



UNITED NATIONS  
LEBANON



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## Lebanon Recovery Fund

### 2022 Annual Progress Report

May 2023

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## Contributing Partners



## Participating UN Organizations






## Abbreviations and Acronyms

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

# Contents

- 2022 at a Glance ..... 4
- Country Context ..... 5
- 2022 Results and Achievements ..... 6
  - LRF-33 Productive Sectors Development Programme (PSDP) ..... 7
  - LRF-34 Support the Digitization of Consumer Protection Services to Reduce Inequalities and Vulnerabilities ..... 10
  - LRF-35 Coordinated UN Support to Parliament (CSP)..... 12
- Looking Ahead..... 13

## 2022 at a Glance

	<p>Three ongoing programmes investing USD 7.7 million in productive sectors development, e-governance and coordination of parliamentary support</p>
	<p>Technical mapping conducted of all Consumer Protection Department at the MoET</p>
	<p>Mapping of UN support to the Lebanese Parliament conducted to help operationalize the UN-Parliament Compact</p>
	<p>20 Micro, Small, and Medium Enterprises (MSMEs) were provided with financial grants and business development coaching in the implementation of their business development plans</p>
	<p>600 women were trained on business, leadership, managerial skills, and women do business theories</p>
	<p>312 fruits and vegetables farmers were provided with technical training on good agricultural practices and inputs</p>
	<p>Beneficiary MSMEs were supported to close deals in the amount of USD 152,000</p>
	<p>Digital tools and portals were developed with relevant ministries to support investors, farmers, start-ups, MSMEs in export promotion and market intelligence</p>
	<p>Supported the development of a first-of-its-kind academy to equip MSMEs and cooperatives in Lebanon with the needed know-how to scale up their operations and increase their readiness to export</p>

## Country Context

Since late 2019, Lebanon has been suffering from one of the worst economic crises, the country's classification changed from a high to a now low-middle-income country. The crisis has impacted almost all aspects of the lives of people in Lebanon, the country's economy and its environment. The currency depreciation (97%) since October 2019 continued to drive skyrocketing inflation which reached 171.2% in 2022<sup>1</sup> - with hit-hard impacts on the most vulnerable people, being forced to make difficult trade-offs to cope with decline of purchasing power and livelihoods. The crisis has also been impacting the capacities and services of all state institutions, affecting the well-being of people in Lebanon, especially as demand for public services increases.



Poverty in Lebanon rate remains high<sup>2</sup>, with 1.29 million Lebanese residents and 0,69 million Syrian refugees (37% of the population residing in Lebanon) estimated to be in acute food insecurity situations<sup>3</sup>. It has also impacted the ability of residents, especially the most vulnerable ones, to access adequate and affordable housing, mainly due to the loss of income.

In a context of increasing fuel prices, excessive electricity prices due to the quasi-complete stoppage of public electricity provision, growing economic uncertainty, and a political paralysis that is hampering recovery, the economy and private sector in Lebanon is struggling to rebound from the series of crises that hit the country.

At the same time, the labour market is struggling to cope with the crisis. While some private sector activity is returning, the instability imposed by the constant depreciation of the currency is hampering growth.

The ongoing crises confirms the critical need for timely information and statistics to inform policies, recovery plans, strategies, reform programmes where access to timeline and quality data remain a challenge in Lebanon.

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<sup>1</sup> CAS, CPI

<sup>2</sup> UNESCWA, 2021

<sup>3</sup> Integrated Phase Classification, 2022

Amid the deepening economic and financial crisis, the Government re-engaged the International Monetary Fund (IMF) and reached a staff-level agreement in April. The Government committed to implementing a range of prior actions to prepare for an eventual IMF program. However, progress was slow and there is yet a clear plan for economic recovery and macro-economic stability.

## 2022 Results and Achievements

The Annual Progress Report on Activities Implemented under the Lebanon Recovery Fund covers the period from 1 January to 31 December 2022 and reports on the progress, achievements, and challenges of the three programmes 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.<sup>4</sup>

