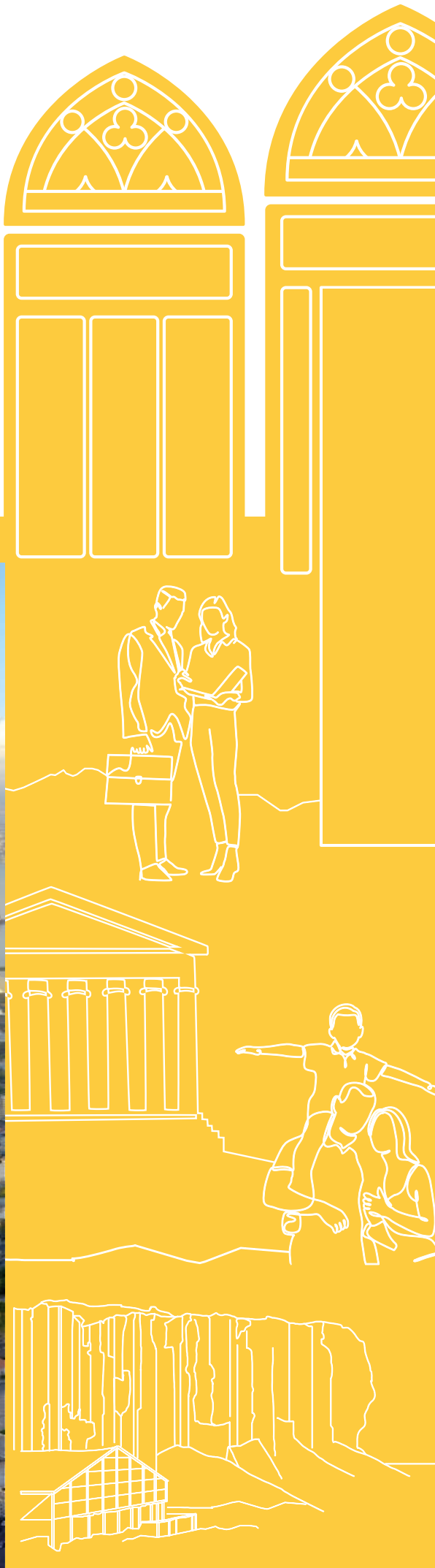




LEBANON FINANCING FACILITY

TRUST FUND ANNUAL PROGRESS REPORT

JANUARY 1 – DECEMBER 31, 2022



LEBANON FINANCING FACILITY

TRUST FUND ANNUAL PROGRESS REPORT

JANUARY 1 – DECEMBER 31, 2022

LFF DONORS



The LFF was established in close collaboration with the EU and the UN



LFF AT A GLANCE

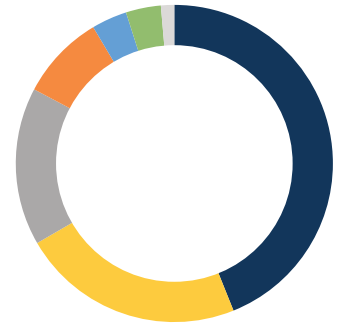
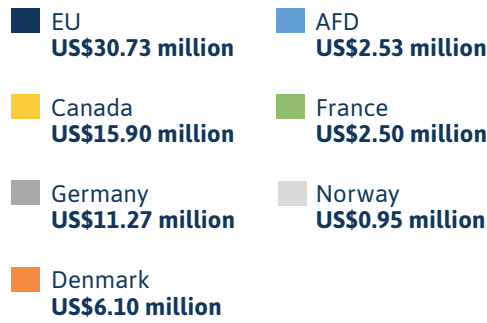
AS OF 12/31/22

Total Contributions

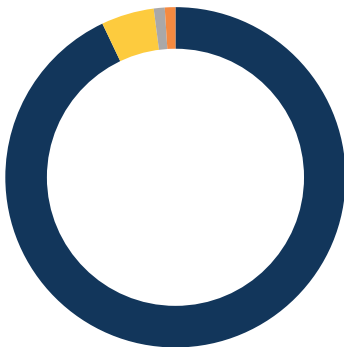


US\$69.98 million

Contributions by Donor



Grant Allocations



US\$56.75 million



US\$11.36 million

Unallocated amount available to support **new priorities**



US\$17.83 million

Grant Disbursements
as of 12/31/2022

8

grants endorsed

4 Recipient-Executed (4 active)

4 Bank-Executed (3 active, 1 closed)

FOCUS AREAS AND OBJECTIVES

FOCUS AREA 1



Socioeconomic and Business Recovery

FOCUS AREA 2



Supporting Reform and Preparing for Reconstruction

FOCUS AREA 3



Coordination, Monitoring, Accountability, Oversight

Supporting Beirut's Immediate Social Recovery Services: To support the immediate social recovery needs of vulnerable groups following the Port of Beirut (PoB) explosion.

Environmental recovery, restoration and waste management: To support emergency environment control measures in Beirut City from impacts of the August 2020 explosion and support planning for longer-term environmental restoration efforts.

Beirut housing rehabilitation and cultural heritage and creative industries recovery: To support rehabilitation of prioritized historical housing for the most vulnerable people and to provide emergency support to creative practitioners and entities in the cultural sector in the PoB explosion areas.

Building Beirut Businesses Back Better (B5): To support the recovery of targeted micro- and small-sized enterprises (MSEs) and ensure the sustainability of eligible microfinance institutions (MFIs).

Reconstruction with Integrity and Transparency: To begin to establish a transparent, accountable, and inclusive policy and institutional framework for Lebanon's reconstruction and recovery.

Reforming Lebanon's Port Sector: To support port sector reform in Lebanon and pave the way to rebuild a better, modern and digital Port of Beirut.

Strengthening capacity and institutional arrangements for 3RF oversight, citizen engagement, and monitoring/communications: To support the operationalization of the institutional, monitoring, and accountability arrangements related to the 3RF.

COVID 19 Vaccination Third-Party Monitoring: To conduct independent third-party monitoring of the rollout of World Bank-financed vaccines in Lebanon to ensure safe, effective and equitable vaccine deployment.

CROSS-CUTTING PRIORITIES

Throughout the work program, the LFF promotes gender and targeted support for women. It follows a people-centered approach, focusing on the most vulnerable ensuring transparency, citizen and community engagement, as well as strong monitoring and oversight.

ACKNOWLEDGEMENTS

The Lebanon Financing Facility (LFF) progress report is published annually by the LFF Program Management Team (PMT) on behalf of the World Bank as the Administrator of the Trust Fund. The LFF PMT would like to thank the LFF donors – Canada, Denmark, EU, France, Germany and Norway – as well as the UN, for their commitment to the LFF’s strategic vision and for their active engagement in the development and implementation of projects. We would also like to acknowledge the support and guidance received from the Government of Lebanon (GoL), represented by the Deputy Prime Minister, Prime Minister’s Office, Ministry of Finance and Line Ministries, since the inception of the LFF. We are grateful for the support received from all 3RF stakeholders, (government representatives, civil society and international partners of Lebanon). Finally, we would like to recognize the World Bank PMT, central units and sector teams for their immense efforts in advancing LFF-funded projects under particularly difficult circumstances over the past year.



ABBREVIATIONS AND ACRONYMS

3RF	Lebanon Reform, Recovery and Reconstruction Framework
AFD	Agence Française de Développement
ASA	Advisory Services and Analytics
B5	Building Beirut Businesses Back & Better
CCI	Cultural and Creative Industries
CDR	Council for Development and Reconstruction
CDW	Construction and Demolition Waste
CoA	Court of Accounts
CSO	Civil Society Organization
CVP	Communications and Visibility Plan
ESF	Environmental and Social Framework
EU	European Union
GAC	Grant Approval Committee
GBV	Gender-based violence
GIF	Global Infrastructure Facility
GM	Grievance Mechanism
GoL	Government of Lebanon
IFRC	International Federation of Red Cross and Red Crescent Societies
IOB	Independent Oversight Body
IOF	Institute of Finance
IOM	International Organization for Migration
IRC	International Rescue Committee
LAF	Lebanese Armed Forces
LFF	Lebanon Financing Facility
M&E	Monitoring and Evaluation
MFI	Microfinance Institution
MMU	Mobile Medical Unit
MoPH	Ministry of Public Health
MoPH-NMHP	Ministry of Public Health's National Mental Health Program
MPWT	Ministry of Public Works and Transport
MSE	Micro- and Small-sized Enterprises
NACC	National Anti-Corruption Commission
NDVP	National Deployment Vaccination Plan
NGO	Non-governmental Organization
PC	Partnership Council
PCC	Project Coordination Committee
PIM	Public Investment Management
PMT	Program Management Team
PMU	Project Management Unit
PoB	Port of Beirut
PPA	Public Procurement Authority
PPIAF	Public-Private Infrastructure Advisory Facility
RDNA	Rapid Damage and Needs Assessment
SPD	Standard Procurement Document
TAC	Technical Advisory Committee
TPM	Third-Party Monitoring
TPMA	Third-Party Monitoring Agent
UN	United Nations
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UN-HABITAT	United Nations Human Settlements Program
UNICEF	United Nations International Children's Emergency Fund
UNHCR	United Nations High Commissioner for Refugees
UNRWA	United Nations Relief and Works Agency for Palestine Refugees
WHO	World Health Organization

TABLE OF CONTENTS

3	Acknowledgements
4	Abbreviations and Acronyms
6	Executive Summary
10	Résumé
15	ملخص
18	Context
21	The LFF Portfolio
24	LFF Activities and Highlights
41	Operational Updates
44	Financial Highlights
47	Cross-Cutting Challenges and Lessons Learned
51	Looking Forward
52	Annex 1. List of Trust-funded Projects
68	Annex 2. Results Framework
76	Annex 3. 3RF Co-Chair Statement
77	Annex 4. LFF Press Releases issued in 2022
81	Annex 5. Communiqués by the Independent Oversight Body issued in 2022



EXECUTIVE SUMMARY

OVERVIEW

The Lebanon Financing Facility (LFF) is a 5-year multi-donor trust fund that was established in December 2020 in the aftermath of the August 4th Port of Beirut (PoB) explosion disaster and following the launch of the Reform, Recovery and Reconstruction Framework (3RF). To date, the LFF has received generous contributions from the governments of Canada, Denmark, France, Germany, Norway and from the EU.

The LFF was set up to support the immediate socio-economic recovery of vulnerable people and businesses following the explosion in Beirut, and to build the foundation for medium-term recovery and the sustainable reconstruction of the Port of Beirut and affected neighborhoods. The LFF prioritizes three focus areas of interventions: 1) Socioeconomic and business recovery; 2) Preparing for reform and reconstruction; and 3) Strengthening coordination, monitoring, accountability and oversight of the 3RF.

Since its establishment, the LFF has helped to provide a beacon of hope to the people impacted by the PoB explosion. Despite the complex operating environment, LFF-funded projects have made notable achievements in the past year. The LFF has delivered grants to 1,850 micro- and small-sized enterprises (MSEs) as well



as to nine local Non-governmental Organizations (NGOs), which supported the provision of social services to thousands of vulnerable beneficiaries. The LFF is also supporting the design and implementation of policy reforms and helping to strengthen key institutions in the areas of public financial management, public procurement, and anticorruption reform. Further, it helped to ensure the safe, effective and equitable rollout of COVID-19 vaccine deployment. The LFF remains an agile tool to support the 3RF, and in doing so, is proposing new activities to the portfolio in collaboration with donors and stakeholders.

