (US\$)	Expenditure			% of Funds Transferred	
				January to December 2007 (US\$)	January to December 2008 (US\$)	Total January 2007 to December 2008 (US\$)		
FAO								
LRF-3	Early recovery assistance for the horticulture smallholder	FAO	12 Jun 07	1,370,670	75,791	1,131,355	1,207,146	88
LRF-4	Early recovery assistance to war-affected resource-poor livestock keepers in South Lebanon	FAO	12 Jun 07	1,900,000	51,786	1,750,962	1,802,748	95
LRF-14	Fighting (Control) and Damaged Forests Assessment and Rehabilitation	FAO	05 Nov 07	2,600,000	-	1,217,676	1,217,676	47
Subtotal				5,870,670	127,577	4,099,993	4,227,570	72
ILO								
LRF-5	Local socio-economic recovery in war-affected areas in South Lebanon	ILO	12 Jun 07	1,183,108	78,202	919,381	997,583	84
Subtotal				1,183,108	78,202	919,381	997,583	84
UNDP								
LRF-1	Community Energy efficiency and Renewable Energy Demonstration project for Recovery of Lebanon	UNDP	07 May 07	2,732,240	28,916	300,993	329,910	12
LRF-7	Enhance Performance of the Social Sector	UNDP	03 Oct 07	270,000	7,913	31,682	39,596	15
LRF-8	Increased Integration of the Poor Disabled	UNDP	10 Oct 07	1,400,000	-	842,469	842,469	60
LRF-9	Flood and Water Management for Livelihood Recovery in Baalback-Hermel	UNDP	10 Oct 07	2,843,880	-	375,350	375,350	13
LRF-10	Country Energy Efficiency and Renewable Energy Demonstration Project for Recovery of Lebanon (South, Bekaa and Akkar)	UNDP	10 Oct 07	3,500,000	-	-	-	0
LRF-11	Strengthening the Dairy Production Channel in North Lebanon	UNDP	05 Nov 07	1,000,000	-	-	-	0
LRF-13	Socio-economic Rehabilitation and Recovery of War-affected Beirut and its Suburbs	UNDP	05 Nov 07	996,919	-	113,387	113,387	11
LRF-16	Project for the Recovery of Lebanon – South, Bekaa and Akkar (CEDRO III)	UNDP	19 Sep 08	3,500,000	-	-	-	0
LRF-17	Flood Risks Prevention and Management in Baalbeck - Hermel	UNDP	19 Sep 08	3,800,000	-	-	-	0
LRF-18	Recovery Coordination Support in Lebanon	UNDP	24 Oct 08	747,122	-	6,859	6,859	1
Subtotal				20,790,161	36,830	1,670,739	1,707,569	8
O								
LRF-6	Building of Human Resources for digital documentation of world heritage sites affected by the war	UNESCO	07 May 07	767,226	-	313,198	313,198	41
LRF-15	Enhancing ICT in Education	UNESCO	21 Aug 08	820,000	-	1,499	1,499	0
Subtotal				1,587,226	-	314,696	314,696	20
UNFPA								
LRF-12	Women Empowerment: Peaceful Action for Stability and Security (WE PASS)	UNFPA	05 Nov 07	994,858	-	142,459	142,459	14
Subtotal				994,858	-	142,459	142,459	14
UNIDO								
LRF-2	Support for livelihoods and Economic recovery in War-Affected Areas of Lebanon	UNIDO	07 May 07	3,000,000	103,052	1,746,785	1,849,837	62
Subtotal				3,000,000	103,052	1,746,785	1,849,837	62
Total				33,426,023	345,661	8,894,054	9,239,715	28

4.5 Balance of Funds

Table 4.5 provides an overall status of the fund and indicates that 73 percent of funds had been transferred to Participating UN Organizations as of 31 December 2008. There was \$11,972,898 available for funding in the LRF account as of 31 December 2008. The unutilized balances remaining with Participating UN Organizations as of 31 December 2008 was \$24,186,308, which was 72 percent of the funding they received, reflecting a high rate of unused funds due to the continued difficult situation on the ground.

