



CONSOLIDATED ANNUAL FINANCIAL REPORT of the Administrative Agent

Lebanon Recovery Fund

for the period 1 January to 31 December 2023

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

May 2024



United Nations
MPTF Office



DEFINITIONS

Allocation/Total Approved Budget

Amount approved by the Steering Committee for a project/programme. The total approved budget represents the cumulative amount of allocations approved by the Steering Committee.

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 contributor to a Fund in a signed donor agreement 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 donor agreement.

Delivery Rate

The percentage of funds that have been utilized, calculated by comparing expenditures reported by a Participating Organization and Non-UN Organization against the 'net funded amount'. This does not include expense commitments by Participating Organizations.

Donor Agreement

Standard Administrative Arrangement and/or European Commission contribution agreement between contributor/donor and MPTF Office.

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 a 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. MPTF Office will report a project financially closed once the financial report(s) has been received and any balance of funds refunded.

Project Operational Closure

A project or programme is deemed operationally closed once all activities funded for Participating Organization(s) have been concluded, and the Steering Committee has approved the final narrative report.

Project Start Date

Project/ Joint programme start date as per the programmatic document.

US Dollar Amount

The financial data in the report is recorded in US Dollars.

Transferred Funds

Funds transferred to Participating Organizations by the Administrative Agent in accordance with the Steering Committee's request.



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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 donor agreement signed with contributors/donors.

The MPTF Office, as Administrative Agent, is responsible for concluding an MOU with Participating Organizations and donor agreements with contributors/donors. 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 stakeholders.

This consolidated financial report covers the period 1 January to 31 December 2023 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 (<https://mptf.undp.org/fund/lrf00>).



2023 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **Lebanon Recovery Fund** using the pass-through funding modality as of 31 December 2023. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <https://mptf.undp.org/fund/lrf00>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2023, 7 contributors deposited US\$ 60,803,289 and US\$ 2,976,767 was earned in interest.

The cumulative source of funds was US\$ **63,780,057**.

Of this amount, US\$ **63,087,686** has been net funded to 9 Participating Organizations, of which US\$ **62,600,195** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **608,033**. Table 1 provides an overview of the overall sources, uses, and balance of the **Lebanon Recovery Fund** as of 31 December 2023.

Table 1 Financial Overview, as of 31 December 2023 (in US Dollars)

	Prior Years up to 31 Dec 2022	Financial Year Jan-Dec 2023	Total
Sources of Funds			
Contributions from donors	60,803,289	-	60,803,289
Sub-total Contributions	60,803,289	-	60,803,289
Fund Interest and Investment Income Earned	1,620,850	6,763	1,627,613
Interest Income received from Participating Organizations	1,331,750	17,404	1,349,154
Total: Sources of Funds	63,755,889	24,167	63,780,057
Use of Funds			
Transfers to Participating Organizations	64,771,102	604,215	65,375,316
Sub-Total Transfers	64,771,102	604,215	65,375,316
Refunds received from Participating Organizations	(1,929,415)	(358,215)	(2,287,630)
Sub-Total Refunds	(1,929,415)	(358,215)	(2,287,630)
Administrative Agent Fees	608,033	-	608,033
Bank Charges	731	8	739
Total: Uses of Funds	63,450,451	246,008	63,696,458
Change in Fund cash balance with Administrative Agent	305,439	(221,840)	83,598
Opening Fund balance (1 January)	1,200,940	305,439	-
Closing Fund balance (31 December)	305,439	83,598	83,598
Net Funded Amount (Includes Direct Cost)	62,841,686	246,000	63,087,686
Participating Organizations Expenditure (Includes Direct Cost)	59,042,650	3,557,544	62,600,195
Balance of Funds with Participating Organizations	3,799,036	(3,311,544)	487,492



2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this fund as of 31 December 2023.

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

The table includes financial commitments made by the contributors through signed Standard Administrative Agreements with an anticipated deposit date as per the schedule of payments by 31 December 2023 and deposits received by the same date. It does not include commitments that were made to the fund beyond 2023.

Table 2. Contributions, as of 31 December 2023 (in US Dollars)

Contributors	Total Commitments	Total Deposits
Government of Canada	7,585,134	7,585,134
Government of Germany	5,860,660	5,860,660
Government of India	500,000	500,000
Government of Republic of Korea	1,000,000	1,000,000
Government of Romania	659,531	659,531
Government of Spain	35,400,500	35,400,500
Government Offices of Sweden	9,797,465	9,797,465
Grand Total	60,803,289	60,803,289



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 **2023**, Fund earned interest amounts to US\$ **1,627,613**.

