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







**Report of the Administrative Agent of the Lebanon Recovery Fund
for the period 1 January – 31 December 2019**

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

31 May 2020

Lebanon Recovery Fund (LRF)

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

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

Abbreviations and Acronyms

AA	Administrative Agent
CEDRO	Community Energy Efficiency and Renewable Energy Demonstration Project
DRR	Disaster risk and recovery
FAO	Food and Agriculture Organization of the United Nations
GoL	Government of Lebanon
ILO	International Labour Organization
ISIL	Islamic State of Iraq and the Levant
LCRP	Lebanon Crisis and Response Plan
LRF	Lebanon Recovery Fund
M&E	Monitoring and Evaluation
MPTF Office	Multi-Partner Trust Fund Office (Administrative Agent of the LRF)
MoA	Ministry of Agriculture
MoN	Municipality of Nabatieh
MOU	Memorandum of Understanding
NGO	Non-governmental organization
RHUH	Beirut Rafik Hariri University Hospital
SAA	Standard Administrative Arrangement
SDC	Swiss Agency for Development and Cooperation
TOR	Terms of Reference
UN	United Nations
UNCT	United Nations Country Team
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNIDO	United Nations Industrial Development Organization
UN OCHA	United Nations Office for the Coordination of Humanitarian Affairs

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Definitions

Allocation

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

Approved Project

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

Contributor Commitment

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

Contributor Deposit

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

Delivery rate

A financial indicator of the percentage of funds that have been utilised by comparing the expenditures reported by a Participating Organization against the 'net funded amount'.

Indirect support costs

A general cost that cannot be directly related to any particular project or activity of the Participating Organizations. Under UN MPTFs, these costs amount to 7 per cent as per the United Nations Development Group (UNDG) agreed MPTF cost recovery.

Net funded amount

The amount transferred to a Participating Organization less any refunds.

Participating Organization

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

Project Expenditure

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

Project Financial Closure

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

Project Operational Closure

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

Project Operational Closure

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

Project Start Date

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

Total Approved Budget

Amount approved by the Steering Committee.

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Executive Summary

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

In 2019, the LRF concluded its thirteenth year of operations. Because the majority of LRF initiatives have been successful, the United Nations in collaboration with national partners, will build on achievements with help from a fund that, since its establishment, disbursed \$55.49 million US dollars to 32 projects in the following sectors:

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

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

As of 31 December 2019, the LRF received a total of \$53.2 million US dollars in contributions from Germany, India, the Government of the Republic of Korea, Spain, Sweden, and Romania. During that same period the Administrative Agent transferred \$56.8 million US dollars to seven Participating Organizations. Expenditure for the LRF as of 31 December 2019 was \$54.8 million US dollars, and over the course of the reporting period there was one active project. Report and financial data pertaining to the Lebanon Recovery Fund is available on the LRF section of the [MPTF Office GATEWAY website](#).

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

The Steering Committee of the Lebanon Recovery Fund (LRF), at a meeting in April 2017, decided to reshape and pivot the Fund in line with recommendations from the internal review, which recognize the value of the LRF in facilitating support for national priorities particularly through UN joint programming. During the reporting period, the LRF with key UN agencies have been undertaken efforts to develop prioritized joint programmes in collaboration with government and donor counterparts. In parallel, discussions are ongoing with the World Bank to ensure alignment and complementarities between the LRF and World Bank financial support to Lebanon.

1 Introduction

1.1 Background

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

A popular uprising started in October 17 that resulted in the resignation of the previous government. The large demonstrations across the country and across all walks of life demanded better quality of life, an end to corruption, effective social protection, job rich growth, and better standards of living with equal opportunities for all.

In November 2019, the financial and economic situation started to worsen, and banks imposed de facto capital controls due to shortage in US Dollar liquidity. Moreover, speculations around potential government default on its all its foreign currency denominated Eurobonds which resulted in heightened financial and economic insecurity and instability.