However, several overlapping challenges have slowed down progress on the implementation of LFF-funded projects and the disbursement of funds. Significant time and efforts are needed to conduct the required due diligence for recipient-executed LFF grants, which are primarily implemented by international NGOs and UN agencies, as well as to develop and harmonize agreements with implementing partners. Further, the instability of the country context has required the continuous reassessment and adaptation of activities to the rapidly evolving situation on the ground. In addition, the worsening conditions in the country, including the decline in purchasing power, the rising costs of transportation and generator fuel, and the shortage of electricity

supply, impeded implementation progress of LFF-financed projects. As a result, about one third of the LFF's committed funding has been disbursed, and many results have yet to be achieved.

Lebanon's compounded crises have worsened since the LFF's establishment. The financial and economic crisis has already wiped out 15 years of economic growth. The currency has lost more than 98 percent of its value since the onset of the crisis, while inflation averaged 171 percent in 2022 and is expected to remain in the triple digits in 2023. The sharp deterioration in the currency coupled with triple digit inflation has resulted in a drastic decrease in salaries, driving many skilled workers out of the public sector while the remaining civil servants work about one day per week. This has resulted in an acute collapse in the provision of public services and further deterioration of public finances. The social impact of the crisis has been catastrophic: more than half of the population is estimated to have fallen below the national poverty line. The presidential vacuum as well as prolonged periods of caretaker government further undermined the efforts to move forward on the implementation of much-needed macroeconomic, financial, fiscal, and governance reforms.

The LFF's priority for 2023 will be expediting project implementation to ensure the LFF delivers on its commitments despite all the challenges. Considering the urgent need to strengthen the core functions of the public sector to address the economic and financial crises, and to implement a comprehensive reform agenda, the LFF will also focus on supporting the design and implementation of selected reforms, while continuing to respond to immediate recovery needs through its ongoing projects in accordance with the strategic reorientation of the 3RF. This is in line with the LFF's phased approach, which facilitates prioritization and sequencing to ensure short-term recovery needs are met while preparing for medium-term support for reform and reconstruction. This flexibility allows the LFF to utilize opportunities as they emerge to advance reform initiatives and to engage with the Government.

KEY LFF DEVELOPMENTS FROM 2022:

- The LFF has received contributions from six donor countries (Canada, Denmark, the EU, France, Germany and Norway) who have committed US\$69.98 million, all of which has been received. The LFF Program Management Team (PMT) continues to actively fundraise and anticipates receiving additional pledges from donors in 2023.
- The LFF has achieved significant progress on socioeconomic and business recovery (Focus Area 1). The LFF-supported the Building Beirut Businesses Back & Better (B5) Fund, which provided grants to 1,850 MSEs, nearly one third of which are women-owned or led, and has selected three microfinance institutions (MFIs) to receive funding to cover their operational expenses. As part of the social recovery project, the LFF has also supported the provision of social services to over two thousand vulnerable beneficiaries, including women and children who are survivors or at-risk of gender-based violence (GBV), people with mental health challenges, persons with disabilities, older persons, and migrant and refugee domestic workers. Under the housing rehabilitation project, 13 residential heritage buildings have been thoroughly assessed and

are considered eligible for rehabilitation, with rehabilitation bidding (first batch) and design (second batch) underway for seven buildings. Under the environment recovery project, preparations have been made to undertake detailed assessments and designs for the management of asbestos contaminated waste and rehabilitation of solid waste management infrastructure, which should begin in 2023.

- The LFF's support for socioeconomic and business recovery has considered gender-differentiated needs, encouraged women's participation and sought more equal access to benefits. Under the B5 Fund, nearly 27 percent of the businesses receiving recovery support are women-owned or led, nearing the LFF's target of 30 percent. Grants under the social recovery project are supporting the provision of services to women and children who are at-risk or survivors of GBV by supporting the operating costs of four safe houses/shelters, improving one facility for children under judicial protective measures, and improving access to complementary, holistic services and quality case management. Of the 56 units in the historic buildings eligible for rehabilitation under the LFF-supported housing rehabilitation project, 10 are headed by women.
- In preparing for reform and reconstruction (Focus Area 2), the LFF has supported the Public Procurement Authority (PPA) to internalize its new mandate and develop Standard Procurement Documents (SPDs), while a review and analysis of Lebanon's Public Investment Management (PIM) Action Plan is underway. With technical assistance from the World Bank, the Ministry of Public Works and Transport (MPWT) has finalized the development of a draft of the Port Sector Law in line with international best practices.
- The Independent Oversight Body (IOB) for the 3RF has been established and is functional with support from the LFF. The membership has been expanded to include six Civil Society members. The charter for the operationalization of the IOB has been prepared in consultation with the World Bank and approved by its members. The 3RF website is now online at <https://www.lebanon3rf.org>.
- The LFF supported the independent third-party monitoring (TPM) of the rollout of World Bank-financed COVID-19 vaccines in

Lebanon, which resulted in thousands of field monitoring visits to ensure safe, effective and equitable vaccine deployment in line with international standards. The monitors noted improvements in multiple practices following reports delivered to the Ministry of Public Health, which took corrective action to strengthen the quality of the vaccination services.

- The LFF Partnership Council (PC) met in April 2022 to discuss implementation progress and initial results of LFF-financed projects as well as donor contributions one year following the endorsement of the first LFF Work Plan in 2021. LFF programming needs and priorities were discussed for 2022, considering Lebanon's ongoing compounded crises and challenges. The meeting was attended by LFF donors, government representatives, the UN, civil society organizations (CSOs), and co-chaired by the World Bank Regional Director and the European Union (EU) Head of Delegation.
- Five technical consultations with donors were held in 2022 to assess progress, risks and challenges and to hold technical discussions on preparation of the LFF project pipeline. In addition, a deep dive discussion was held in November 2022 to examine the challenges and obstacles hampering implementation and priorities going forward.
- Significant efforts were made to strengthen engagement among donors, beneficiaries, Government and implementing agencies through field visits to project sites for all four LFF recipient-executed projects. In addition, a roundtable discussion was held with the beneficiaries of the B5 Fund to learn how funding is helping them to resume their business operations and understand the continuing challenges they are facing.
- In December 2022, the LFF received an Umbrella Program Award for the second consecutive year based on its strong focus on communications, outreach, and promoting donor visibility, culminating in its strong Communications and Visibility Plan.

STRUCTURE OF THE SECOND LFF ANNUAL REPORT

This annual report will focus on the LFF's implementation progress, challenges and results to date. The first section provides the sectoral context for recovery, reconstruction and reform in Lebanon. The second section gives an overview of the LFF portfolio during its second year of implementation. The third section provides details on the implementation status, results, challenges and lessons learned of LFF-funded projects. The fourth section summarizes the LFF's financial flows. The fifth section highlights cross-cutting challenges and lessons learned for the LFF as a whole. The final section conveys the LFF's ambitions for 2023 and beyond. The annexes provide an overview of the projects in the LFF portfolio, an up-to-date results framework, the 3RF co-chair statement on the reorientation of the 3RF's scope and mandate, and LFF Press Releases issued in 2022.

RÉSUMÉ

VUE D'ENSEMBLE

Le Mécanisme de financement pour le Liban (LFF) est un fonds fiduciaire multidonateurs créé en décembre 2020 pour une durée de cinq ans à la suite de la catastrophe provoquée par l'explosion survenue dans le port de Beyrouth le 4 août et après le lancement du Cadre de réforme, de relèvement et de reconstruction (3RF). À ce jour, le LFF a reçu des contributions et des promesses de dons des gouvernements du Canada, du Danemark, de la France et de l'Allemagne et de l'Union européenne.

Le LFF a été créé pour accompagner le redressement socioéconomique immédiat des personnes et des entreprises vulnérables fragilisées par l'explosion survenue au port de Beyrouth et jeter les bases d'un redressement à moyen terme et de la reconstruction durable du port de Beyrouth et des quartiers touchés. Le LFF intervient prioritairement dans trois domaines: 1) le relèvement socioéconomique et le redressement des entreprises; 2) les travaux préparatoires aux réformes et la reconstruction; 3) le renforcement de la coordination, du suivi, de la responsabilisation et de la supervision du Cadre 3RF.

Depuis sa création, le LFF a apporté une lueur d'espoir aux personnes touchées par l'explosion. Malgré la complexité de l'environnement opérationnel, les projets financés par le LFF ont fait des progrès notables au cours de l'année écoulée. Le LFF a versé des dons à 1 850 microentreprises et petites et moyennes entreprises ainsi qu'à neuf organisations non gouvernementales (ONG) locales, qui ont financé la fourniture de services sociaux à des milliers de bénéficiaires vulnérables. Le LFF appuie également la conception et la mise en œuvre de réformes d'orientation et aide à renforcer les institutions clés dans les domaines de la gestion des finances publiques, la passation des marchés publics et de la lutte contre la corruption. Il a en outre permis de garantir la sécurité, l'efficacité et l'équité du déploiement du vaccin contre la COVID19. La souplesse de ce mécanisme permet d'appuyer le Cadre 3RF et, ce faisant, de proposer de nouvelles activités au portefeuille en collaboration avec les donateurs et les parties prenantes.

Toutefois, plusieurs problèmes concomitants ont ralenti les progrès dans la mise en œuvre des projets financés par la LFF et le décaissement des fonds. Il faut consacrer beaucoup de temps et d'énergie pour faire preuve de la diligence requise en ce qui concerne les dons du LFF exécutés par les bénéficiaires, qui sont principalement mis en œuvre par des ONG et des organismes des Nations unies, ainsi que pour élaborer des accords et les harmoniser avec les partenaires d'exécution. En outre, l'instabilité du contexte national a nécessité de réévaluer continuellement les activités et de les adapter en permanence à l'évolution rapide de la situation sur le

terrain. De plus, l'aggravation de la situation dans le pays, notamment la baisse du pouvoir d'achat, la hausse des coûts de transport et du carburant pour les générateurs et la pénurie d'électricité, a ralenti la progression de la mise en œuvre des projets financés par le LFF. En conséquence, environ un tiers des fonds engagés au titre du LFF ont été déboursés et de nombreux résultats doivent encore être atteints.

Malheureusement, les crises multiples qu'a connu le Liban se sont aggravées depuis la création du LFF. La crise financière et économique a déjà effacé 15 années de croissance économique. La monnaie a perdu plus de 98 % de sa valeur depuis le début de la crise, tandis que l'inflation a atteint en moyenne 171 % en 2022 et devrait rester à trois chiffres en 2023. La forte détérioration de la monnaie, associée à une inflation à trois chiffres, a entraîné une baisse spectaculaire des salaires, poussant de nombreux travailleurs qualifiés à quitter le secteur public, tandis que les fonctionnaires restants travaillent environ un jour par semaine. Cette situation a entraîné un effondrement dramatique des services publics et une nouvelle détérioration des finances publiques. L'impact social de la crise a été catastrophique : on estime que plus de la moitié de la population est tombée sous le seuil de pauvreté national. Le vide présidentiel et les périodes prolongées de gouvernement provisoire ont sapé encore davantage les efforts visant à faire avancer la mise en œuvre des réformes macroéconomiques, financières, budgétaires et de la réforme de la gouvernance dont le besoin se fait cruellement sentir.