Interest received from Participating Organizations amounts to US\$ **1,349,154**, bringing the cumulative interest received to US\$ **2,976,767**. Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2023 (in US Dollars)

Interest Earned	Prior Years up to 31-Dec-2022	Financial Year Jan-Dec-2023	Total
Administrative Agent			
Fund Interest and Investment Income Earned	1,620,850	6,763	1,627,613
Total: Fund Interest Earned	1,620,850	6,763	1,627,613
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	153,750	17,404	171,154
Total: Agency Interest Earned	1,331,750	17,404	1,349,154
Grand Total	2,952,600	24,167	2,976,767



4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2023, the AA has transferred US\$ 65,375,316 to 9 Participating Organizations (see list below).

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 (in US Dollars)

Participating Organization	Prior Years up to 31-Dec-2022			Financial Year Jan-Dec-2023			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO	11,698,888	(377,645)	11,321,243	124,441	-	124,441	11,823,329	(377,645)	11,445,684
ILO	3,347,685	(45,443)	3,302,242	206,000	-	206,000	3,553,685	(45,443)	3,508,242
UNDP	38,711,098	(561,932)	38,149,166	-	(358,215)	(358,215)	38,711,098	(920,146)	37,790,951
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
UNICEF	666,693	-	666,693	246,000	-	246,000	912,693	-	912,693
UNIDO	6,339,334	(140,900)	6,198,434	-	-	-	6,339,334	(140,900)	6,198,434
UNWOMEN	930,319	-	930,319	27,774	-	27,774	958,093	-	958,093
Grand Total	64,771,102	(1,929,415)	62,841,686	604,215	(358,215)	246,000	65,375,316	(2,287,630)	63,087,686



5. EXPENDITURE AND FINANCIAL DELIVERY RATES

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

Joint programme/ project expenditures are incurred and monitored by each Participating Organization, and are reported to the Administrative Agent as per the agreed upon categories for inter-agency harmonized reporting. The expenditures are reported via the MPTF Office's online expenditure reporting tool. The 2023 expenditure data has been posted on the MPTF Office GATEWAY at <https://mptf.undp.org/fund/lrf00>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In 2023, US\$ 246,000 was net funded to Participating Organizations, and US\$ 3,557,544 was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ 63,087,686 and cumulative expenditures reported by the Participating Organizations amount to US\$ 62,600,195. This equates to an overall Fund expenditure delivery rate of 99.23 percent.

Table 5.1 Net Funded Amount and Reported Expenditures by Participating Organization, as of 31 December 2023 (in US Dollars)

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years up to 31-Dec-2022	Financial Year Jan-Dec-2023	Cumulative	
FAO	11,838,290	11,445,684	10,438,004	979,986	11,417,990	99.76
ILO	3,553,685	3,508,242	3,125,607	369,547	3,495,154	99.63
UNDP	38,352,883	37,790,951	36,812,688	682,217	37,494,905	99.22
UNESCO	789,396	784,117	784,117	-	784,117	100.00
UNFPA	994,858	994,472	994,472	-	994,472	100.00
UNHCR	495,000	495,000	495,000	-	495,000	100.00
UNICEF	912,693	912,693	516,893	289,710	806,603	88.38
UNIDO	6,339,334	6,198,434	5,234,251	925,998	6,160,249	99.38
UNWOMEN	958,093	958,093	641,618	310,087	951,705	99.33
Grand Total	64,234,231	63,087,686	59,042,650	3,557,544	62,600,195	99.23

*The expenditures reported represent payments made against obligations made by PUNOs prior to the operational closure of projects

5.2. Expenditures 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 Executives Board (CEB) modified these categories as a result of IPSAS adoption to comprise eight categories.

Table 5.2. Expenditure by UNSDG Budget Category, as of 31 December 2023 (in US Dollars)