**Table 1: Ongoing programmes (1 January – 31 December 2022) in US Dollars**

Programme Number and Title		Participating Organization	Total Approved Amount	Net Funded Amount	Start Date	Completion date
00122996	<b>LRF-33 Productive Sectors Development Programme (PSDP)</b>	FAO, UNIDO, UNDP, UN Women, UNICEF, ILO	7,410,611	7,411,611	20 Jul 2020	31 Jul 2023
00133476	<b>LRF-34 Support the digitization of consumer protection services to reduce inequalities and vulnerabilities</b>	UNDP	326,400	326,400	30 Sep 2022	28 Sep 2023
00133714	<b>Coordinated UN Support to Parliament (CSP)</b>	UNICEF	149,800	149,800	28 Oct 2022	26 Oct 2024
<b>Total for Lebanon Recovery Fund ongoing programmes</b>			<b>7,886,811</b>	<b>7,887,811</b>		

In 2022, the LRF concluded its sixteenth year of operations disbursing approximately USD 60 million to 35 programmes. Since its inception and as of 31 December 2022, contributions have been received from Germany, India, the Government of the Republic of Korea, Spain, Sweden, Romania and Canada. During that same period the Administrative Agent transferred 64,771,102 US dollars to the nine Participating Organizations (FAO, ILO, UN Women, UNDP, UNESCO, UNFPA, UNHCR, UNICEF, UNIDO). Expenditure for the LRF as of 31 December 2022 was 60,972,066 US dollars, and over the course of the reporting period there has been three active programmes. Report and

<sup>4</sup> This report is neither an evaluation of the LRF nor the MPTF Office's assessment of the performance of Participating Organizations. The report provides a comprehensive overview of achievements and challenges associated with programmes funded through the LRF.



financial data pertaining to the Lebanon Recovery Fund is available on the LRF section of the [MPTF Office GATEWAY website](#).

### LRF-33 Productive Sectors Development Programme (PSDP)



**Table 2: PSDP programme Summary**

Programme Title	LRF-33 Productive Sectors Development Programme (PSDP)
Total Allocation	US\$ 7,411,611
Participating UN Organizations	UNIDO, FAO, UNDP, UNICEF, ILO, UN Women
Programme Duration	July 2020 – December 2023
Key Objective	To support gender-responsive job creation and economic opportunities in the agriculture and agro-food sectors

In 2022, the PSDP conducted a review of 10 legislations enabling women's empowerment and participation in productive sectors. The legislative review included consultations with ministries of Labour, Agriculture, Industry, General Directorate of Cooperatives, experts from microfinance institutions and agricultural loans, agricultural experts, agrifood industry leaders, and two members of Parliament. The PSDP also conducted a policy review that addressed written or practiced policies in the private sector, extension services, microfinance institutions, and cooperatives that directly or indirectly impact women's participation in the sector. This initiative contributed to ensuring a common understanding of the challenges and issues facing women's participation in productive sectors and the private sector more broadly.

The PSDP also implemented a series of roundtable discussions with humanitarian organization, academia and Civil Society Organizations (CSOs), the private sector, and Members of Parliament to discuss the findings of the review and priority reforms for validation as well as buy in for joint advocacy. This is an important step Improved enabling policy environment for women economic empowerment and participation in productive sectors through initiating an inclusive and participatory policy dialogue towards transformative change. The PSDP is ensuring sustainability of this dialogue through ongoing consultations gender focal points in each key ministries namely Industry, Labour and Agriculture, as well as with National Commission for Lebanese Women. This is especially important in the current slow progress in reforms by laying the foundation for future progress and increased awareness among stakeholders as well as important highlights for an expected incoming IMF programme.



The PSDP improved market access for women and men led MSMEs resulting in increased exports and sales following B2B linkages. The programme adopted a dual approach that simultaneously follows top-down and bottom-up approaches. The meso component supported the institutional capacities of relevant national entities namely the Investment Development Authority of Lebanon, the Ministries of Industry, Agriculture and Economy and Trade. This top-down approach has ensured that farmers, start-ups, and MSMEs have access to food safety norms and requirements needed to produce and export, have full-fledge understanding of Good Manufacturing Practices for production, have access to promotional material and all legal and administrative requirements to export covering the important challenge of access to info.

In addition to the institutional support, the PSDP supported 87 women and men-led MSMEs to attend fairs and conduct B2B meetings where 55% of women-led SMEs were able to meet investors and 7 companies (42% women-led) were able to successfully conclude business deals. While this result might be perceived as modest, this is an important indicator that assures MSMEs and particularly those led by women of existing opportunities and viability of growth.

At the bottom-up approach, the PSDP has worked on setting up a Lebanon Export Academy through a public private partnership that provides a full fledge export training program with nine modules in person and online modalities that tackle practical issues that Lebanese MSMEs go through throughout their export journey. This initiative is instrumental for companies to learn about all the tools to export, which will be followed by guidance to apply theoretical learning into practice which will greatly enhance their access to markets.