Par la suite, la priorité du LFF pour 2023 sera d'accélérer la mise en œuvre des projets pour faire en sorte que le mécanisme respecte ses engagements malgré toutes les difficultés rencontrées. Compte tenu de la nécessité urgente de renforcer les activités essentielles du secteur public pour faire face aux crises économique et financière et de mettre en œuvre un programme de réforme complet, le LFF s'attachera également à promouvoir la conception et la mise en œuvre de certaines réformes, tout en continuant à répondre aux besoins immédiats de

relèvement dans le cadre de ses projets en cours, conformément à la réorientation stratégique du Cadre 3RF. Cela correspond à l'approche progressive du LFF qui facilite la hiérarchisation des priorités et l'agencement des réformes afin de veiller à ce qu'une réponse soit apportée aux besoins de relèvement à court terme tout en se préparant à appuyer à moyen terme les réformes et la reconstruction. Cette flexibilité permet au LFF de profiter des nouvelles possibilités offertes pour promouvoir des initiatives de réforme et s'engager aux côtés du gouvernement.

PRINCIPAUX ÉLÉMENTS NOUVEAUX SURVENUS DEPUIS 2022 AU SEIN DU LFF :

- Le LFF a reçu des contributions de six pays donateurs (Allemagne, Canada, Danemark, France, Norvège et UE) qui se sont engagés à verser 69,98 millions de dollars ; toutes ces contributions ont été reçues. L'équipe de gestion de programme du LFF continue de collecter activement des fonds et prévoit de recevoir des promesses de dons supplémentaires de la part des donateurs en 2023.
- Le LFF a enregistré des avancées notables en ce qui concerne le relèvement socioéconomique et le redressement des entreprises (domaine d'intervention 1). Le LFF a apporté son soutien au Fonds « B5 » (B5 Fund pour *Building Beirut Businesses Back and Better*), qui a versé des dons à 1 850 microentreprises et petites et moyennes entreprises, dont près d'un tiers détenues ou dirigées par des femmes, et a sélectionné trois institutions de microfinance qui recevront des contributions destinées à couvrir leurs dépenses d'exploitation. Dans le cadre du projet de relèvement social, le LFF a également financé la fourniture de services sociaux à plus de deux mille bénéficiaires vulnérables, notamment des femmes et des enfants qui ont survécu ou sont exposés à la

violence sexiste, des personnes souffrant de problèmes de santé mentale, des personnes en situation de handicap, des personnes âgées et des travailleurs domestiques migrants et réfugiés. Dans le cadre du projet de remise en état des locaux d'habitation, 13 bâtiments du patrimoine à usage d'habitation ont fait l'objet d'une évaluation approfondie et sont considérés comme pouvant être remis en état, et des appels d'offres pour la remise en état (premier lot) et la conception (deuxième lot) sont en cours pour sept bâtiments. Dans le cadre du projet de remise en état de l'environnement, des dispositions ont été prises pour entreprendre des évaluations et conceptions détaillées pour la gestion des déchets contaminés par l'amiante et la remise en état de l'infrastructure de gestion des déchets solides, dont le début est prévu en 2023.

- L'appui du LFF au relèvement socioéconomique des personnes et au redressement des entreprises a tenu compte des besoins différenciés selon le sexe, encouragé la participation des femmes et cherché à assurer une plus grande égalité d'accès aux avantages. Dans le cadre du fonds B5, près de 27 % des entreprises bénéficiant d'un appui au redressement sont détenues ou dirigées par des femmes, ce qui se rapproche de l'objectif de 30 % fixé par le LFF. Les dons versés au titre du projet de relèvement social permettent de financer la fourniture de services aux femmes et aux enfants qui sont exposés ou ont survécu à la violence fondée sur le genre, en finançant les coûts de fonctionnement de quatre maisons/abris sûrs, en améliorant un centre accueillant des enfants faisant l'objet de mesures de protection judiciaire et en améliorant l'accès à des services complémentaires et holistiques et une prise en charge de qualité des cas. Sur les 56 appartements situés dans des bâtiments historiques qui pourront être remis en état dans le cadre du projet de remise en état de logements soutenu par le LFF, 10 sont placés sous la responsabilité d'une femme.
- Dans le cadre des travaux préparatoires aux réformes et à la reconstruction (domaine d'intervention 2), le LFF a aidé l'autorité des marchés publics à internaliser son nouveau mandat et à élaborer des documents types pour la passation des marchés, tandis qu'un examen et une analyse du plan d'action pour la gestion des investissements publics du Liban sont en cours. Avec l'assistance technique de la Banque mondiale, le ministère des Travaux publics et des Transports a finalisé l'élaboration d'un projet de loi sur le secteur portuaire conformément aux meilleures pratiques internationales.
- L'organe de contrôle indépendant (IOB) chargé de contrôler le Cadre 3RF a été créé et fonctionne avec le soutien du LFF. Il compte désormais six membres de la société civile. La charte visant à rendre opérationnel l'IOB a été élaborée en consultation avec la Banque mondiale et approuvée par les membres de l'OIB. Il est désormais possible de consulter en ligne le site Web du Cadre 3RF à l'adresse suivante : <https://www.lebanon3rf.org>.
- Le LFF a encouragé le contrôle indépendant par des tiers du déploiement des vaccins contre la COVID19 financés par la Banque mondiale au Liban, qui a donné lieu à des milliers de visites de contrôle sur le terrain afin de garantir un déploiement sûr, efficace et équitable des vaccins, conformément aux normes internationales. Les contrôleurs ont constaté des améliorations dans de multiples pratiques à la suite des rapports soumis au ministère de la Santé publique, qui avait pris des mesures correctives pour renforcer la qualité des services de vaccination.
- Le Conseil de partenariat du LFF s'est réuni en avril 2022 pour examiner les progrès de la mise en œuvre et les premiers résultats des projets financés par le LFF ainsi que les contributions des donateurs un an après l'approbation du premier plan de travail de la LFF en 2021. Les besoins et les priorités de la programmation du LFF ont été examinés pour 2022 en tenant compte des crises et des difficultés conjuguées que rencontre actuellement le Liban. Les donateurs du

LFF, les représentants du gouvernement, les Nations unies et les organisations de la société civile (OSC) ont participé à la réunion, qui a été coprésidée par le directeur régional de la Banque mondiale et le chef de la délégation de l'Union européenne (UE).

- Cinq consultations techniques avec les donateurs ont eu lieu en 2022 pour évaluer les progrès, les risques et les difficultés, et tenir des discussions techniques sur l'établissement de la réserve de projets du LFF. En outre, une discussion approfondie a été organisée en novembre 2022 pour examiner les difficultés et les obstacles qui empêchent la mise en œuvre et les priorités d'aller de l'avant.
- Des efforts importants ont été faits pour resserrer la collaboration entre les donateurs, les bénéficiaires, le gouvernement et les agences d'exécution dans le cadre de visites sur le terrain de sites de projets pour les quatre projets exécutés par les bénéficiaires du LFF. En outre, une table ronde a été organisée avec les bénéficiaires du fonds B5 pour savoir comment le financement les aide à reprendre leurs activités commerciales et comprendre les difficultés constantes auxquelles ils sont confrontés.
- En décembre 2022, pour la deuxième année consécutive, le LFF a été récompensé pour son programme comportant plusieurs éléments, en raison de l'importance qu'il accorde à la communication, à la sensibilisation et à la promotion de la visibilité des donateurs, avec en point d'orgue son solide plan de communication et de visibilité.

STRUCTURE DU DEUXIÈME RAPPORT ANNUEL DU LFF

Le présent rapport annuel sera axé sur les progrès réalisés dans la mise en œuvre, les difficultés rencontrées et les résultats obtenus par le LFF à ce jour. La première section présente le contexte sectoriel du relèvement, de la reconstruction et des réformes au Liban. La deuxième section donne un aperçu du portefeuille du LFF au cours de sa deuxième année de mise en œuvre. La troisième section donne des renseignements détaillés sur l'état de la mise en œuvre, les résultats obtenus, les difficultés rencontrées et les enseignements tirés des projets financés par le LFF. La quatrième section présente un résumé des flux financiers du LFF. La cinquième section met en évidence les problèmes à caractère transversal et les enseignements tirés pour le LFF dans son ensemble. La dernière section présente les ambitions du LFF pour 2023 et au-delà. Les annexes donnent un aperçu des projets du portefeuille du LFF, d'un cadre de résultats actualisé, de la déclaration de la coprésidence du Cadre 3RF sur la réorientation du champ d'application et du mandat du Cadre 3RF et des communiqués de presse du LFF publiés en 2022.

التطورات الرئيسية للصندوق الائتماني منذ عام 2022:

- تلقى الصندوق مساهمات من ستة جهات مانحة (كندا، والدنمارك، والاتحاد الأوروبي، وفرنسا، وألمانيا، والنرويج)، بلغت 69.98 مليون دولار. ويواصل فريق إدارة برامج الصندوق الائتماني سعيه الحثيث لجمع المساهمات، ويتوقع أن يتلقى تعهدات إضافية من المانحين خلال عام 2023.
- حقق الصندوق الائتماني تقدماً كبيراً في التعافي الاجتماعي والاقتصادي وتعافي قطاع الأعمال (محور التركيز 1). ودعم الصندوق الائتماني، صندوق إعادة بناء مؤسسات الأعمال في بيروت على نحو أفضل (B5)، والذي قدّم منحاً إلى 1850 من المنشآت الصغيرة والمناهية الصغر، ثلثها تقريباً تمتلكها أو تقودها نساء، واختار ثلاث مؤسسات للتمويل الأصغر، لتقديم تمويل إليها، لتغطية مصاريفها التشغيلية. وفي إطار مشروع التعافي الاجتماعي، دعم الصندوق الائتماني أيضاً، تقديم خدمات اجتماعية إلى أكثر من ألفي مستفيد من الشرائح الأكثر احتياجاً، بينهم نساء وأطفال كانوا ضحايا للعنف القائم على النوع الاجتماعي، أو معرضين لخطر هذا العنف، وأشخاص يعانون من تحديات في الصحة العقلية، بالإضافة إلى ذوي الإعاقة، وكبار السن، ونازحين ولاجئين يعملون في الخدمة بالمنازل. وفي إطار مشروع إعادة تأهيل المساكن، خضع 13 من المباني التراثية السكنية لتقييم شامل، وتعتبر في حاجة إلى ترميم شامل، وتجري مناقصة لإرساء عقود إعادة الترميم (الدفعة الأولى)، وعمليات التصميم (الدفعة الثانية) لسبعة مبان. وفي إطار برنامج تعافي البيئة، أُجريت استعدادات لتنفيذ تقييمات وتصميمات تفصيلية لإدارة نفايات الهدم الملوثة بالإسبستوس، وإعادة تأهيل البنية التحتية لإدارة المخلفات الصلبة، والتي من المقرر أن تبدأ في 2023.
- شمل دعم الصندوق الائتماني للتعافي الاجتماعي الاقتصادي وتعافي قطاع الأعمال، دراسة الاحتياجات المختلفة مع مراعاة المرأة والفوارق بين الجنسين، والتشجيع على مشاركة النساء، والسعي من أجل زيادة التكافؤ في الحصول على المنافع. وفي إطار صندوق إعادة بناء مؤسسات الأعمال في بيروت على نحو أفضل (B5)، حصل قرابة 27% من المنشآت على دعم للتعافي، وهذه المنشآت تمتلكها أو تقودها نساء، وهذه النسبة

ومما يبعث على الأسف أن أزمات لبنان المتفاقمة، اشتدت منذ إنشاء الصندوق الائتماني. وأدّت الأزمة المالية والاقتصادية إلى ضياع مكاسب 15 عاماً من النمو الاقتصادي. وفقدت العملة المحلية أكثر من 98% من قيمتها منذ بداية الأزمة، وبلغ معدل التضخم في المتوسط 171% في 2022 ومن المتوقع أن يظل في خانة المئات في عام 2023. وأدّى التدهور الحاد في قيمة العملة، وما اقترن به من تضخم جامح، إلى انخفاض حاد في قيمة المرتبات، الأمر الذي أفضى إلى خروج كثير من العمال المهرة من القطاع العام، بينما يزاول من تبقى من موظفي الخدمة المدنية عملهم يوماً واحداً في الأسبوع تقريباً. وأدى كل ذلك إلى انهيار حاد في مستويات تقديم الخدمات العامة، ومزيد من التدهور في أوضاع المالية العامة. وكان الأثر الاجتماعي للأزمة كارثياً: إذ يُقدَّر أنّ أكثر من نصف السكان أصبحوا يعيشون تحت خط الفقر الوطني. وأدى شغور منصب رئاسة الجمهورية، وتصريف الأعمال على المستوى الحكومي لفترات طويلة، إلى تقويض الجهود الرامية إلى المضي قدماً في تنفيذ إصلاحات ملحة على صعيد الاقتصاد الكلي، والقطاع المالي، وإدارة المالية العامة، والحوكمة.