Category	Expenditures			Percentage of Total Programme Cost
	Prior Years up to 31-Dec-2022	Financial Year Jan-Dec-2023	Total	
Supplies, Commodities, Equipment and Transport (Old)	11,393,403	-	11,393,403	19.47
Personnel (Old)	8,459,983	-	8,459,983	14.46
Training of Counterparts (Old)	586,973	-	586,973	1.00
Contracts (Old)	10,105,671	-	10,105,671	17.27
Other direct costs (Old)	3,540,481	-	3,540,481	6.05
Staff & Personnel Cost	1,833,153	775,031	2,608,185	4.46
Supplies, commodities and materials	1,642,724	361,781	2,004,505	3.43
Equipment, vehicles, furniture and depreciation	3,031,151	396,894	3,428,045	5.86
Contractual Services Expenses	10,829,933	1,192,755	12,022,689	20.55
Travel	403,502	66,479	469,981	0.80
Transfers and Grants	1,347,209	215,116	1,562,325	2.67
General Operating	1,999,448	335,634	2,335,082	3.99
Programme Costs Total	55,173,632	3,343,690	58,517,322	100.00
¹ Indirect Support Costs Total	3,869,018	213,855	4,082,873	6.98
Grand Total	59,042,650	3,557,544	62,600,195	-

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 2023, 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. Cumulatively, as of 31 December 2023, US\$ **608,033** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations. Participating Organizations may charge 7% indirect costs based on UNSDG policy, establishing an indirect cost rate as a percentage of the programmable costs for interagency pass-through pool funds. In the current reporting period US\$ **213,855** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **4,082,873** as of 31 December **2023**.

8. DIRECT COSTS

The Fund governance mechanism may approve an allocation to a Participating Organization to cover costs associated with Fund coordination covering overall coordination, and fund level reviews and evaluations. These allocations are referred to as 'direct costs'. Cumulatively, as of 31 December 2023, no Direct Cost has been charged.

7. ACCOUNTABILITY AND TRANSPARENCY

In order to effectively provide fund administration services and facilitate monitoring and reporting to the UN system and its partners, the MPTF Office has developed a public website, the MPTF Office Gateway (<https://mptf.undp.org>). Refreshed daily 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.



Lebanon Recovery Fund

Annex to Financial Report



Annex. EXPENDITURE BY PROJECT GROUPED BY THEME/OUTCOME

Annex displays the net funded amounts, expenditures reported and the financial delivery rates by Theme/Outcome by project/ joint programme and Participating Organization.

Annex. Expenditure by Project within Theme/Outcome

Theme/Outcome / Project No. and Project Title	Participating Organization	Project Status	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %	
Lebanon Recovery Fund							
00065541	LRF-1 CEDRO (Phase I)	UNDP	Financially Closed	2,732,240	2,732,240	2,732,240	100.00
00065542	LRF-2 Support for livelihoods	UNIDO	Financially Closed	3,000,000	2,860,643	2,860,643	100.00
00065543	LRF-3 Early 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



00073340	LRF-25 M&E Team for the LRF	UNDP	Financially Closed	746,304	739,504	739,504	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' livelihood	UNDP	Financially Closed	700,000	700,000	700,000	100.00
00090567	LRF-29: Selected rapid delivery	UNDP	Financially Closed	5,802,053	5,728,379	5,728,379	100.00
00092321	LRF-30 International Awareness	UNDP	Financially Closed	121,017	114,402	114,402	100.00
00100930	LRF-31 Supporting Lebanon in M	UNHCR	Financially Closed	495,000	495,000	495,000	100.00
00105974	LRF-32 Access to sustainable e	UNDP	Operationally Closed	486,000	486,000	486,000	100.00
00122996	LRF-33 Productive Sectors Deve	FAO	On Going	1,890,932	1,889,932	1,862,238	98.53
00122996	LRF-33 Productive Sectors Deve	ILO	On Going	870,577	870,577	857,489	98.50
00122996	LRF-33 Productive Sectors Deve	UNDP	On Going	1,335,781	1,335,781	1,238,349	92.71
00122996	LRF-33 Productive Sectors Deve	UNICEF	On Going	516,893	516,893	516,893	100.00
00122996	LRF-33 Productive Sectors Deve	UNIDO	On Going	1,839,334	1,839,334	1,801,150	97.92
00122996	LRF-33 Productive Sectors Deve	UNWOMEN	On Going	958,093	958,093	951,705	99.33
00133476	Support the digitization of co	UNDP	On Going	326,400	326,400	127,786	39.15
00133714	Coordinated UN Support to Parl	UNICEF	On Going	149,800	149,800	68,554	45.76
00140350	Lebanon Cluster Survey	UNICEF	On Going	246,000	246,000	221,156	89.90
Lebanon Recovery Fund: Total				64,234,231	63,087,686	62,600,195	99.23
Grand Total				64,234,231	63,087,686	62,600,195	99.23



Contributors



Government of
Canada



Government of
Germany



Government of
India



Government of
Republic of Korea



Government of
Romania



Government of
Spain



Government
Offices of Sweden

UN Participating Organizations