The Lebanese economy today is suffering the consequences of longstanding development challenges and these multiples crises exacerbated further by the COVID-19 health emergency, coming at very high economic and social cost. According to the IMF, Lebanon's real GDP contracted by 6.4% in 2019 and this drop will likely reach 12% in 2020. Prior to the general mobilization measures forced by the COVID 19 pandemic, at least 200,000 people had lost their jobs by February 2020 and the situation is expected to get worse. The social consequences are also worsening, with the World Bank estimating poverty at 50%.



Map of Lebanon – ©Google Maps

All of this has placed Lebanon in a critical position where **safeguarding the country's stability and security continue to require adopting a 'whole of Lebanon' approach**. The United Nation's system in Lebanon has embraced this 'whole of Lebanon' approach through its 2017-2021 UN Strategic Framework presenting the key shared objectives of the UN system, the areas in which it intends to support the Government of Lebanon and its people, and the expected outcomes of its assistance. The UN Strategic Framework focuses on three priorities:

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

1.2 The 2019 Consolidated Annual Progress Report

The *thirteenth Consolidated Annual Progress Report on Activities Implemented under the Lebanon Recovery Fund* covers the period from 1 January to 31 December 2019 and reports on the progress, achievements and challenges of the two projects operational during this period. The annual report is consolidated using information from individual progress reports and financial statements submitted to the MPTF Office by Participating Organizations.¹

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

2 Governance

2.1 The LRF Steering Committee

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

2.2 The Project Approval Group

The Project Approval Group (PAG) reviews project proposals, provides technical advice to the steering committee. The PAG is co-chaired by the Office of the Prime Minister and the UN Resident Coordinator’s Office, and is comprised of senior technical representatives from the Ministry of Finance and Ministry of Economy and Trade. The PAG met two times in 2019 to discuss major challenges and to explore opportunities for the LRF to channel additional financial support to Lebanon.



Table 1.1: Ongoing projects (1 January – 31 December 2019) in US Dollars

Sector/Project No. and Project Title		Participating Organization	Total Approved Amount	Net Funded Amount	Start Date	Completion date
00073340	LRF-25 M & E Team for the LRF	UNDP	746,304	746,304	17 Dec 2009	31 Dec 2020
Total for Lebanon Recovery Fund ongoing projects			746,304	746,304		

2.3 The Administrative Agent

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

3 Project Approval and Implementation Updates

In this section a summary of activities and results from the projects implemented by LRF Participating Organizations are presented. Included in the summary are the main project achievements outlined in annual progress reports submitted to the MPTF Office. For 2019, project results are organized under the following sector:

- **Coordination projects** that involve UN coordination offices and the LRF Monitoring and Evaluation Unit.

See the **Annex** for a complete list of all LRF projects and extensions approved between 2007 and 2019.

3.1 Coordination Projects

3.1.1 Monitoring and Evaluation Team for the LRF—FUND SECRETARIAT

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

Table 3.3.1.1: M&E Project Summary

Project Number, Title and Participating Organization	LRF 25: Monitoring and Evaluation Team for the LRF - UNDP
Total Allocation	US\$ 746,304
Project Duration	December 2009 – December 2020
Key Objective	To generate and enhance the framework whereby projects improve efficiency and prevent unnecessary expenditures and project delays that may arise.

Results

In 2019, the LRF secretariat has been working with key government stakeholders and UN agencies to develop a pipeline of flagship joint programmes for funding through the LRF particularly focused on peace & security, environment and productive sectors. The secretariat has led wide consultation of the pipeline with Government, UN, and donors in an effort to ensure joint programmatic priorities and matched ambitions.

The LRF secretariat has also engaged with the World Bank to explore ways to ensure alignment and complementarities between the UN-LRF and the WB-Lebanon Syrian Crisis Trust Fund (LSCTF) to ensure coordinated support to critical Government priorities. During the reporting period, the World Bank decided to close the LSCTF and therefore the secretariat has been in closely coordinating with the World Bank to strengthen synergies between programmes supported through the LRF and other World Bank funding instruments.