Table 4.5 Balance of Funds (US\$)

	Balance of Funds			
	as of 31 December 2008		as of 31 March 2009	
	Total (US\$)	% of Gross Contributions	Total (US\$)	% of Gross Contributions
Gross Donor Contributions	45,857,496	-	45,857,496	-
Net Donor Contributions*	45,398,921	99.0	45,398,921	99.0
	Total (US\$)	% of Gross Contributions	Total (US\$)	% of Gross Contributions
Approved Funding	33,426,023	72.9	33,426,023	72.9
Balance of Funds with AA	11,972,898	26.1	11,972,898	26.1
	Total (US\$)	% of Approved Funding	Total (US\$)	% of Approved Funding
Expenditure	9,239,715	27.6	N/A **	-
Balance of Funds with Agency	24,186,308	72.4	N/A **	-

* Contributions after adjusting for the Administrative Agent's fee
 ** N/A - Not covered in this reporting period

4.6 Interest Earned

4.6.1 LRF-Administrative Agent (Fund) earned interest

The LRF earned interest income of \$1.4 million as of 31 December 2008. In view of the 'pass-through' fund management modality of the LRF, contributions received from Donors are expected to be transferred to the Participating UN Organizations as soon as the projects are approved and are not to be kept as unutilized funds for long periods of time.

Table 4.6 LRF Interest Income and Investment Income, 2007-2008 (US\$)

Period	2007	2008	Total
1st Quarter	0	111,500	111,500
2nd Quarter	436,908	769	437,677
3rd Quarter	206,477	0	206,477
4th Quarter	189,363	449,943	639,306
Total	832,748	562,213	1,394,961

4.6.2 Interest earned by Participating UN Organizations

All interest earned by the Participating UN Organizations is expected to be credited to the LRF account unless the governing bodies of the said organizations have approved decisions that govern the specific use of interest earned on Donor contributions. Interest earnings of \$485,104 were reported by the Participating UN Organizations of which \$121,948 was credited to the fund as of 31 December 2008.

Table 4.6.2 Reported Interest Earned by PUNO, as of 31 Dec 2007 (US\$)

Participating UN Organization	INTEREST					
	2007		2008		2007-2008	
	Amount Reported	Amount Received	Amount Reported	Amount Received	Total Amount Reported	Total Amount Received
FAO	40,778	40,778	61,757	-	102,535	40,778
ILO	25,785	-	41,076	-	66,861	-
UNDP	74,191	74,191	-	-	74,191	74,191
UNESCO	6,979	6,979	32,866	-	39,845	6,979
UNFPA	-	-	30,989	-	30,989	-
UNIDO	42,701	-	127,982	-	170,683	-
	190,434	121,948	294,670	-	485,104	121,948

Both the Fund earned interest as well as the interest earned by Participating UN Organizations duly transferred to the AA will be used to augment the availability of funds for project funding.

4.7 Cost Recovery

The cost recovery for LRF is guided by the applicable provisions of the LRF Terms of Reference, the Letters of Agreement concluded between the UNDP/MDTF Office as the Administrative Agent of the LRF with Donors, and the Memorandum of Understanding concluded between the UNDP/MDTF Office and Participating UN Organizations.

For the reporting period, the actual costs were as follows:

- a) The Administrative Agent fee of \$458,575, charged for the entire duration of the LRF, amounted to 1 percent, which is the standard UNDG-endorsed AA-fee, charged across all UN MDTFs.
- b) The cumulative average rate of indirect support costs charged by the Participating UN Organizations to date amounts to 6.8 percent, which is well within the range of 5-9 percent specified for indirect support costs in the LOA and MOU. Some Participating UN Organizations may charge indirect support costs on total project budget amounts instead of on actual expenditures, as permissible by their Regulations and Rules, with appropriate adjustments to be made upon project completion.

5. Transparency and Accountability of the LRF

The major vehicle for public transparency of operations under the Lebanon Recovery Fund is the MDTF Office-maintained LRF-website, www.undp.org/mdtf/lebanon. The website is updated regularly and provides the most current information on all information related to the LRF. The public notification of all project approvals made by the LRF Steering Committee, as well as additional information and progress updates on these projects, provides a high level of transparency to national authorities, Donors, the public, and the Participating UN Organizations. Donor pledges, commitments, and deposits are updated monthly and provide the LRF Steering Committee, as well as all other stakeholders, up-to-date information on the financial status of the LRF.

The LRF Steering Committee's Terms of Reference and Rules of Procedure, including detailed information on the decision-making process and criteria for allocation of resources as well as templates and guidance notes are posted on the website. Additionally, project summaries and project progress updates, provided by Participating UN Organizations, are posted regularly, providing the LRF Steering Committee, Donors, and others with a tool to enable oversight and monitoring of the implementation of the projects.