وستنصب أولوية الصندوق الائتماني لعام 2023 على الإسراع بتنفيذ المشاريع، حتى يتسنى للصندوق أن يُنقِذ ارتباطاته على الرغم من كل التحديات. وبالنظر إلى الحاجة الملحة لتدعيم الوظائف الرئيسية للقطاع العام، في معالجة الأزمات الاقتصادية والمالية، وتنفيذ برنامج شامل للإصلاح، سيركّز الصندوق أيضاً على دعم تصميم وتنفيذ إصلاحات محددة، مع الاستمرار في العمل على تلبية احتياجات التعافي الفورية، من خلال مشاريعه الجارية، وفقاً لإعادة التوجيه الإستراتيجي لإطار الإصلاح والتعافي وإعادة الإعمار 3RF. ويتسق هذا مع النهج التدريجي للصندوق، الذي يُسهّل تحديد أولويات الاحتياجات وتسلسلها، من أجل تلبية احتياجات التعافي قصيرة الأجل، وفي الوقت نفسه تهيئة الظروف لتقديم دعم متوسط الأجل لعملية إصلاح وإعادة الإعمار. وتتيح هذه المرونة للصندوق الائتماني اغتنام الفرص عند ظهورها للنهوض بمبادرات الإصلاح والتعاون مع الحكومة.

ملخص

عرض عام

الصندوق الائتماني المُخصَّص للبنان (LFF)، هو صندوق متعدد المانحين، مدته 5 سنوات، أُنشئ في ديسمبر/كانون الأول 2020، في أعقاب كارثة انفجار مرفأ بيروت، في 4 أغسطس/آب، وبعد تدشين إطار الإصلاح والتعافي وإعادة الإعمار (3RF). وقد تلقى الصندوق حتى الآن، مساهمات سخية من حكومات كندا والدنمارك وفرنسا وألمانيا والنرويج، ومن الاتحاد الأوروبي.

وأنشئ الصندوق لتلبية الاحتياجات الفورية لعملية التعافي الاجتماعي والاقتصادي، للفئات الأشد احتياجاً من السكان، ومؤسسات الأعمال التي تضررت من انفجار مرفأ بيروت، ولإرساء الأسس اللازمة لتحقيق التعافي على المدى المتوسط، وإعادة إعمار مرفأ بيروت والأحياء المتضررة على نحو مستدام. ويُعطي الصندوق أولوية لثلاثة مجالات للإجراءات التداخلية: (1) التعافي الاجتماعي والاقتصادي وتعافي قطاع الأعمال؛ (2) تهيئة الظروف للإصلاح وإعادة الإعمار؛ (3) تعزيز التنسيق والمتابعة والمساءلة والرقابة ضمن إطار الإصلاح والتعافي وإعادة الإعمار 3RF.

وساعد الصندوق منذ إنشائه في إعطاء بصيص أمل لمن تأثروا بانفجار مرفأ بيروت. وعلى الرغم من بيئة التشغيل المُعقَّدة، فإن المشاريع التي مولها الصندوق الائتماني حققت إنجازات كبيرة في العام الماضي. فقد قدّم الصندوق منذاً إلى 1850 من منشآت الأعمال الصغيرة والمتناهية الصغر، وكذلك إلى تسع منظمات غير حكومية محلية، والتي تدعم تقديم خدمات اجتماعية إلى آلاف المستفيدين من الفئات الأشد احتياجاً. ويدعم الصندوق الائتماني أيضاً، تصميم وتنفيذ الإصلاحات على مستوى السياسات العامة، ويساعد على تدعيم المؤسسات الرئيسية في مجالات الإدارة المالية العامة، والمشتريات العامة، والإصلاح في مجال مكافحة الفساد. وعلاوةً على ذلك، ساعد الصندوق على ضمان التوزيع الآمن والفعال والمنصف للقاحات فيروس كورونا (كوفيد-19). وبشكل الصندوق أداة مرنة لدعم أولويات إطار الإصلاح والتعافي وإعادة الإعمار 3RF، وفي هذا الإطار، يقترح أنشطة جديدة في محفظة المشاريع بالتعاون مع المانحين وأصحاب المصلحة.

بيد أن هناك عدة تحديات متداخلة، تبطن التقدم في تنفيذ المشاريع التي يمولها الصندوق، وصرف الأموال المخصصة ضمنها. ويلزم بذل قدر كبير من الوقت والجهد من أجل اتباع إجراءات العناية الواجبة ضمن منح الصندوق التي تنفذها الجهة المتلقية لهذه المنح، وتتولى في الغالب تنفيذها منظمات غير حكومية دولية، ووكالات الأمم المتحدة، وكذلك في وضع وتنسيق الاتفاقات مع الشركاء المُنفِّذين. وعلاوةً على ذلك، يتطلّب الوضع الراهن غير المستقر في لبنان، إعادة تقييم مستمرة للأنشطة من أجل تكييفها مع الأوضاع سريعة التطور على أرض الواقع. بالإضافة إلى ذلك، تعوق الظروف المتدهورة في البلاد؛ بما في ذلك انخفاض القوة الشرائية، والتكاليف المتزايدة للنقل، ووقود مُولِّدات الكهرباء، ونقص إمدادات الكهرباء، تنفيذ المشاريع التي يمولها الصندوق الائتماني. ونتيجة لذلك، تم صرف نحو ثلث مبالغ التمويل التي ارتبط الصندوق الائتماني بتقديمها، ولم يتحقق بعد كثيرٌ من النتائج المنشودة.

هيكـل التقرير السنوي الثاني للصندوق الائتماني المُخصّص للبنان

سيُركّز هذا التقرير السنوي على سير تنفيذ المشاريع التي يمولها الصندوق، والتحديات التي يواجهها، والنتائج التي تحققت حتى الآن. ويصف القسم الأول من التقرير السياق القطاعي للتعافي وإعادة الإعمار والإصلاح في لبنان. ويتضمن القسم الثاني عرضاً عاماً لمحفظة مشاريع الصندوق خلال السنة الثانية من التنفيذ. ويُقدّم القسم الثالث تفاصيل بشأن وضع التنفيذ والنتائج والتحديات، والدروس المستفادة من عملية تنفيذ المشاريع التي يمولها الصندوق. ويلخص القسم الرابع التدفقات المالية للصندوق. ويُسلط القسم الخامس الضوء على التحديات المشتركة، والدروس المستفادة من الصندوق الائتماني ككل. ويتطرق القسم الأخير إلى طموحات الصندوق لعام 2023 وما بعدها. وتقدّم المرفقات عرضاً عاماً للمشاريع في محفظة الصندوق، وتحديثاً لإطار النتائج، وبيان الرئاسة المشتركة لإطار الإصلاح والتعافي وإعادة الإعمار 3RF، بشأن إعادة توجيه نطاق عمل الإطار واختصاصه والبيانات الصحفية للصندوق التي صدرت في 2022.

- اجتمع مجلس شراكة الصندوق الائتماني في أبريل/نيسان 2022 لمناقشة سير تنفيذ الأنشطة، والنتائج الأولية للمشاريع التي يمولها الصندوق، وكذلك مساهمات المانحين، بعد مرور عام على الموافقة على خطة عمل الصندوق الأولى في 2021. ونوقشت احتياجات الصندوق الائتماني من البرامج وأولوياته لعام 2022، بالنظر إلى الأزمات والتحديات المتفاقمة التي تعصف ببلدان. وحضر هذا الاجتماع، ممثلين عن الجهات المانحة والحكومة، والأمم المتحدة، ومنظمات المجتمع المدني، وشارك في رئاسته المدير الإقليمي للبنك الدولي، ورئيس بعثة الاتحاد الأوروبي.
- تم عقد خمس جلسات مشاور تقنية مع ممثلي المانحين خلال عام 2022، لتقييم التقدم المحرز والمخاطر والتحديات القائمة، وإجراء مناقشات تقنية بشأن إعداد مشاريع الصندوق الجاهزة للتنفيذ. وعلاوةً على ذلك، أجريت مناقشات متعمقة في نوفمبر/تشرين الثاني 2022 لبحث التحديات والعقبات التي تعوق التنفيذ، وأولويات المرحلة المقبلة.
- تم بذل جهود حثيثة لتعزيز التعاون بين المانحين والمستفيدين من المشاريع و ممثلي الحكومة والوكالات المسؤولة عن تنفيذ المشاريع، من خلال زيارات ميدانية لمواقع المشاريع الأربعة التي يمولها الصندوق. وبالإضافة إلى ذلك، تم عقد اجتماع مائدة مستديرة جمع الممثلين عن المانحين بعدد من المستفيدين من صندوق إعادة بناء مؤسسات الأعمال في بيروت (B5) للتعرف على كيف يساعدهم الصندوق في استئناف أعمالهم، وفهم التحديات المستمرة التي يواجهونها.
- وفي ديسمبر/كانون الأول 2022، حصل الصندوق الائتماني على جائزة البرنامج الشامل للسنة الثانية على التوالي، تقديراً لتركيزه الشديد على الاتصالات والتواصل والتوعية، و إبراز دور المانحين.

