**UNITED NATIONS
LEBANON**

Lebanon Recovery Fund

2023 Annual Progress Report

May 2024

Contributing Partners

Participating UN Organizations

Abbreviations and Acronyms

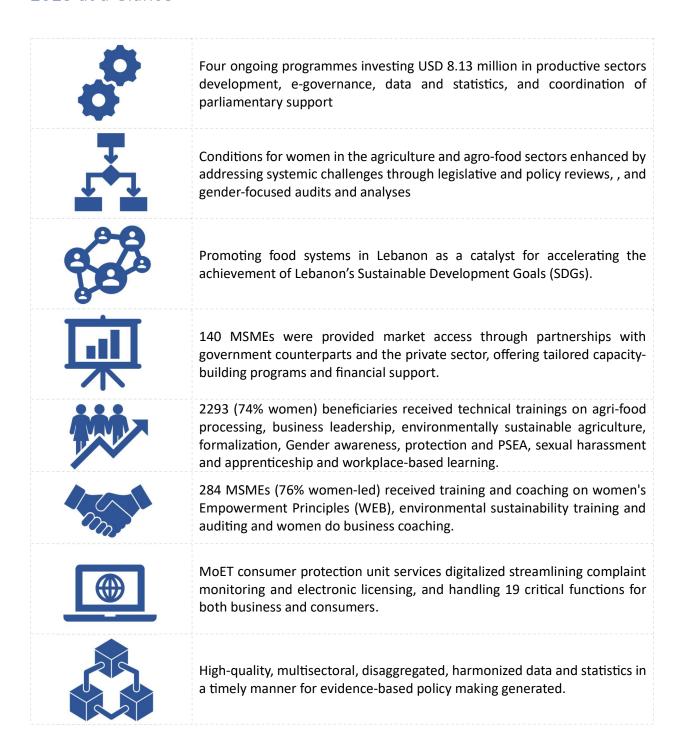|	
CF	Cooperation Framework
CPD	Consumer Protection Directorate
CSP	Coordinated UN Support to Parliament
FAO	Food and Agriculture Organization of the United Nations
FFS	Farmer Field School
FST	Food System Transformation
IDRAC	Institute for Development, Research, Advocacy and Applied Care
ILO	International Labour Organization
IMF	International Monetary Fund
IT	Information Technology
LEA	Lebanon Export Academy
LRF	Lebanon Recovery Fund
LRP	Lebanon Response Plan
MICS	Multiple Indicator Cluster Survey
MoET	Ministry of Economy & Trade
MSME	Micro-, Small and Medium-sized Enterprise
MPTF Office	Multi-Partner Trust Fund Office (Administrative Agent of the LRF)
NSSF	National Social Security Fund
RC	Resident Coordinator
PSDP	Productive Sectors Development Programme
PSEA	Prevention of Sexual Exploitation and Abuse
PUNO	Participation UN Organization
SC	Steering Committee
SDG	Sustainable Development Goal
UN	United Nations
UNCT	United Nations Country Team
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
WEP	Women's Empowerment Principle
3RF	Lebanon Reform, Recovery, and Reconstruction Framework

Contents

2023 at a Glance

Four ongoing programmes investing USD 8.13 million in productive sectors development, e-governance, data and statistics, and coordination of parliamentary support

Conditions for women in the agriculture and agro-food sectors enhanced by addressing systemic challenges through legislative and policy reviews, , and gender-focused audits and analyses

Promoting food systems in Lebanon as a catalyst for accelerating the achievement of Lebanon's Sustainable Development Goals (SDGs).

140 MSMEs were provided market access through partnerships with government counterparts and the private sector, offering tailored capacity-building programs and financial support.

2293 (74% women) beneficiaries received technical trainings on agri-food processing, business leadership, environmentally sustainable agriculture, formalization, Gender awareness, protection and PSEA, sexual harassment and apprenticeship and workplace-based learning.

284 MSMEs (76% women-led) received training and coaching on women's Empowerment Principles (WEB), environmental sustainability training and auditing and women do business coaching.

MoET consumer protection unit services digitalized streamlining complaint monitoring and electronic licensing, and handling 19 critical functions for both business and consumers.

High-quality, multisectoral, disaggregated, harmonized data and statistics in a timely manner for evidence-based policy making generated.