At the micro-level component, the PSDP has helped take a step closer towards concrete value chain development in agriculture and agro-food which will ultimately benefit farmers, producers and private sector by better positioning them for potential growth and development with gender sensitive lens through certification, resources and capacities development. This strengthens their potential for higher production, and productivity, awareness and adherence to international practices all leading to higher potential for access to markets and job creation.

The PSDP has focused on building the capacity and skills of MSMEs, cooperatives, farmers, and youth to support their development, growth and job creation.

At the private sector level, the programme has finalized preparations for MSMEs and agricultural cooperatives to receive direct support in terms of equipment and identified the service provider to provide technical training. The PSDP also rolled out gender sensitive business development support for micro-level beneficiaries in the targeted sector through a Women Do Business (WDB) training scheme in addition to a grant scheme for MSMEs. The programme provided 20 women and men led MSMEs that are receiving different kinds of assistance from other PUNOs with Women`s Empowerment Principles (WEPs) trainings and coaching.

In parallel, the PDSP raised awareness of farmers on the topic of sustainable agricultural and environmental consideration and application of Good Agricultural Practices (GAP), training on GAP and environmental considerations. The programme also provided the opportunity for

farmers to meet and share experiences with experts and peers on problems and solutions on a regular basis with 14 on-farm demonstration plots where farmers can learn and adopt GAP. To ensure sustainability of these efforts, the PSDP trained and coached MoA agricultural centres and IDRAC facilitators who then established and ran 14 Farmer Field Schools (FFS). Farmers who underwent these FFS training also receive individual technical on-farm visits and advice, with specific attention to women's needs, in applying the phyto-sanitary plan and water schedule and other recommended GAP practices towards acquiring certification.

The capacity building programme was complemented with input provision including Personal Protective Equipment (PPE), Integrated Pest Management material and seeds.

The PSDP also trained 600 women targeted from the common outreach exercise and referred to from other PUNOs on 5 modules: business context, personal development, leadership, managerial skills, and women do business.

As for the empowerment of vulnerable youth and women, the programme prepared a full package of skills building and apprenticeship introducing skills building and apprenticeship package the career guidance, so youth and women have clear career plan and avoid drop out and allow informed decision.

Adolescents' youth and women will benefit from tailored vocational training on selected value chains identified by the programme. Within the competency-based training package, youth and women will be provided by life skills training, and will have the accessibility to youth basic literacy and numeracy before the training and or youth functional skills package (English, it and financial skills) in order to enhance and facilitate their transition to employability.

Upon accomplishment of successful vocational training the youth and women will be referred to well designed and tailored apprenticeship opportunity within a learning plan framework.

During the income generation period (entrepreneurship or employment) youth and women are benefiting from the mentorship support service developed by UNICEF to ensure coaching, close follow up avoiding drop out and allowing youth to develop clearer career plan and related employability skills to maintain their jobs.

## LRF-34 Support the Digitization of Consumer Protection Services to Reduce Inequalities and Vulnerabilities



**Table 3: LRF 34 programme Summary**

Programme Title	LRF-34 Support the digitization of consumer protection services to reduce inequalities and vulnerabilities
Total Allocation	US\$ 326,400
Participating UN Organization	UNDP
Programme Duration	September 2022 – September 2023
Key Objective	To support the Ministry of Economy and Trade in simplifying and digitizing key procedures and processes that strengthens consumer protection and shield consumers against unfair market practices, especially in critical sectors such as food and energy, where the disadvantaged and vulnerable groups are most likely to be affected by unfair practices. The programme will harness the expertise of UNDP in developing innovative solutions to increase transparency, accountability, and fair competition that works for the most vulnerable.

The automation of the Consumer Protection Directorate (CPD) was selected as a national priority programme as it addresses one of the most pressing needs facing vulnerable groups across Lebanon, especially in light of the increasing fluctuations in prices, access to basic utilities and product quality issues that have exacerbated over the last 2 years, and that have impacted the ability of consumers to have their basic rights preserved. The objective of the programme was to streamline consumers' experience in the reporting of complaints through automated and innovative tools and through internal algorithm systems that would prioritize complaints by level of priority. The tool also aims at simplifying the procedures required by businesses required to apply for licenses from the directorate.