- تقترب من المستوى الذي يستهدفه الصندوق الائتماني، والبالغ 30%. تدعم المنح المُقدّمة في إطار مشروع التعافي الاجتماعي، تقديم الخدمات للنساء والأطفال المعرضين لخطر العنف القائم على النوع الاجتماعي، أو كانوا ضحايا لهذا العنف، وذلك بدعم المصاريف التشغيلية لأربعة بيوت آمنة/ملاجئ، وتطوير مؤسسة لرعاية الأحداث (الأطفال) الذين يخضعون لتدابير وقائية قضائية، وتحسين الوصول إلى الخدمات التكميلية والتخصصية، وإدارة هذه الحالات على نحو يتسم بالجودة. وفي إطار مشروع إعادة ترميم المساكن الذي يسانده الصندوق الائتماني، بلغ عدد الوحدات التي ترأسها نساء في المباني الأثرية التي تحتاج إعادة ترميم 10 وحدات من أصل 56 وحدة سكنية.
- في إطار تهيئة الظروف للإصلاح وإعادة الإعمار (محور التركيز 2)، يدعم الصندوق الائتماني، هيئة الشراء العام في جهودها في النهوض بتفويضها الجديد، وإعداد وثائق مناقصات موحدة، وفي الوقت نفسه يتم مراجعة وتحليل خطة عمل إدارة الاستثمارات العامة. وبمساعدة تقنية من البنك الدولي، أتمت وزارة الأشغال العامة والنقل، وضع مُسوّد قانون قطاع المرافق، بما يتسق وأفضل الممارسات الدولية.
- أنشئت هيئة الإشراف المستقلة، وهي آلية مستقلة لتوفير رقابة واسعة النطاق على تنفيذ إطار الإصلاح والتعافي وإعادة الإعمار 3RF. وتعمل الهيئة بدعم من الصندوق الائتماني. وتم توسيع عضوية الهيئة لتضم ستة ممثلين عن المجتمع المدني. وتم إعداد ميثاق تفعيل هيئة الإشراف المستقلة، بالتشاور مع البنك الدولي، ووافق عليه أعضاؤها. كما تم إطلاق الموقع الإلكتروني لإطار الإصلاح والتعافي وإعادة الإعمار على شبكة الإنترنت: <https://www.lebanon3rf.org>.
- دعم الصندوق الائتماني عملية المراقبة الخارجية المستقلة لتوزيع لقاحات كورونا (كوفيد-19)، التي تم تمويلها من البنك الدولي في لبنان، وهو ما أدّى إلى آلاف من زيارات المتابعة الميدانية، للتأكد من التوزيع الآمن والفعال والمنصف للقاحات وفقاً للمعايير الدولية. ولاحظ القائمون بالمتابعة تحسناً في العديد من الممارسات في أعقاب تقارير تم تقديمها إلى وزارة الصحة العامة، التي اتخذت إجراءات تصحيحية لتعزيز جودة خدمات التطعيم.



CONTEXT

The Lebanon Financing Facility (LFF) was established in December 2020 in response to an urgent need to pool and channel donor grant resources to finance the immediate socio-economic recovery of Beirut, catalyze much needed reform efforts and prepare the ground for medium-term reconstruction and recovery.

On August 4, 2020, a massive explosion at the PoB devastated the city, killing at least 217 people, wounding more than 6,000 and displacing around 300,000 individuals. The explosion caused widespread destruction to homes, businesses and infrastructure, and disrupted economic activity. Damages were estimated between US\$3.8-4.6 billion. The PoB explosion further exacerbated the impact of Lebanon's pre-existing economic and financial crises. In response, the EU, the United Nations (UN), and the World Bank championed a Reform, Recovery and Reconstruction

Framework (3RF)¹, launched in December 2020 as a platform for international support and increased engagement with CSOs, with the LFF as its associated financing mechanism.

Since the LFF's establishment, the situation in the country has deteriorated sharply, both in terms of the socioeconomic effects of the crises and in terms of governance. For three years, Lebanon has been impacted by the most devastating multi-pronged crisis in its modern history. Lebanon's total contraction of 37.3 percent in real GDP since 2018 – among the worst the world has seen – has already wiped out 15 years of economic growth and is scarring the country's potential for recovery. The World Bank estimates real GDP to contract by a further 5.4 percent in 2022 assuming continued political paralysis and no implementation of a recovery strategy.² In July 2022, the World Bank reclassified Lebanon as a lower-middle income country, down from an upper-middle income country. The crisis has led to a dramatic collapse in basic services and is also impacting the core functions of the public sector. Losses in economic activity and fiscal revenues, coupled with high inflation and poverty rates, are exacerbating a range of political, social and environmental issues. Prolonged periods of caretaker mode for government have also posed challenges in progressing on much-needed reforms. Various estimates on poverty all point to a significant increase in poverty rates and the shrinking of the middle class, with more and more households facing challenges in accessing food, healthcare, and other basic services.

This socio-economic deprivation has driven a wedge between the people and the state. Weak governance is both a root cause and a major impediment to the effective management of today's crises. Deteriorating public governance, compounded by limited fiscal space, has severely worsened the delivery of public services and the quality of infrastructure in virtually all sectors. Pervasive political gridlock has so far prevented the swift formulation of policies and

reform agendas to ameliorate the fallout of the compounded crises. While trust in governmental institutions has been declining for several years, the inadequate management of the impact of the explosion, combined with the economic and financial crises, have undermined trust even further. In a recent survey conducted by the World Bank among victims of the blast, most of the respondents' report having "no trust at all" in political parties, the Council for Development and Reconstruction (CDR), or municipalities. Citizens have been demanding the recovery of misused public funds, more transparency in the management of public funds and for the immediate implementation of financial governance reforms to address paramount financial, economic, and social challenges.

An unprecedented institutional vacuum will likely further delay any agreement on crisis resolution and much needed reforms, sow the seeds for further discord and considerably complicate the political process. While Lebanon is no stranger to political paralysis, the price of an institutional vacuum is at an all-time high as it impedes decision-making and reform ratification, deepening Lebanon's long-term economic woes and the plight of the Lebanese people. An IMF program remains elusive as the authorities have yet to complete ten reforms up front.

Lebanon's emerging challenges require recovery and reform efforts that surpass the reach of responses related to the PoB blast. Considering the evolving context and limited progress achieved on 3RF reforms and policy actions, 3RF stakeholders have agreed to a reorientation of the 3RF's scope and mandate towards prioritizing support for the Government of Lebanon (GoL) in implementing a comprehensive reform agenda that fully aligns with the prior actions introduced by the April 2022 IMF staff-level agreement with Lebanon.³ LFF stakeholders are now discussing how the 3RF's reorientation should influence LFF priorities and interventions going forward.

1 The 3RF provides a costed and prioritized plan of key actions over 18 months across various sectors to support the recovery and reconstruction of Beirut. The 3RF also serves as a platform for stakeholder dialogue and lays out an engagement model emphasizing direct support to affected communities through people-centered recovery, while identifying a set of priority reforms as prerequisites for reconstruction.

2 The Lebanon Economic Monitor (LEM) Fall 2022 "*Time for an Equitable Banking Resolution*"

3 See Annex 3 for the 3RF co-chair statement announcing the new 3RF mandate.





THE LFF PORTFOLIO

The LFF serves to pool grant resources and strengthen the coherence and coordination of financing in support of the immediate socioeconomic recovery of vulnerable people and businesses impacted by the PoB explosion. The LFF, administered by the World Bank, provides support to selected priorities of the 3RF framework. The LFF three core focus areas are:

- Focus Area 1: Socioeconomic and business recovery
- Focus Area 2: Preparing for reform and reconstruction
- Focus Area 3: Coordination, monitoring, accountability and oversight

The LFF has a 5-year horizon recognizing the time it may take to fully implement priorities identified in the 3RF, and the LFF's potential role in supporting Lebanon's medium-term recovery and reconstruction beyond the 3RF's 18-month period, subject to government progress on fundamental reforms and donor support.

2022 was dedicated to ensuring momentum on the implementation of LFF-funded projects included in the LFF's 2021 Work Plan, which was endorsed by the Partnership Council (PC) in April 2021 and updated to include a new activity (COVID-19 Vaccination Third-Party Monitoring) in November 2021. Given the instability of the context and the novelty and complexity of implementation arrangements for recipient-executed projects, progress has been slow or delayed for many LFF-funded projects. Several of these projects did not become effective until late 2021 or early- to mid-2022 (see Table 1), thus focus and resources in 2022 were dedicated to establishing and strengthening project implementation arrangements. As a result, disbursements remained relatively low for certain projects as of December 31, 2022 (see Table 2). For these reasons, an annual work plan was not developed in 2022.



TABLE 1.
PROJECTS ENDORSED IN THE 2021 WORK PLAN

Project ID	Project Name	Approval Date	Effectiveness Date	Closing Date
Recipient-Executed				
P176013	Building Beirut Businesses Back & Better (B5) Fund	July 28, 2021	October 8, 2021	July 31, 2024
P176622	Support for Social Recovery Needs of Vulnerable Groups in Beirut	December 23, 2021	April 4, 2022	October 31, 2023
P176577	Beirut Housing Rehabilitation and Cultural and Creative Industries Recovery ⁴	February 22, 2022	February 23, 2022	December 15, 2024
P176635	Beirut Critical Environment Recovery, Restoration and Waste Management Program	May 12, 2022	May 18, 2022	June 30, 2025
Bank-Executed				
P176271	Port of Beirut Reform and Reconstruction	January 18, 2021	January 18, 2021	June 30, 2023
P178520	Lebanon-Implementing 3RF Governance Pillar ("Reconstruction with Integrity and Transparency")	January 20, 2022	January 20, 2022	January 1, 2024
P177084	Strengthening 3RF Oversight, Engagement and Monitoring	August 20, 2021	August 20, 2021	June 13, 2025
P163476/ TF0B7558	COVID-19 Vaccination Third-Party Monitoring	December 3, 2021	December 3, 2021	December 31, 2022

Across the proposed interventions, the LFF work plan supports the 3RF cross-cutting priorities of gender, inclusion and transparency. All projects consider gender-differentiated needs, women's participation and equal access to benefits, and the work plan includes targeted support for survivors of sexual and gender-based violence and for women-led businesses. The work plan also targets vulnerable groups (including women, youth, people with disabilities, people with mental health challenges, old persons, migrants and refugees). Finally, all projects aim to promote citizen and community engagement and improved monitoring with dedicated support to strengthen public and social accountability and create new channels for citizen feedback and involvement.

A Gender Approach Note for the LFF was developed by World Bank gender specialists in March 2021. This note defines the processes in place to support the approach to considering gender-differentiated needs, women's participation and equal access to benefits throughout LFF-financed activities. This aims to ensure that the LFF proactively identifies, addresses and monitors gender gaps and that projects selected for implementation consider gender equality actions and metrics in a meaningful way.

⁴ This project includes a Bank-executed component

To operationalize this approach, the LFF Program Management Team draws on the experience and expertise of the World Bank Lebanon Gender Lead, who also functions as the LFF Gender Coordinator. To strengthen project design to maximize benefits for women, project teams engage the LFF Gender Coordinator as well as other gender specialists early on during the design stage to discuss gender gaps the project aims to

tackle, as well as potential measures to address and monitor these gaps. During implementation, each project incorporates a Gender Specialist as part of the team to provide technical (topic) expertise and operational (reporting, monitoring, communications) support, as well as to ensure coordination, engagement and outreach with relevant stakeholders.

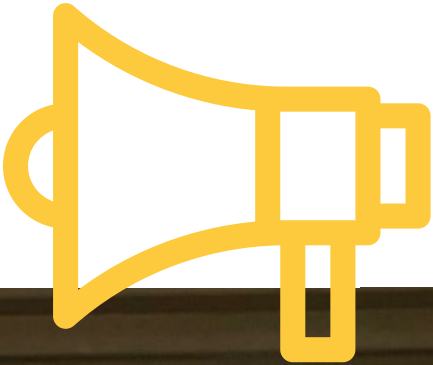
TABLE 2.
PROJECT ALLOCATIONS AND DISBURSEMENTS

Project	Implementation Modality	Status	Grant Allocated (US\$ million)	Amount Disbursed (US\$ million) as of 12/31/22
Focus Area 1: Socioeconomic and business recovery			53.00	15.62
Building Beirut Businesses Back & Better (B5) Fund	Recipient Executed	Active	25.00	10.59
Support or Social Recovery Needs of Vulnerable Groups in Beirut	Recipient Executed	Active	5.00	0.70
Beirut Housing Rehabilitation and Cultural Heritage and Creative Industries Recovery	Recipient and Bank Executed*	Active	13.00	3.36
Beirut Critical Environment Recovery, Restoration and Waste Management Program	Recipient Executed	Active	10.00	0.97
Focus Area 2: Preparing for reform and reconstruction			0.75	0.12
Reconstruction with Integrity and Transparency	Bank Executed	Active	0.50	0.11
Port of Beirut Reform and Reconstruction	Bank Executed	Active	0.25	0.01
Focus Area 3: Coordination, monitoring, accountability and oversight			1.85	1.29
Strengthening 3RF Oversight, Engagement and Monitoring	Bank Executed	Active	0.85	0.34
COVID-19 Vaccination Third-Party Monitoring	Bank Executed	Closed	1.00	0.95
TOTAL**			55.60	17.03

* Recipient Executed: US\$12.75 million and Bank Executed: US\$0.25 million.