Country Context

Multiple compounding crises continue to cause severe hardship for the entire population of Lebanon, particularly the most vulnerable. High inflation and poverty rates are causing significant human suffering; low tax revenue caused by a fall in economic activity is making it harder for the Government to respond to political, social, and environmental issues - increasing the risk of conflict and instability.

Lebanon is in the grip of what is likely to be one of three worst economic crises in the world since the mid-nineteenth century. The crisis is expected to be prolonged, especially in the absence of a comprehensive macroeconomic and financial stabilization plan or an integrated sustainable development plan.

Since 8 October 2023, the country's precarious situation has been further complicated by the spillover from the Conflict in Gaza with daily exchanges of fire gradually escalating in scope of targeted areas and intensity.

Against this backdrop of conflict, a political impasse persisted. Since former President Michel Aoun's term ended in October 2022, the office has remained vacant. The delay in electing a president has prevented the formation of a new Government. The former Government has remained in office in a caretaker capacity, hampering legislative processes.

The impact of the crises has essentially paralyzed the functioning of all State institutions. As a result, despite the mounting challenges the country faces, these institutions are failing to address pressing issues and implement necessary reforms. Many institutions are struggling to function. They are unable to pay salaries, which means that civil servants attend work infrequently, leaving them with little capacity to plan for long-term development.

The situation in Lebanon showed signs of stabilization in 2023 with the informal exchange rate steadied, increased access to US dollars and improvements in food security due to the availability of subsidized bread. However, progress on implementing reforms, including those agreed with the International Monetary Fund (IMF) in April 2022, remained limited, with no clear economic recovery or financial stabilization plan in place.

2023 Results and Achievements

The Annual Progress Report on Activities Implemented under the Lebanon Recovery Fund (LRF) covers the period from 1 January to 31 December 2023 and reports on the progress, achievements, and challenges of the four projects operational during this period. The annual report is consolidated using information from individual progress reports and financial statements submitted by Participating Organizations.[1]

Table 1: Ongoing programmes (1 January – 31 December 2023) in US Dollars

Programme Number and Title		Participating Organization	Total Approved Amount	Net Funded Amount	Start Date	Completion date
00122996	**LRF-33 Productive Sectors Development Programme (PSDP)**	FAO, UNIDO, UNDP, UN Women, UNICEF, ILO	7,410,611	7,411,611	20 Jul 2020	31 Dec 2023
00133476	**LRF-34 Support the digitization of consumer protection services to reduce inequalities and vulnerabilities**	UNDP	326,400	326,400	30 Sep 2022	30 Mar 2024
00133714	**LRF-35 Coordinated UN Support to Parliament (CSP)**	UNICEF	149,800	149,800	28 Oct 2022	26 Oct 2024
00140350	**LRF-36 2023 Lebanon Multiple Indicator Cluster Survey (MICS)**	UNICEF	246,000	246,000	25 Sep 2023	21 Aug 2024
Total for Lebanon Recovery Fund ongoing projects			**8,132,811**	**8,132,811**		

In 2023, the LRF concluded its seventeenth year of operations disbursing approximately USD 65.4 million to 36 programmes. Since its inception and as of 31 December 2023, contributions have been received from Germany, India, Korea, Spain, Sweden, Romania, and Canada. During that same period the Administrative Agent transferred 65,375,316US dollars to the nine Participating Organizations (FAO, ILO, UN Women, UNDP, UNESCO, UNFPA, UNHCR, UNICEF, UNIDO). Expenditure for the LRF as of 31 December 2023 was 62,600,195 US dollars, and over the course of the reporting period there has been four active programmes. Report and financial data pertaining to the Lebanon Recovery Fund is available on the LRF section of the MPTF Office GATEWAY website.

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[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 a comprehensive overview of achievements and challenges associated with programmes funded through the LRF.

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, prioritizing women and female youth in disadvantaged areas.

The program employed a multi-level strategy, harnessing the expertise of participating UN organizations (PUNOs) to address challenges and opportunities in Lebanon's agriculture and agro-food sectors.

At the macro level, systemic issues were tackled through legislative reviews, policy consultations, and gender audits, aiming to improve the status of women in these sectors. Meanwhile, the meso level focused on enhancing market access for MSMEs through partnerships with government counterparts and the private sector, offering tailored capacity-building programs and financial support. At the micro level, an area-based approach concentrated efforts on selected value chains in Northern Lebanon, with six integrated packages developed to bolster competitiveness.