During the reporting period, the LRF secretariat has worked with participating UN agencies to successfully mobilize a CAD 10 million contribution from the government of Canada to support productive sectors development. This support will be initiated in 2020 through a flagship joint programme “Productive Sectors Development Programme” (PSDP). The PSDP sits within the United Nations Strategic Framework’s (UNSF) Outcome 3.1, which stipulates that the Government of Lebanon shall be assisted in “strengthening Lebanon productive sectors of the economy to promote inclusive growth and local development especially in most disadvantaged areas”. It will be jointly implemented by UNIDO, FAO, UNDP, ILO, UN WOMEN, and UNICEF and aims to support gender-responsive job creation and economic opportunities in the agriculture and agro-food sectors, prioritizing women and female youth in disadvantaged areas.

During the reporting period, the LRF secretariat has also mapped the broader financing landscape for Lebanon to inform resource mobilization efforts and exploring with partners opportunities to support key national initiatives through the LRF, including Lebanon’s First National Action Plan on UN Security Council Resolution 1325 on Women, Peace and Security.

In light of the recent economic and financial crisis that started in late 2019, the LRF secretariat is also supporting the steering committee with developing a prioritized results framework for resource mobilization in line with government development priorities.

Challenges

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

4 Conclusion

This *thirteenth Consolidated Annual Report on Activities under the Lebanon Recovery Fund* provides details of ongoing projects in Lebanon along with new initiatives implemented in 2019. In the current reporting period there was one active projects. A total of 32 projects have been funded since the inception of the Lebanon Recovery Fund with a net funded amount of \$56.8 million US dollars transferred to seven Participating Organizations.

Thirty-one projects were operationally closed, and thirty were financially closed as of 31 December 2019. LRF-funded projects have been largely successful in achieving objectives as significant cross-sectoral gains were reported in many communities, which prompted the scaling-up of several initiatives across the country. One noteworthy characteristic regarding all LRF projects is the growing collaboration between Participating Organizations and implementing partners—a network that includes national authorities, local foundations and NGOs. All projects have been closely developed with government counterparts and the majority relied on support from ministries, foundations, NGOs and community-based groups for implementation of activities, along with much-needed technical expertise in the development and execution of project activities.

The United Nations hopes to build on the achievements of the LRF in 2020 and beyond. **Initiatives under the fund form a solid, coherent and realistic set of interventions that cover some of the most affected regions of Lebanon and they have been successful in reaching some of the country's most vulnerable populations.**

Recommendations from an internal review of the LRF (carried out in 2016 and launched in 2017) suggested **the fund be framed as a specialized mechanism that focuses on specific thematic issues not covered by other funding instruments.** The emphasis, in the case of Lebanon today, should be on providing urgent development support for the country and for vulnerable and at-risk populations, bolstering security, and addressing mid-term stabilization and development priorities that compliment long-term development and infrastructure plans.

The LRF has a role to play in financing critical gaps identified through the 2017-2021 UNSF. Funds channeled through the fund can be used to promote coherence by focusing investments on common priorities and promoting alignment between partners, while also focusing on: specific thematic issues or approaches not covered by other funding instruments; strengthening national systems through a national implementation window; providing technical and implementation support, and rolling out innovative and sustainable pilot initiatives, joint programmes and/or 'crowd-funding' approaches. The LRF has been identified by the UNCT as a key instrument for multi-year financing for prioritized joint programming initiatives and critical funding and programming gaps. This is also in line with the UNDS reforms, and commitments provided by Member States to increase core, pooled and thematic funds, and commitments by the UN development system to strengthen joint activities.

Following the recent launch of the UN socio-economic framework, the LRF will play a pivotal role in supporting key priorities and needs identified in the socio-economic response and recovery in Lebanon.

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

**Consolidated Annual Financial
Report of the Administrative Agent
for
the Lebanon Recovery Fund
for the period 1 January to 31 December 2019**

Multi-Partner Trust Fund Office
Bureau for Management Services
United Nations Development Programme
GATEWAY: <http://mptf.undp.org>
20 May 2020

PARTICIPATING ORGANIZATIONS



Food and Agriculture Organizat



International Labour Organisat



UNDP(MDTF/PUNO only).