** These amounts only reflect the grant commitments and disbursements for active LFF-funded projects. This excludes information on grants for project preparation and supervision as well as program management and administration, which are reflected in the Financial Highlights section below.

LFF ACTIVITIES AND HIGHLIGHTS





FOCUS AREA 1

SOCIOECONOMIC AND BUSINESS RECOVERY

This Focus Area aims to support the immediate social recovery needs of vulnerable groups following the PoB explosion.

Building Beirut Businesses Back & Better (B5) Fund – US\$25 million

Launched in November 2021, the B5 Fund aims to support the recovery of MSEs directly affected by the PoB explosion and sustain the operations of eligible MFIs. It will also help preserve private sector jobs and reduce business closures and layoffs. The blast caused substantial physical damage and loss of stock and inventory to approximately 10,000 privately owned businesses located within a 5 kilometer radius of the explosion site. It significantly affected firms' productivity and revenue generation and led to substantial layoffs and bankruptcies. The project is being implemented by Kafalat.

Implementation Status

The B5 Fund has brought a beacon of hope to the people impacted by the PoB explosion. Thus far, the B5 Fund has provided grants to approximately 1,850 MSEs – 43 percent of the project's target of 4,300 MSEs. The grants helped to cover expenses related to working capital, technical services, equipment and repairs. 27 percent of the selected MSEs are women-owned or led. Efforts were also made to identify and support entrepreneurs and businesses who directly or indirectly suffered from a disability as a result of the blast. The B5 Fund also selected 3 MFIs out of the target of up to 5 eligible MFIs and initiated grant support to cover their operational expenses.

The B5 Fund follows a zoning approach whereby eligible beneficiaries are prioritized based on their proximity to the explosion site. It also adopts a simple design that permits the deployment of grants in a transparent, timely and cost-efficient manner to businesses, particularly vulnerable ones directly through specialized institutions. Disbursement to grantees is conditional on the completion of a screening to confirm their damage status based on initial assessments conducted by the Lebanese Armed Forces (LAF) directly following the blast and to ensure that the same expense is not financed more than once from different sources.

Results

- The B5 Fund committed US\$8.8 million and disbursed US\$7.1 million in the form of grants to MSEs, representing almost half of the total funds allocated for grants to MSEs.

- 2,189 grant applications were received (351 through Kafalat and 1,838 through participating MFIs), of which 591 were women owned or led businesses and 15 were disability owned or led businesses. 5,100 potential beneficiaries have been identified.
- 1,850 grants were approved for disbursement (290 through Kafalat and 1,560 through participating MFIs).
- The average size of the grants for MSEs was US\$4,700 (this includes US\$11,800 for MSEs applying through Kafalat and US\$3,400 for MSEs applying through MFIs). On average, MSEs reported US\$17,400 in terms of recovery needs, with US\$81,100 for MSEs applying through Kafalat (formal Joint Stock or Limited Liability MSEs) and US\$5,300 for MSEs applying through MFIs (informal MSEs, Sole Proprietorship, General and Limited Partnerships).
- 3 MFIs were selected to receive US\$5 million grants to cover part of their operational expenses over 18 months. The B5 disbursed nearly US\$1 million to the 3 selected MFIs (Majmoua, Vitas and Ibdaa) in the form of monthly operational grants.

“Not only was I impacted in my livelihoods, but I was also affected psychologically. Thanks to the grant, I was able to repair and reopen my shop”

– Hussein, owner of mini-market in the vicinity of the Port

Challenges

- **Delays due to increased due diligence:** Due to the severe crises, potential beneficiaries are facing high financial insecurity, extremely limited access to finance, and multiple emerging needs, which together increase the risk of improper use of B5 funds. Awarding conditional grants to informal firms, including self-employed and homebased entrepreneurs, requires increased due diligence even under normal circumstances, but even more so in crisis settings. This requires additional monitoring.
- **Constrained implementation capacity:** The unprecedented crisis context, currency devaluation, insecurity and the inability to

retain employees all limit the implementation capacity of project partners and beneficiaries, causing further delays.

- **Limited trust and skepticism of grant programs:** The high number of grant programs that were promised by donors but have not yet disbursed any funding has led to some hesitancy to engage with the B5 Fund among potential beneficiaries; this has also impacted the quality of applications.
- **Difficulty in meeting fiduciary and safeguards standards:** Compliance with procurement, financial, environmental and social standards, even if simplified to the extent possible, is not easy for vulnerable groups. Specifically for financial management, there are challenges in collecting the financial reports from beneficiaries and MFIs in addition to supporting documentation. The first audit report of the project is due by June 30, 2023.

Lessons Learned

- Achieving intended development outcomes in severe crisis contexts such as Lebanon requires a higher tolerance for implementation delays and risks.
- Accelerating project implementation can come with risks and tradeoffs, particularly in crisis settings where there are heightened concerns related to grant oversight and monitoring.
- Striking a balance between speed of disbursement and ensuring money is spent properly requires continuous adaptation and strong hands-on support for the implementing agency.

Support for Social Recovery Needs of Vulnerable Groups in Beirut (GBV, psychosocial support, care for the elderly) – US\$5 million

The Social Recovery Project aims to support the immediate social recovery needs of vulnerable groups following the PoB explosion. It is being implemented by the International Rescue Committee (IRC) and works through a sub-granting mechanism that enables IRC to provide financing to non-government stakeholders who have a track record of providing social recovery services in Beirut and Mount Lebanon. This allows the project to contribute to improvements in access to and the quality of critical social

services, while at the same time contributing to a more sustainable, effective and accountable NGO sector. The vulnerable groups prioritized and supported under the project include women and children who are survivors or at-risk of gender-based violence (GBV), people with mental health challenges, persons with disabilities, older persons, and migrant and refugee domestic workers.

Implementation Status

The project was approved by the World Bank on December 23, 2021 and declared effective on April 4, 2022. Since then, nine NGO partners have been selected by IRC to implement 12 sub-projects that will benefit vulnerable groups targeted under the project. This comprises 7 sub-grant agreements that benefit women and children who are at-risk or survivors of GBV, including by supporting the operating costs of four safe houses/shelters, improving one facility for children under judicial protective measures, and improving access to complementary, holistic services and quality case management. A further two sub-grants benefit persons facing mental health challenges via support to the national mental health and suicide prevention hotline, improving a digital self-help tool for combatting depression (Step-by-Step), and generating a training curriculum on mental health in the workplace. The remaining three sub-grants are focused on older persons and persons with disabilities. They aim to improve the targeting and tracking of those who need care and extend access to quality in-home and facility-based support.

The cumulative value of commitments for the 12 sub-projects is US\$3.39 million, excluding the value of procurement to be done on behalf of select actors due to identified capacity constraints. The IRC is in the process of signing two new sub-projects aimed at the provision of medical and educational services for beneficiaries in GBV shelters. In addition, two sub-projects related to mental health are yet to be initiated as NGO implementing partners have not been identified. As such, while disbursement was slow during the project's first months, due to the complexity of establishing a sub-granting mechanism that complied with World Bank rules and regulations and the need for IRC to subsequently conduct enhanced due diligence of prospective NGO partners, this is expected to increase significantly in the next six months.

In parallel, IRC is continuing to deliver rolling capacity building support to the various NGOs supported under the project. Tailored capacity building support plans have been developed by IRC for every NGO partner engaged via a highly participatory, collaborative approach. These support plans are formed prior to the signing of the subgrant agreement between IRC and the partner NGO, and thus form an integral part of the agreements' terms (including in some cases milestones in capacity development being linked to payment terms). Activities conducted within this workstream include but are not limited to: supporting the development and enacting of improved financial management policies and practices; delivering trainings on reporting tools and requirements and monitoring and evaluation (M&E) processes; and sharing lessons and best practices to help strengthen and/or build sufficient grievance mechanisms.

Results

Given the relative newness of the project's multiple sub-grant agreements with local NGOs, up-to-date results across the project's multiple indicators are not yet available. The latest preliminary results reported are as follows:

- Project investment to-date has benefited 2,070 vulnerable beneficiaries overall – nearly 25 percent of the project's target of 8,387.
- The majority of these beneficiaries (nearly 78 percent) are individuals benefiting from increased access to mental health services, including the national mental health hotline (Lifeline) and the "Step-by-Step" mental health program.
 - The national mental health hotline (Lifeline) is now operating on an extended 24 hour/7 days a week basis and is supported by 26 newly recruited volunteer operators. The facility has received and responded to 6,326 calls while supported by the project.
 - 533 new beneficiaries were registered to the "Step-by-Step" mental health platform, a digital intervention designed to treat depression through the user's internet-connected device. Each beneficiary will receive further guidance and support from the e-facilitators who have now been assigned to them. This activity is being implemented in close coordination with

the Ministry of Public Health's National Mental Health Program (MOPH-NMHP).

- Total beneficiaries also include 222 individuals who are receiving social services at GBV safe houses and shelters (including 24 boys under judicial protection measures).
- Under the project's efforts to improve access to quality healthcare and referral services for older persons and persons with disabilities, 241 beneficiaries have been reached (174 persons with disabilities and 67 older persons).
- The project has also trained 86 NGO care workers across the various social services being supported. This has included 39 individuals benefiting from training on improved GBV Information Management System use and case management, 13 e-helpers who are supporting beneficiaries of the free Step-by-Step mental health self-help application, and 34 workers delivering enhanced services to persons with disabilities and older persons.

Social Recovery Impacts:

Tod's Story

Tod,⁵ who is two years and nine months old, lives with his family of four in the Dahr El Mghara area of Mount Lebanon. He was conceived to the joy of his parents, after they had struggled for some time and already lost two baby girls. After he was born prematurely, Tod's parents learned he had plegia and needed lifelong medical support. While managing to meet these needs for some time, the family found themselves unable to do so once his grandmother fell ill and Tod's father lost his job following the PoB blast.

One day, Caritas Lebanon's Mobile Medical Unit (MMU) arrived in Tod's neighborhood as part of their new LFF-financed project offering support to older persons and people with disabilities. Fully staffed with a pediatrician, general practitioner, and nurse and medical provisions, the MMU quickly assessed the medical needs of Tod and his grandmother and drew up a care plan for them. As a result, Tod now benefits from the physiotherapy sessions he needs in order to improve his quality of life. In addition, both Tod and his grandmother are to receive assistive devices, medications, specialized consultations, diagnostic tests, and regular follow-up visits from the MMU.

⁵ Tod's name has been changed to protect his privacy.