The PSDP combined top-down and bottom-up approaches synergized efforts across all levels, with gender mainstreaming and SME support being central themes. Interlinkages among levels fostered stakeholder engagement and coordination, showcasing effective interagency collaboration to drive sustainable growth and inclusivity in Lebanon's agricultural landscape.

The following section outlines additional outcomes achieved at each component:

At the **macro component**, the PSDP implemented a comprehensive strategy aimed at advancing gender equality and empowering women as key drivers of change within the 2030 Agenda. This multifaceted approach encompassed several key initiatives. Firstly, a thorough legislative and policy review was conducted, analyzing 10 legislative frameworks pertinent to women's rights in various workplaces and assessing women's working conditions across sectors.

Subsequently, extensive roundtable discussions and one-on-one consultations engaged a diverse array of stakeholders to deliberate on identified reforms, resulting in increasing awareness among parliament members, 8 public officials, 80 employers and businesses, 2 syndicates, and 27 local actors. Despite operational constraints hindering the planned gender audit, direct engagement with ministry gender focal points facilitated discussions on gender considerations and capacity building needs.

Additionally, 2 comprehensive analyses highlighted the challenges facing women in agriculture and agribusiness. The dissemination of key documents and ongoing coordination with relevant stakeholders, including the Mashreq Gender Facility managed by the World Bank, further reinforced advocacy efforts. Significant outcomes include the publication of 3 key documents addressing gender gaps and inequalities in agriculture and agribusiness, the conduct of 10 legislative and policy reviews, and successful support for gender-inclusive language adoption and policy reform implementation.

The meso component, the second level of intervention in the programme, played an important role in addressing challenges encountered by both women and men-led Micro, Small, and Medium Enterprises (MSMEs) in accessing local and international markets. During the PSDP's inception phase, 4 key barriers influencing market access were identified: limited access to market data and information, insufficient training programs for international trade readiness, limited networking opportunities, and financial barriers. In response, the PSDP implemented a collaborative approach with government counterparts and the private sector to enhance market access for MSMEs in the agro-food sector.

This approach included initiatives such as improving government capacities to promote exports through the development of 3 market intelligence tools and 1 export promotion platform. Additionally, tailored capacity-building programmes like the Lebanon Export Academy (LEA) were launched, resulting in a significant improvement in the export readiness of 71 MSMEs and start-ups, with 69% being women-led. Moreover, 50 MSMEs, 66% of which were women-led, received personalized market access support to tap into new national and international markets. The programme also facilitated networking opportunities, leading to 140 MSMEs, 47% of which were women-led, participating in 296 B2B meetings through national and international exhibitions.

Moreover, 13% of supported women-led MSMEs/agricultural cooperatives and 9% of men-led MSMEs/agricultural cooperatives reported an increase in their exports, while 100% of both women and men-led MSMEs experienced a boost in sales. Furthermore, the successful collaboration between UNDP and UNIDO culminated in the preliminary approval of a new project focused on enhancing market access for women-led SMEs, underscoring the effectiveness of the joint efforts in advancing economic opportunities for all.

Under the **micro component**, the PSDP focused on enhancing the capacity of Micro, Small, and Medium Enterprises (MSMEs), agricultural cooperatives, farmers, entrepreneurs, youth, and

home-based individuals, with a specific emphasis on women, to foster gender-equitable job opportunities and adopt environmentally sustainable practices.

The approach adopted was an "Area-based approach," concentrating on addressing key challenges in Lebanon's agriculture and agro-food sectors through an integrated method. A participatory technical assessment report was conducted during the inception phase to select the targeted area, identify key partners, and determine the value chain. Consequently, the geographical focus was centered on Northern Lebanon and Akkar, chosen due to various collective factors such as ecological diversity, high unemployment rates, and opportunities for female engagement.

The area-based approach was applied to the fruits, vegetables, nuts, and pulses sector, identified for its potential high impact on economic, social/traditional, technological, and environmental factors. To ensure a coherent approach, IDRAC was identified as a key partner for providing hands-on training and services to PSDP beneficiaries, selected based on criteria including human resources availability, infrastructure, capacity, and accessibility.