United Nations Educational, Sc



United Nations Population Fund



UN High Commissioner for Refug



UN Industrial Development Orga

CONTRIBUTORS



GERMANY, Government of



INDIA, Government of



REPUBLIC of KOREA, Government of



ROMANIA, Government of



SPAIN, Government of



SWEDEN, Government of

DEFINITIONS

Allocation

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

Approved Project/Programme

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

Contributor Commitment

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

Contributor Deposit

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

Delivery Rate

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

Indirect Support Costs

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

Net Funded Amount

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

Participating Organization

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

Project Expenditure

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

Project Financial Closure

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

Project Operational Closure

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

Project Start Date

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

Total Approved Budget

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

US Dollar Amount

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

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INTRODUCTION

This Consolidated Annual Financial Report of the **Lebanon Recovery Fund** is prepared by the United Nations Development Programme (UNDP) Multi-Partner Trust Fund Office (MPTF Office) in fulfillment of its obligations as Administrative Agent, as per the terms of Reference (TOR), the Memorandum of Understanding (MOU) signed between the UNDP MPTF Office and the Participating Organizations, and the Standard Administrative Arrangement (SAA) signed with contributors.

The MPTF Office, as Administrative Agent, is responsible for concluding an MOU with Participating Organizations and SAAs with contributors. It receives, administers and

manages contributions, and disburses these funds to the Participating Organizations. The Administrative Agent prepares and submits annual consolidated financial reports, as well as regular financial statements, for transmission to contributors.

This consolidated financial report covers the period 1 January to 31 December **2019** and provides financial data on progress made in the implementation of projects of the **Lebanon Recovery Fund**. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/LRF00>). The financial data in the report is recorded in US Dollars and due to rounding off of numbers, the totals may not add up.

2019 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **Lebanon Recovery Fund** using the pass-through funding modality as of 31 December 2019. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/LRF00>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2019, 6 contributors deposited US\$ 53,218,156 in contributions and US\$ 2,916,630 was earned in interest.

The cumulative source of funds was US\$ 56,134,786 (see respectively, Tables 2 and 3).

Of this amount, US\$ 54,961,675 has been net funded to 7 Participating Organizations, of which US\$ 54,813,612 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 532,182. Table 1 provides an overview of the overall sources, uses, and balance of the **Lebanon Recovery Fund** as of 31 December 2019.

Table 1. Financial Overview, as of 31 December 2019 (in US Dollars)

	Annual 2018	Annual 2019	Cumulative
Sources of Funds			
Contributions from donors	-	-	53,218,156
Fund Earned Interest and Investment Income	11,805	15,531	1,588,251
Interest Income received from Participating Organizations	-	-	1,328,379
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
Total: Sources of Funds	11,805	15,531	56,134,786
Use of Funds			
Transfers to Participating Organizations	103,000	-	56,884,291
Refunds received from Participating Organizations	-	-	(1,922,616)
Net Funded Amount	103,000	-	54,961,675
Administrative Agent Fees	-	-	532,182
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	34	16	587
Other Expenditures	-	-	-
Total: Uses of Funds	103,034	16	55,494,444
Change in Fund cash balance with Administrative Agent	(91,229)	15,515	640,342
Opening Fund balance (1 January)	716,055	624,826	-
Closing Fund balance (31 December)	624,826	640,342	640,342
Net Funded Amount (Includes Direct Cost)	103,000	-	54,961,675
Participating Organizations' Expenditure (Includes Direct Cost)	497,470	145,354	54,813,612
Balance of Funds with Participating Organizations			148,064

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2019.