"It is the first time I feel safe"

– 26 year-old Lebanese female admitted to Tabitha's shelter and benefitting from its services

Challenges

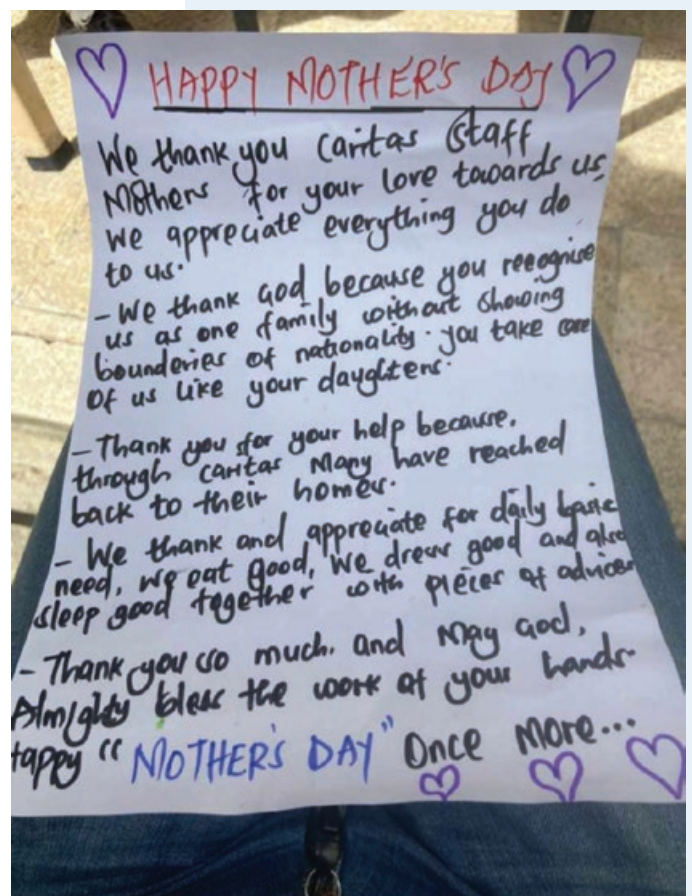
- **Implementation Delays** were initially linked to slow project start-up and administrative preparations. Subsequently, delays have resulted from heavy due diligence conducted by IRC to ensure risks are mitigated and the process of ensuring NGO partners are aware of World Bank requirements.
- **Staff turnover** resulting from the volatile situation in Lebanon has affected both IRC and its partners on the project.
- **The need to re-assess targets and in-take capacities** due to several factors, including changes in funding levels (due to the shortfall created by the closing of the SPF grant in June 2022), delayed effectiveness and overestimation of GBV shelters' capacity and turnover rates.
- **Highly fluctuating prices** given the evolving situation in Lebanon have contributed to complexity in budgeting and implementation of subgrants.
- **Slight delays in submission of financial reports by NGOs;** the financial reports are being reviewed with the first audit report of the project expected to be submitted by June 30, 2023.

Lessons Learned

- NGOs remain an important focal point for investment aimed at preventing further deterioration of Beirut's social services and the social wellbeing of vulnerable groups. As Lebanon's multiple crises endure and opportunities to work with and through government services continue to be limited, the social recovery project is more needed than ever before.

- Simplified implementation arrangements, as currently exist within the project, are key to the success of the World Bank-IRC collaboration. These arrangements were achieved following an extended period of challenges, learning and fine tuning. This required a significant investment of time and resources by both IRC and the World Bank as, unlike working with UN agencies, no framework agreement exists to guide the World Bank's relationship with INGOs acting as the recipient of a grant.
- Scaling-up the NGO funding mechanism has strong potential to support service delivery processes in advance of broader reform and recovery efforts. While the start-up has been challenging, the NGO funding mechanism is now in place and working as envisioned. There is considerable opportunity to further scale the mechanism for the benefit of Lebanon's most vulnerable.

Letter from a Kenyan woman to Caritas



Beirut Housing Rehabilitation and Cultural and Creative Industries Recovery – US\$13 million

The Beirut Housing Rehabilitation and Cultural and Creative Industries (CCI) Recovery Project supports rehabilitation of prioritized historic housing for vulnerable people and provides emergency support to creative practitioners and entities following the PoB explosion. The project became effective in February 2022 and is implemented by UN-Habitat.

The first component supports the return of displaced households to targeted buildings through the rehabilitation of residential heritage buildings and technical assistance for rental support. The project prioritizes the rehabilitation of select vacant and structurally damaged residential units in historical neighborhoods located within five kilometers from the epicenter of the explosion, and that were inhabited by lower income and vulnerable households. The second component, implemented by UNESCO through an UN-to-UN agreement with UN-Habitat, provides technical assistance and grants to affected cultural entities and practitioners operating in targeted CCI for the development of cultural productions in neighborhoods affected by the explosion.

Implementation Status

Significant progress was made during the project's first year of implementation. As of December 31, 2022, disbursements reached US\$3.33 million, 26% of the total committed. Implementation began immediately on the first component following the signature of the Grant Agreement between UN-Habitat and the World Bank, while the roll-out of the second component started in September 2022. Project teams were mobilized and implementing partners were brought onboard; a Technical Advisory Committee (TAC) was established across key relevant stakeholders and seven TAC meetings took place; a project Grievance Mechanism (GM) was established; two community Stakeholder Engagement meetings were conducted; a World Bank implementation support mission was completed in addition to bi-weekly implementation support virtual meetings; and the Project Operations Manual was finalized.

18 out of 169 assessed buildings are currently considered eligible for rehabilitation according

to the criteria set out in the Project Appraisal Document. The remaining buildings require further investigation, which will adopt a "cluster approach" by prioritizing buildings that are close to each other in a spatial cluster or along a street to maximize impacts in each neighborhood. Out of the 18 eligible buildings, a socio-economic assessment and legal review have been conducted for 13, out of which eight are eligible to move to the design phase. In parallel, a prequalification of contractors exercise was concluded, with these contractors eligible and ready to bid for rehabilitation works once the design is finalized. Rehabilitation civil works for the first batch of four eligible buildings are to be launched in May 2023. The design of the second batch of eligible buildings, the permitting process and the development of the Environmental & Social Management Plan are underway.

The Call for CCI Proposals and Grant Request forms have been developed and are in the final stages of validation. Preliminary community outreach and stakeholder engagement were completed. Grants to CCI individuals and entities will be made in two stages, which are planned between February and April 2023. A Grant Approval Committee (GAC) formed of external experts has been established. The GAC will review and select successful grant applications using preestablished criteria that prioritize several critical expected impacts, such as neighborhood revitalization, social value, and supporting socio-economically vulnerable individuals and groups. The first call will commence following the selection of an implementing partner to conduct full community outreach activities, which is almost complete. While the first Call for CCI proposals was scheduled to launch in November 2022, a period of enhanced due diligence due to the dynamic situation on the ground resulted in some unforeseen delays.

Financial management is on track with financial reports submitted on time by UN-Habitat and the latest audit reports will be shared by UN-Habitat once published. Delays in disbursements are due to the overall delay in project activities.

Results

As the project is still in the early stages of implementation, only expected results can be shared. To date, the 13 buildings eligible for the design phase include 56 housing units. This

represents 35 percent of the total units targeted. Approximately 100 residents of these buildings are expected to benefit from the project, equivalent to 18 percent of the end target. Among these units, 10 are headed by women (18 percent). This percentage may increase when more housing units are identified.

Challenges

- **Data and information on housing was outdated, missing or inadequate**, requiring extensive data collection and verification efforts. The complex and dynamic situation in Beirut as well as outdated data on buildings from different sources meant that multiple field surveys were required prior to assessing the targeted buildings. It was difficult to contact many of the affected households living outside the target areas due to the lack of contact details and outdated information for owners and tenants of multi-unit buildings. Inadequate information provided by tenants and owners necessitated rounds of verification from multiple sources in order to get the correct details. Due to the complex legal status of most of the targeted buildings, an extensive review and validation of legal documents was required. These documents were difficult to obtain given the “Title Registry” was inaccessible, public institutions were closed and electronic access was interrupted or not available.
- **Rapid changes in the sector** due to the dynamic situation in the country required continuous updating of data on potential beneficiaries.
- **Rehabilitation costs may be higher than estimated** during project design based on thorough assessments.
- **The UN-UN agreement took a long time to execute** due to the extra due diligence required, resulting in delays to the implementation of Component 2. Overall, the execution and management of this component required a greater level of effort than anticipated.
- The housing complexities in Beirut are vast, with frequent disputes between owners and between owners and tenants concentrated in the selected geographic areas. This requires rethinking how to adapt the rules and regulations for these areas to develop a solid housing recovery strategy and implementation plan.
- For future projects, the estimation of damages should be based on thorough assessments conducted from both outside and inside the buildings and funding should be allocated to carrying out such survey work.
- The implementation timeframe should consider potential delays arising from the instability of the context, the lack of legal documentation, the absence of concerned beneficiaries, and the complexities around ownership and tenancy. More flexible criteria should be considered in line with the fragile and evolving conditions on the ground.
- A cluster approach to rehabilitating housing and urban environments has the potential to maximize benefits for the city’s physical and socio-economic recovery.

Environmental Recovery and Waste Management – US\$10 million

The Environmental Recovery and Waste Management project is supporting emergency environment control measures in Beirut to address the impacts of the August 2020 PoB explosion, as well as support planning for longer-term environmental restoration efforts. Activities include: (i) rehabilitation and operationalization of damaged solid waste management infrastructure; (ii) management of debris, asbestos-contaminated materials and hazardous waste generated due to the explosion; and (iii) priority policy and institutional actions for greening Beirut’s Reconstruction Agenda. The project is being implemented by the United Nations Development Program (UNDP).

Implementation Status

The project was approved on May 9, 2022 and became effective on May 18, 2022. Subsequently, the Project Management Unit (PMU) with key technical specialists was established by September 30, 2022 by UNDP. In addition, a Project Coordination Committee (PCC) comprising all the key stakeholder agencies of the Government was

Lessons Learned

- The involvement of different public institutions and professional stakeholders under the TAC helped to overcome administrative or bureaucratic procedures that would have caused additional implementation delays.

also established and the first meeting of the PCC was held on September 27, 2022.

Consultants have been hired to carry out detailed assessments and prepare designs for the management of asbestos contaminated waste, the design and supervision of contaminated Construction and Demolition Waste (CDW) Disposal Site, and rehabilitation of the Coral solid waste composting facility and Karantina sorting facility. The consultants are expected to complete these assessments and designs in the next few months, and the selection of contractors and implementation of physical works for the management of CDW and rehabilitation of damaged infrastructure are expected to be initiated in the second half of 2023. Activities related to the preparation of a Master Plan for Solid Waste Management in Beirut City and Matn Caz have also been initiated. Priority policy and institutional actions for Beirut Reconstruction will be initiated in the second half of 2023.

Financial management is on track with financial reports submitted on time by UN-Habitat and the latest audit reports will be shared by UN-Habitat once published. The project is disbursing as per the estimates made during appraisal and so far, has disbursed 9.7 percent of the total grant. An additional US\$1.5 million is expected to be disbursed in 2023 and US\$1.5 million in 2024.

Results

Considering the nature of the project (with two major investments on waste management) and the time they require for completion of construction activities, the intermediate and outcome-level results of the project are not expected to be achieved until the second and third year of implementation (2024-2025).