Furthermore, the PSDP conducted technical studies and participatory online surveys to identify products, main actors, and intervention potentials within the selected value chain. These assessments facilitated data-driven decisions, including the identification of IDRAC as a key partner, understanding the region's context, and designing comprehensive assistance packages for MSMEs, agricultural cooperatives, vulnerable individuals, youth, and farmers. The collaborative efforts among participating UN agencies contributed to effective implementation and achievement of PSDP's objectives.

Additionally, the PSDP achieved remarkable outcomes, including the establishment of 14 Farmer Field Schools (FFS), direct support provided to 406 farmers (61% female) with inputs/agriculture tools and tests, and the provision of manufacturing and environmentally friendly equipment to 32 MSMEs and entrepreneurs (82% women-led).

Moreover, 2293 individuals (74% females, 92% Lebanese, and 8% Syrians) received technical training on various aspects of agri-food processing, business leadership, environmental sustainability, formalization, gender awareness, protection and PSEA, sexual harassment, and apprenticeship and workplace-based learning. As well as, 264 Lebanese MSMEs (76% women-led) received training and coaching on Women's Empowerment Principles (WEP), environmental sustainability training and auditing, and women do business coaching. Subsequently, 7 partners gained knowledge on sexual harassment, with a reported 70% increase in knowledge among participants, and 4 representatives from IDRAC became certified on "Women Do Business".

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 – March 2024
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 harnessed the expertise of UNDP in developing innovative solutions to increase transparency, accountability, and fair competition that works for the most vulnerable.

Lebanon is advancing a significant e-government initiative through the full digitization of services by the Consumer Protection Directorate (CPD), a major branch of the MoET. The initiative handles 19 distinct functions critical for both businesses and consumers. It also includes a comprehensive online platform and web application that streamline the submission and monitoring of consumer complaints, and facilitate electronic licensing for businesses in sectors like utilities, food and beverages, and publishing.

The programme enhanced business processes through re-engineering and automation, aiming to develop a mobile app for the new system. Additionally, it focused on improving the IT infrastructure to support future automation efforts. It also involved training for 120 inspectors on the usage of the adopted system.

The programme conducted a detailed mapping of the CPD's 20 processes and was designed to enhance the service experience for both business entities, such as SMEs and traders, and consumers. It differentiated between trade and non-trade procedures, optimizing the license

application process and reducing required steps for businesses. The system's design includes features for online payments and electronic signatures, developed in coordination with the Ministry of Finance and the IT Parliamentary Committee.

Furthermore, the CPD has integrated gender-transformative tools within all its processes. This includes embedding a gender perspective into the automated platform's user interface, providing policymakers with valuable insights for developing policies that safeguard and enhance consumer rights, particularly against increasing violations and abuse.

The CPD automation marks as an initial step toward broader digital integration across governmental functions. This transformation is important as it addresses urgent needs arising from recent price fluctuations, access issues to basic utilities, and concerns over product quality that have intensified over the past two years. These challenges have significantly impacted consumers' rights and their ability to preserve these rights effectively.

Central to this initiative is the emphasis on data-driven decision-making. The development of customized dashboards provides CPD staff with granular, disaggregated, and gender-desegregated data, laying the groundwork for targeted, effective policymaking that enhances consumer satisfaction in the long term. This approach not only simplifies procedures but also ensures timely processing of consumer complaints and licensing applications, furthering Lebanon's digital governance ambitions.

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 (UNCT) 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.

The programme successfully initiated meetings with relevant parliamentary officials and covered a mapping of UN entities' engagements with the Parliament through the CF Peace and Governance results group.

Significant coordination efforts were made between Lebanon's National Convener for Food System Transformation (FST), member of the parliament, and key international partners, including UN entities. These partnerships focused on promoting food systems as a catalyst for accelerating the achievement of Lebanon's Sustainable Development Goals (SDGs), which was later formulated as a comprehensive FST National Pathway that got recognized for its strategic vision during the Food System Summit in Rome in July 2023, and at the SDG Summit in New York in September 2023, where it was showcased as part of Lebanon's commitments to implementing a holistic, intersectoral approach to eradicating hunger (SDG2) and promoting the broader SDG agenda.