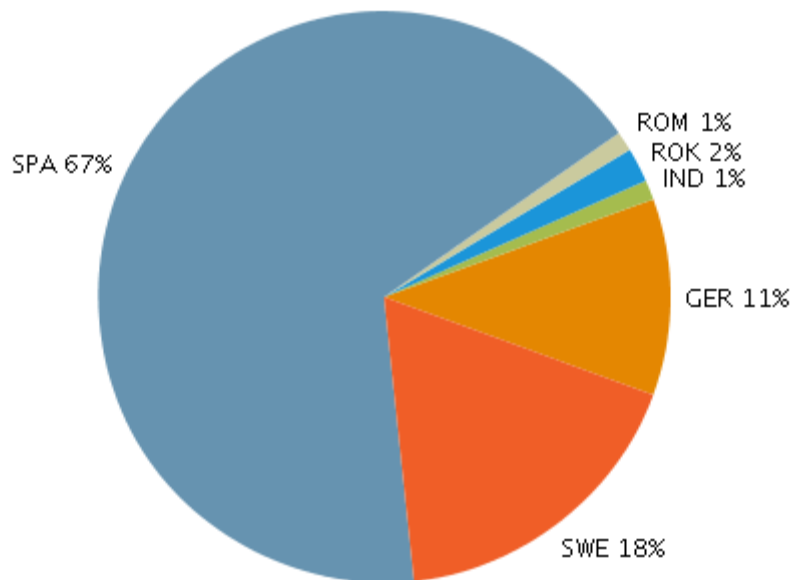
The **Lebanon Recovery Fund** is currently being financed by 6 contributors, as listed in the table below.

The table below includes commitments made up to 31 December 2019 through signed Standard Administrative Agreements, and deposits made through 2019. It does not include commitments that were made to the fund beyond 2019.

Table 2. Contributors' Commitments and Deposits, as of 31 December 2019 (in US Dollars)

Contributors	Total Commitments	Prior Years as of 31-Dec-2018 Deposits	Current Year Jan-Dec-2019 Deposits	Total Deposits
GERMANY, Government of	5,860,660	5,860,660	-	5,860,660
INDIA, Government of	500,000	500,000	-	500,000
REPUBLIC of KOREA, Government of	1,000,000	1,000,000	-	1,000,000
ROMANIA, Government of	659,531	659,531	-	659,531
SPAIN, Government of	35,400,500	35,400,500	-	35,400,500
SWEDEN, Government of	9,797,465	9,797,465	-	9,797,465
Grand Total	53,218,156	53,218,156	-	53,218,156

Figure 1: Deposits by contributor, cumulative as of 31 December 2019



3. INTEREST EARNED

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

As of 31 December 2019, Fund earned interest amounts to US\$ 1,588,251.

Interest received from Participating Organizations amounts to US\$ 1,328,379, bringing the cumulative interest received to US\$ 2,916,630.

Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2019 (in US Dollars)

Interest Earned	Prior Years as of 31-Dec-2018	Current Year Jan-Dec-2019	Total
Administrative Agent			
Fund Earned Interest and Investment Income	1,572,720	15,531	1,588,251
Total: Fund Earned Interest	1,572,720	15,531	1,588,251
Participating Organization			
FAO	85,140		85,140
ILO	41,076		41,076
UNDP	940,803		940,803
UNESCO	65,076		65,076
UNFPA	45,905		45,905
UNIDO	150,379		150,379
Total: Agency earned interest	1,328,379		1,328,379
Grand Total	2,901,099	15,531	2,916,630

4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2019, the AA has transferred US\$ **56,884,291** to **7** Participating Organizations (see list below).

4.1 TRANSFER BY PARTICIPATING ORGANIZATION

Table 4 provides additional information on the refunds received by the MPTF Office, and the net funded amount for each of the Participating Organizations.

Table 4. Transfer, Refund, and Net Funded Amount by Participating Organization, as of 31 December 2019 (in US Dollars)

Participating Organization	Prior Years as of 31-Dec-2018			Current Year Jan-Dec-2019			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO	9,933,397	(377,645)	9,555,752				9,933,397	(377,645)	9,555,752
ILO	2,683,108	(45,443)	2,637,665				2,683,108	(45,443)	2,637,665
UNDP	36,690,702	(555,132)	36,135,570				36,690,702	(555,132)	36,135,570
UNESCO	1,587,226	(803,109)	784,117				1,587,226	(803,109)	784,117
UNFPA	994,858	(386)	994,472				994,858	(386)	994,472
UNHCR	495,000		495,000				495,000		495,000
UNIDO	4,500,000	(140,900)	4,359,100				4,500,000	(140,900)	4,359,100
Grand Total	56,884,291	(1,922,616)	54,961,675				56,884,291	(1,922,616)	54,961,675