The programme conducted a mapping of the 20 processes handled by the consumer protection directorate and recommended the development of a system that is tailored to the 2 types of the CPD stakeholders: Businesses / SMEs/ Traders and consumers. Processes involving businesses

were further streamlined to differentiate between trade and non-trade procedures to further optimize users' experience when applying for licenses.

The programme designed an optimal target architecture that would further reduce the steps required for businesses when applying for licenses and highlighted the regulatory changes needed to ensure online payment for businesses. Coordination was initiated with concerned 3<sup>rd</sup> party stakeholders including the Ministry of Finance and the IT Parliamentary committee to ensure that digital payments and e-signature are accounted for.

The programme ensured that gender transformative tools are institutionalized in the Consumer Protection Directorate across all processes. More specifically, the programme included in the automated platform front-end a gender element across all templates that will be filled by users, hence providing policy makers in the Ministry of Economy and Trade with important information on how to streamline policies and actions that would meet and safeguard consumer's right especially in light of increasing violations and abuse against consumers.

Statistics and data were put at the center where the programme developed dashboards adapted to all internal users to provide them with the needed information for improved policymaking. By empowering the directorate to have access to granular, disaggregated, and gender-desegregated data, the programme was able to lay the ground for more targeted policy making in the long-run that improves consumers' satisfaction.

## LRF-35 Coordinated UN Support to Parliament (CSP)



**Table 4: LRF 35 programme Summary**

Programme Title	LRF-35 Coordinated UN Support to Parliament (CSP)
Total Allocation	US\$ 149, 800
Participating UN Organization	UNICEF
Programme Duration	October 2022 – October 2024
Key Objective	To operationalize the signed UN-Parliament partnership compact and supporting collaboration between the UN Country Team and the Lebanese Parliament toward reform priorities identified in the compact. The programme will be implemented in close collaboration with the Lebanese Parliament, namely the Parliamentary Committees to help address the needs of the people living in Lebanon.

During the short period (28 October - End of December 2022), a roadmap has been initiated and currently being discussed on the way-forward. The programme initiated meetings with relevant parliamentary officials and conducted a mapping of UN entities engagements with the Parliament through the CF Peace and Governance results group.

The way forward will include regular consultations with members of the Parliament, review of the UN-Parliament partnership Compact based on the changing country context; drafting analyses on Parliament activities and focus areas; developing progress report on reforms; and increasing advocacy on priority reforms identified jointly.

## Looking Ahead

The LRF aims to help bridge the silos between UN humanitarian, peace and security and development support by strengthening the ability of the UN Development System to promote synergies and deliver integrated multi-year actions between responses by targeting root causes of rising vulnerabilities and unlocking longer-term development. A noteworthy characteristic regarding all LRF programmes is the growing collaboration between Participating Organizations and implementing partners—a network that includes national authorities, local foundations and NGOs – benefitting from their respective expertise and comparative advantages. In 2022 and with the generous support from the government of Canada, the LRF continued support to the one of the largest UN joint programme in Lebanon, the Productive Sectors Development Programme (PSDP).

The United Nations hopes to build on the achievements of the LRF in 2022 and beyond. With the start of the UN Sustainable Development Cooperation Framework (CF) in 2023, the Government and the UN in Lebanon wish to promote the LRF as a funding mechanism for joint programming of urgent recovery and development priorities identified jointly in the CF. As such, [the LRF will support increased coherence of the response connecting efforts for peace and security, governance and sustainable development.](#)

The LRF would not be an exclusive funding channel but will complement other funding mechanisms that the Government and UN organizations may continue to use. This includes other pooled funds such as the Lebanon Financing Facility (LFF), which supports the implementation of the Reform, Recovery and Reconstruction Framework (3RF).

[The LRF will play a strategic role in facilitating the coordination and increased coherence of the UN's development activities in key areas.](#) In this context, the future strategic rationale and role for the LRF will bring the joint expertise of multiple UN organizations to focus on specific prioritized thematic issues and approaches.

In line with the governance structure of the 2023-2025 CF, the LRF shall be governed by a Steering Committee (SC), co-chaired by the Prime Minister or his/her designate and the RC and composed of representatives from the Ministry of Economy and Trade, the Ministry of Finance and contributing donors.

As the situation in Lebanon continues to adversely affect vulnerable populations, the MPTF Office hopes this *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 for increased efficiency and complementarity of development partners in Lebanon. [Additional resources are vital for advancing the overall objectives of the Cooperation Framework, through the LRF, supporting key priority areas for prompt recovery and further development efforts in Lebanon.](#)