In addition, as part of the CSP, support was provided to the Lebanon Reform, Recovery, and Reconstruction Framework (3RF), facilitating Parliament's engagement in sector working groups. This has improved coordination among relevant UN entities and other international actors supporting parliamentary efforts. Later that year, the Parliament passed a law that establishes a

comprehensive pension system for private sector workers (and some public sector workers not covered by other schemes) and fundamentally reshapes the governance of the National Social Security Fund (NSSF).

LRF-36 2023 Lebanon Multiple Indicator Cluster Survey (MICS)

Table 5: LRF 36 programme Summary

Programme Title	LRF-36 2023 Lebanon Multiple Indicator Cluster Survey (MICS)
Total Allocation	US$ 246,000
Participating UN Organization	UNICEF
Programme Duration	25 September 2023 - 21 August 2024
Key Objective	To provide government and non-government stakeholders with reliable estimates on the situation of girls, boys, and women, to inform policies, strategies, and report on Sustainable Development Goals' indicators, while also building the national and sub-national capacities in generating and using data related to children and women.

The outcome for the programme is to generate and disseminate high-quality, multisectoral, disaggregated, harmonized data and statistics in a timely manner for evidence-based policy making. The main outputs of this programme are three: Survey Findings Report, Statistical Snapshots, and Dissemination ceremony.

The MICS programme contributes in supporting the strategic planning of UN agencies and serves as an evidence base for them, particularly for agencies focused on child and women's well-being. The MICS provides a standardized approach for collecting data on critical areas like health, education, and child protection.

MICS data aims at setting goals and identify priorities within the UN's strategic planning frameworks. The UN's Sustainable Development Goals (SDGs) heavily emphasize the well-being of children and women. By providing crucial information on these areas, MICS allows UN agencies to assess progress towards these goals and pinpoint any gaps that requires prioritization. This data informs strategic planning by highlighting which areas need the most resources and programme development.

MICS surveys enable UN agencies to tailor interventions to specific demographics of children and women, based on location and socioeconomic background. This data is crucial for effective resource use and monitoring the impact of programs. Regular surveys provide evidence-based data for future strategic planning, ensuring UN efforts are data-driven and address pressing issues.

Throughout 2023, a comprehensive training took place, followed by a fieldwork that started in July 2023 and continued until it was put on-hold in October 2023, due to the ongoing cross-border conflict in the South of Lebanon. To date, almost 70% of the entire data was collected, with great variation in regions. Specifically, North, Akkar, and Beirut governorates are at 100% completion rate, Mount Lebanon and Bekaa governorates are at around 80%, Baalbeck - Hermel governorate is at 40%, South and Nabatieh governorates are at below 20%. Additionally, the data has been collected for households living in informal tented settlements and the 12 Palestinian camps. Currently, the analysis process is ongoing using the existing data. As such, the outputs achievement is still in progress while the analysis is ongoing, and the programme outputs have not been fully achieved yet. If the security situation in the South of Lebanon persists, the data will be published on sub-national level. Once the situation in the South settles down, data collection will resume.

The way forward for the MICS programme is to build on the strength of its partnerships and collaborations. These partnerships act as a bridge, connecting diverse stakeholders with complementary expertise and resources. This collaborative approach is the engine propelling MICS towards achieving its goals and generating impactful results.

Looking Ahead

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 development priorities identified jointly in the CF and of stabilization priorities under the Lebanon Response Plan (LRP). As such, the LRF can support increased coherence of the response connecting efforts for peace and security, governance and sustainable recovery and development.

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.

The LRF will play a strategic role in facilitating the coordination and increased coherence of the UN's development activities in key areas.

In line with the governance structure of the CF, the LRF is now governed by a Steering Committee (SC), co-chaired by the Prime Minister and the RC and composed of representatives from the Ministry of Economy and Trade, the Ministry of Finance and contributing donors.

The LRF presents an important complement to humanitarian funding and other instruments in the broader financing landscape through providing a more strategic, effective and coordinated UN programming to support Lebanon's stabilization and development priorities. The proposed approach for the LRF will also focus investments on common priorities, reducing current fragmentation and promoting alignment/synergies within the UN family, helping to address concerns which have been raised by key partners in Lebanon.

The LRF secretariat is conducting consultations with partners from the UN, government, donors and others to review and finalize the programmatic scope for the LRF.

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 stabilization and development efforts in Lebanon.