5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year **2019** were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

Project expenditures are incurred and monitored by each Participating Organization, and are reported as per the agreed upon categories for inter-agency harmonized reporting. The reported expenditures were submitted via the MPTF Office's online expenditure reporting tool. The **2019** expenditure data has been posted on the MPTF Office GATEWAY at <http://mptf.undp.org/factsheet/fund/LRF00>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2019**, US\$ was net funded to Participating Organizations, and US\$ **145,354** was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **54,961,675** and cumulative expenditures reported by the Participating Organizations amount to US\$ **54,813,612**. This equates to an overall Fund expenditure delivery rate of **100** percent.

The agencies with the three highest delivery rates are: FAO (100%), ILO (100%) and UNESCO (100%)

Table 5. Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2019 (in US Dollars)

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2018	Current Year Jan-Dec-2019	Cumulative	
FAO	9,947,357	9,555,752	9,555,752		9,555,752	100.00
ILO	2,683,108	2,637,665	2,637,665		2,637,665	100.00
UNDP	36,690,702	36,135,570	35,842,152	145,354	35,987,506	99.59
UNESCO	789,396	784,117	784,117		784,117	100.00
UNFPA	994,858	994,472	994,472		994,472	100.00
UNHCR	495,000	495,000	495,000		495,000	100.00
UNIDO	4,500,000	4,359,100	4,359,100		4,359,100	100.00
Grand Total	56,100,421	54,961,675	54,668,258	145,354	54,813,612	99.73

5.2 EXPENDITURE BY PROJECT

Table 6 displays net funded amounts, expenditures reported and financial delivery rates by Participating Organization.

Table 6. Expenditure by Project within Sector, as of 31 December 2019 (in US Dollars)

Sector / Project No. and Project Title	Participating Organization	Project Status	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %	
Lebanon Recovery Fund							
00073340	LRF-25 M&E Team for the LRF	UNDP	On Going	746,304	746,304	598,240	80.16
00105974	LRF-32 Access to sustainable e	UNDP	Operationally Closed	486,000	486,000	486,000	100.00
00065541	LRF-1 CEDRO (Phase I)	UNDP	Financially Closed	2,732,240	2,732,240	2,732,240	100.00
00065542	LRF-2 Support for livelihoods	UNIDO	Financially Closed	3,000,000	2,860,643	2,860,643	100.00
00065543	LRF-3 Early recov assist. for	FAO	Financially Closed	1,370,670	1,363,074	1,363,074	100.00
00065544	LRF-4 Early recov assist. to w	FAO	Financially Closed	1,900,000	1,892,411	1,892,411	100.00
00065545	LRF-5 Local Soc-Eco Recovery	ILO	Financially Closed	1,183,108	1,153,121	1,153,121	100.00
00065546	LRF-6 HR for digital doc. worl	UNESCO	Financially Closed	767,226	761,947	761,947	100.00
00065547	LRF-7 Enhance Performance of t	UNDP	Financially Closed	270,000	263,497	263,497	100.00
00065548	LRF-8 Increased Integration of	UNDP	Financially Closed	1,400,000	1,400,000	1,400,000	100.00
00065549	LRF-9 Flood/Water Mgt for Live	UNDP	Financially Closed	2,843,880	2,843,880	2,843,880	100.00
00065550	LRF-10 CEDRO (Phase II)	UNDP	Financially Closed	3,500,000	3,497,419	3,497,419	100.00
00065551	LRF-11 Strengthening the Dairy	UNDP	Financially Closed	1,000,000	999,556	999,556	100.00
00065552	LRF-12 Women Empowerment	UNFPA	Financially Closed	994,858	994,472	994,472	100.00
00065553	LRF-13 Soc-ec Rehab and Rec. o	UNDP	Financially Closed	996,919	996,919	996,919	100.00
00065554	LRF-14 Forest Fires Management	FAO	Financially Closed	2,600,000	2,325,977	2,325,977	100.00
00065555	LRF-15 Enhancing ICT in Educat	UNESCO	Financially Closed	22,170	22,170	22,170	100.00
00065556	LRF-16 CEDRO (Phase III)	UNDP	Financially Closed	3,772,827	3,768,779	3,768,779	100.00
00065557	LRF-17 Flood Risks Prev. and M	UNDP	Financially Closed	3,800,000	3,467,735	3,467,735	100.00
00065558	LRF-18 Recovery Coordination S	UNDP	Financially Closed	1,128,012	1,109,271	1,109,271	100.00
00070663	LRF-19 ART GOLD Lebanon	UNDP	Financially Closed	2,391,450	2,389,642	2,389,642	100.00
00070664	LRF-20 Support to Livelihoods	UNIDO	Financially Closed	1,500,000	1,498,457	1,498,457	100.00
00070696	LRF-21 Recovery and Rehabilita	FAO	Financially Closed	2,513,960	2,412,209	2,412,209	100.00
00070875	LRF-22 Local Socio Econ (Phase	ILO	Financially Closed	1,500,000	1,484,544	1,484,544	100.00
00071177	LRF-23 Hydro Agricultural Devt	UNDP	Financially Closed	2,000,000	1,904,897	1,904,897	100.00
00072096	LRF-24 Early Recovery of Nahr	UNDP	Financially Closed	2,500,000	2,486,651	2,486,651	100.00
00083004	LRF-26 Recovery and Rehabilita	FAO	Financially Closed	1,562,727	1,562,081	1,562,081	100.00
00085932	LRF-27 National Action Program	UNDP	Financially Closed	500,000	500,000	500,000	100.00
00086602	LRF-28 Reviving farmers' livel	UNDP	Financially Closed	700,000	700,000	700,000	100.00
00090567	LRF-29: Selected rapid delivery	UNDP	Financially Closed	5,802,053	5,728,379	5,728,379	100.00
00092321	LRF-30 International Awareness	UNDP	Financially Closed	121,017	114,402	114,402	100.00
00100930	LRF-31 Supporting Lebanon in M	UNHCR	Financially Closed	495,000	495,000	495,000	100.00
Lebanon Recovery Fund: Total				56,100,421	54,961,675	54,813,612	99.73
Grand Total				56,100,421	54,961,675	54,813,612	99.73