The MDTF Office introduced the MDTF Reporting Portal in early 2009 to upload expenditure data for the year ending 31 December 2008. Using the UNEX component of the Portal, Participating UN Organizations have uploaded annual expenditure data for the LRF using a single Excel spreadsheet containing all data pertaining to all the MDTFs administered by the MDTF Office in line with the 2006 six harmonized UNDG budget and expenditure categories.

The introduction of the MDTF Reporting Portal along with the new MDTF1 General Ledger Business Unit (MDTF1 GLBU) enables the MDTF Office, as Administrative Agent, to hold pass-through funds on behalf of Participating UN Organizations to be recorded on a separate ledger to ensure the highest level of accountability, transparency and audit traceability.

Participating UN Organizations' individual progress reports are available to Donors upon written request to the MDTF Office.

Conclusion

This Second Consolidated Progress Report on Activities under the LRF reports on the implementation of the eighteen projects approved for funding as of 31 December 2008, the second year of operations of the LRF. The Progress Report is consolidated based on information and data contained in the individual progress reports and financial statements submitted by Participating UN Organizations to the MDTF Office. It is neither an evaluation of the LRF nor the MDTF Office's assessment of the performance of the Participating UN Organizations.

The first project under the LRF was approved in May 2007, followed by another nine in 2007. In 2008, an additional eight projects were approved and funds transferred to Participating UN Organizations, bringing the total projects approved for funding under the LRF as of 31 December 2008 to eighteen.

The range of projects approved by the LRF Steering Committee continues to grow, reflecting the vast recovery and reconstruction needs in place in the country. Projects approved under the LRF as of the end of the reporting period include three projects in support of energy efficiency and renewable energy (LRF-1, LRF-10 and LRF-16); projects in support of the recovery of horticulture smallholders (LRF-3), resource-poor livestock keepers (LRF-4), livelihoods and economic recovery (LRF-2) and dairy producers in North Lebanon (LRF-11), as well as a project in support of integrated forest fire management (LRF-14). Other projects include efforts to enhance the performance of the social sector (LRF-7), increased integration of the poor and disabled (LRF-8), flood management projects (LRF-9 and LRF-17), and socio-economic rehabilitation of Beirut and its suburbs (LRF-13) as well as in South Lebanon (LRF-5). Finally, the LRF Steering Committee has approved projects in support of women empowerment (LRF-12), enhancing ICT education (LRF-15), supporting the digital documentation of World Heritage Sites (LRF-6), as well as supporting the Resident Coordinators sub-offices in the North and South of Lebanon.

Whereas Participating UN Organizations in 2007 reported on project start-up activities that focused on establishing project implementation and management capacities and systems, identifying and contracting implementing partners, and completing preparatory work for the procurement of critical goods and services, this 2008 report reflects that a number of projects are well underway in implementing their activities.

The lessons learned during the initial start-up phases of the projects in 2007 have allowed Participating UN Organizations to take appropriate measures in 2008 within existing projects as well as in new projects, and to ensure that improved project implementation and management arrangements are introduced, where applicable. For newly approved projects, initial start-up activities, as well as experiences from projects approved in 2007, have prepared the groundwork for Participating UN Organizations to continue the implementation of projects in 2009.

A number of projects have reported on significant achievements during the reporting period, with six of the projects reporting a financial expenditure rate of nearly 50 percent or above. Comprehensive details of these achievements have been included in the report, but a notable characteristic across nearly all projects is Participating UN Organizations' partnering with implementing partners, including national authorities, local foundations or NGOs. Across nearly all projects, Ministries, foundations, NGOs and community-based groups form a core-element of the projects.

However, Participating UN Organizations have also report on delays caused by a challenging and volatile political environment. Coupled with various programmatic challenges, this resulted in some delays in the start-up of projects or postponement of individual activities. As of the end of the reporting period,

however, all projects were reported to be on track with implementation, some having requested a no-cost project extension.

The MDTF Office envisages that this Second Consolidated Progress Report on Activities under the Lebanon Recovery Fund will provide the LRF Steering Committee the basis on which to better assess the future of the LRF including its resource requirements and to advocate and mobilize additional funding in support of the recovery, reconstruction, and development process in Lebanon, as required and as appropriate.