5.3 EXPENDITURE REPORTED BY CATEGORY

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

2012 CEB Expense Categories

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

2006 UNDG Expense Categories

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

Table 7. Expenditure by UNDG Budget Category, as of 31 December 2019 (in US Dollars)

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2018	Current Year Jan-Dec-2019	Total	
Supplies, Commodities, Equipment and Transport (Old)	11,393,403	-	11,393,403	22.24
Personnel (Old)	8,459,983	-	8,459,983	16.51
Training of Counterparts (Old)	586,973	-	586,973	1.15
Contracts (Old)	10,105,671	-	10,105,671	19.72
Other direct costs (Old)	3,540,481	-	3,540,481	6.91
Staff & Personnel Cost (New)	397,912	129,919	527,831	1.03
Suppl, Comm, Materials (New)	1,438,138	210	1,438,348	2.81
Equip, Veh, Furn, Depn (New)	3,012,869	(271)	3,012,598	5.88
Contractual Services (New)	9,385,375	12,029	9,397,404	18.34
Travel (New)	362,281	(2,315)	359,966	0.70
Transfers and Grants (New)	855,532	-	855,532	1.67
General Operating (New)	1,565,684	(3,727)	1,561,957	3.05
Programme Costs Total	51,104,303	135,844	51,240,147	100.00
¹ Indirect Support Costs Total	3,563,955	9,509	3,573,464	6.97
Total	54,668,258	145,354	54,813,612	

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

6. COST RECOVERY

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

The policies in place, as of 31 December 2019, were as follows:

- **The Administrative Agent (AA) fee:** 1% is charged at the time of contributor deposit and covers services provided on that contribution for the entire duration of the Fund. In the reporting period US\$ was deducted in AA-fees. Cumulatively, as of 31 December 2019, US\$ 532,182 has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 9,509 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 3,573,464 as of 31 December 2019.

7. ACCOUNTABILITY AND TRANSPARENCY

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

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