Challenges

- **Coordination with the Beirut Governorate and the agency(ies) operating at the Bakalian site for the management of contaminated waste** is the key challenge for the project. UNDP is conducting regular meetings with the Beirut Governorate and also the Ministry of Environment to ensure co-ordination and implementation of the activities related to

asbestos contaminated waste management, as required by the project.

- **Selection of the Final Disposal Site for contaminated waste** at Bakalian site requires support from various government stakeholders and also the general public. UNDP, with the help of an international consulting agency, is engaging with all the key stakeholders and conducting necessary consultations as per the World Bank's Environmental and Social Framework (ESF) to ensure that the most suitable site is selected.
- **Expeditious rehabilitation of damaged solid waste facilities (Coral and Karantina) is critical** due to the deteriorating solid waste services in Beirut and Mount Lebanon. UNDP is working towards ensuring that this challenge is addressed as quickly as possible, and the works are expected to be initiated in August or September 2023.
- **Efficient operation of Coral and Karantina facilities is closely related to the performance of the overall waste management system of Beirut.** Considering this, the project is supporting the preparation of the master plan for solid waste management in Beirut and the plan is expected to provide necessary strategies to the Government for addressing this issue.
- **There could be an inadequate response from bidders/contractors for the works** due to the economic situation in Lebanon. This could have implications for the timely completion of activities related to the development of an asbestos waste contaminated disposal site and rehabilitation of Cora/Karantina waste management facilities. To address this issue, UNDP will reach out to prospective bidders and will also prepare realistic technical and financial criterion for bidders to ensure reasonable responses.

Lessons Learned

- The need for close coordination and engagement of all stakeholders is an overarching lesson learned from the project implementation so far. UNDP and the World Bank team are ensuring that this important lesson is implemented throughout the project to ensure ownership and sustainability of project investments.



FOCUS AREA 2

SUPPORTING REFORM AND PREPARING FOR RECONSTRUCTION

This Focus Area aims to begin to establish a transparent, accountable, and inclusive policy and institutional framework for Lebanon's reconstruction and recovery.

Reconstruction with Integrity and Transparency – \$US0.5 million

The first phase of proposed governance activities aims to help build the capacity for a transparent, accountable, and inclusive policy and institutional framework for Lebanon’s reconstruction and recovery. Project activities will focus on designing and implementing policy reforms and institutional strengthening in the strategic priority areas for governance identified by the 3RF: public financial management and public procurement, anticorruption, and justice reform.

Components include strengthening Lebanon’s existing and new oversight institutions (Court of Accounts, Central Inspection, Public Procurement

Authority (PPA), and the new National Anti-Corruption Commission (NACC)), building an effective public investment management (PIM) system, and institutionalizing a new public procurement framework. Activities have been closely coordinated with related activities supported by UN and EU 3RF initiatives.

Implementation Status

The procurement component aims at supporting the capacity of the PPA. The component is progressing satisfactorily. The project has supported the PPA with internalizing its new mandate through training and awareness efforts. With the support of an NGO (Gherbal), a guide on the law was issued. The project also supported the development of basic Standard Procurement Documents (SPDs) for Works, Goods, and Consulting Services. All three drafts were submitted in June 2022 and were subject to consultations with the private sector (e.g., contractors’ and engineers’ associations) and implementing agencies (Ministries of Social Affairs, Interior and Municipalities). The SPDs for Works, Goods and Consulting Services have been revised following the integration of comments from the consultation phase in August 2022. The final documents were submitted for peer review and editing. PPA will still need to issue the SPDs in a decree to enforce usage across the country.

PIM support has begun with the Ministry of Finance’s Institute of Finance (IOF) as the counterpart. Local consultants have reviewed existing laws and institutional arrangements and produced their required Inception Report in July 2022, which was approved by the task team in August 2022. The consultants have also prepared a Draft Report exploring institutional arrangements for creating a PIM Unit in Lebanon. This Draft Report was submitted in November 2022, the World Bank provided comments in January 2023, and the consultants finalized the *Strengthening Public Investment Management in Lebanon* report in March 2023. The consultants are now working on a review and analysis of Lebanon’s PIM Action Plan with an eye to updating and revising it.

Work with the Court of Accounts (CoA) on forensic audit capacity was delayed in 2022 due to a number of issues with the corporate procurement process. Local consultants were selected in July 2022 and were under contract as of early



September 2022. An inception meeting was held with the CoA, local consultants and the World Bank team in early November. The CoA President agreed that the activity should remain focused on forensic audit and asked the World Bank to provide practical, hands-on technical assistance through training on actual audit examples. In addition, the CoA requested that the consultants assist with the development of a plan for the CoA's role in the implementation of the Public Procurement Law. The President also requested that the World Bank team coordinate its work with the assistance previously provided by Expertise France. After some delay the consultants received Expertise France's materials in March 2023 and have begun to plan their inception report and forensic audit training program.

The new National Anti-Corruption Commission (NACC) was established during the first half of 2022. The NACC is being supported by UNDP and began its operations in late summer of 2022. The World Bank team met with the new Commissioners during missions in early November 2022 and late March 2023 to discuss possible technical assistance under this subtask. During its March 2023 mission, the NACC and World Bank team agreed that LFF funding would support the development of the interest and asset declaration system in close coordination with the UNDP team.

Results

As project implementation is still in the early stages with activities planned for 2023, most results have yet to be achieved. Early results include:

- On procurement reform, three SPDs were developed for Works, Goods and Consulting Services and consultations on the SPDs were held with private sector, civil society and government during the summer of 2022. The SPDs are now with the PPA for review, ratification and public release.
- The PIM legislative and institutional assessment was delivered to the World Bank. The report on institutionalization of PIM function was submitted for World Bank review, World Bank comments were included, and the Report was finalized in March 2023. The review and analysis of the PIM Action Plan is underway and is expected to be delivered in May 2023.

Challenges

- **Lack of budget and staff capacity:** Currently, the procurement component's heavy lifting is done by the public procurement focal point (the IOF) with little or no resources. This situation is not sustainable. Unless the PPA and IOF get an operating budget, there is a real threat and risk that these agencies will not be able to retain the qualified civil servants needed to carry out their mandates. The CoA and NACC suffer from similar issues of lack of budget, missed or small payments to staff and a resulting lack of capacity to absorb World Bank technical assistance. To address this challenge, local World Bank team members will need to continue their efforts to speak with and meet with agency counterparts if and when they are available.
- **Funding delays:** In addition to the impact of the financial crises, the NACC is also suffering through delays in receiving its allocated funding under the 2022 budget and in receiving the State Council's final approval of its operating policies and procedures. At present the NACC Commissioners are working with support from UNDP. They are unable to hire the necessary staff to undertake legislatively mandated responsibilities under the Access to Information and Asset and Interest Declaration Laws or to purchase necessary equipment.

Lessons Learned

- Helping to stand up and operationalize new accountability and procurement institutions requires coordinated and constant support from international partners. Consistent messaging is needed to ensure that laws creating these institutions are fully implemented and that the new institutions maintain their legal and operational independence.

Reforming Lebanon's Port Sector – US\$0.25 million

This project aims to support port sector reform in Lebanon and pave the way to rebuild a better, modern and digital Port of Beirut. PoB is Lebanon's main access to the rest of the world and a critical infrastructure for the country's recovery. The slow recovery of PoB is intensifying the burden on the Lebanese economy while opportunity costs are high given increased competition in the Eastern Mediterranean region and globally. The

sensitivity of the issue (with political, commercial and financial interests) has led the GoL to seek the World Bank's support, in its role of honest broker, to advance the reconstruction of PoB through a state-of-the-art approach, in a context of increased competition in the Eastern Mediterranean region. Activities are supporting the development of a reform roadmap and a collaborative platform for stakeholder engagement in the reconstruction and development of the PoB.

Since the blast, the World Bank has been chairing a unified platform of coordination comprising more than 25 organizations, including development and diplomatic partners to coordinate/facilitate technical and financial support to the GoL towards the reform of the port sector and the reconstruction of the PoB. Beyond the LFF, the World Bank has also mobilized grants through the Global Infrastructure Facility (GIF) and the Public-Private Infrastructure Advisory Facility (PPIAF) to support the preparation of: (i) a regulatory framework (Port Sector Law) addressing the longstanding legal vacuum in port governance, ensuring efficiency and transparency, and enabling capital mobilization in the sector; (ii) an overall Vision for the Port Sector defining the roles and complementarity amongst the ports of Lebanon (including the PoB) and proposing a balanced development strategy for the sector across the national shoreline, integrating the principles of the National Physical Master Plan of the Lebanese Territory; and (iii) options for a new Reconstruction and Development Plan for the PoB.

Implementation Status

The World Bank has remained strongly engaged in the port sector since the explosion and has been supporting the GoL since its appointment in October 2021 through technical assistance for the preparation of: (i) a Port Sector Law; (ii) a Vision for the Port Sector of Lebanon defining the roles and complementarity of the ports of the country (including PoB); and (iii) a new master plan for the PoB. The Ministry of Public Works and Transport (MPWT) has championed and finalized the Port Sector Law with expertise financed by the World Bank and other international donors. On the vision and masterplan, the World Bank has mobilized financing from the GIF and PPIAF and appointed an international consortium, through a competitive tendering process, to support the MPWT and the PoB in the development of a

Vision for the Port Sector of Lebanon and a new master plan for the PoB leading to investment plans assessing the extent of private sector participation in the development and operation of the port. The World Bank also continues to hold regular coordination meetings with the donor community.

The World Bank maintains an open discussion with the caretaker government as well as port stakeholders to push for progress on the preparation of reforms and ensure that they are consulted upon and ready for implementation once a new government is nominated. There is a clear consensus now from the Government and MPWT on the need for a Port Sector Law, a national port vision and a new masterplan for PoB as key prerequisites for any support towards the reconstruction of the port and the current Minister of Public Works and Transport has strongly been engaged with the World Bank on this agenda.

Results

A draft Port Sector Law has been finalized by the MPWT in line with best practice with the technical assistance support of the World Bank. MPWT will seek legislative approvals. A Ports Vision has been proposed and validated by the MPWT in November 2022 based on wide feedback received from various stakeholders during consultation sessions under the LFF platform held between February and November 2022. Options for the new PoB masterplan have been drafted and are currently being discussed with the MPTW and will be consulted upon by June 2023.

Challenges

- **Absence of government**, hindering the endorsement of the new Port Sector Law.
- **No political will** to engage in customs reform; efficient customs and border management agencies are critical for port efficiency.

Lessons Learned

- Port Sector reform requires coordinated, consistent and constant support from all international partners. Beyond technical assistance, the GoL needs to be reminded that the law should be a priority prerequisite before any procurement or investment is made for the reconstruction and development of the Port.



FOCUS AREA 3

COORDINATION, MONITORING, ACCOUNTABILITY, OVERSIGHT

This Focus Area aims to support the establishment and functioning of the 3RF institutional arrangements with dedicated support to strengthening citizen engagement, monitoring and communications across the 3RF.

Strengthening capacity and institutional arrangements for 3RF oversight, citizen engagement and monitoring/communications – US\$0.825 million

This World Bank-executed Advisory Services and Analytics (ASA) activity was designed to operationalize the 3RF institutional arrangements and strengthen citizen engagement, monitoring and communications across the program. The first component supports the functioning of the 3RF Secretariat and the establishment and launch of the Independent Oversight Board (IOB)⁶. The second component provides support for developing a responsive citizen engagement mechanism to advance transparency and accountability across 3RF priority programs. The third component supports the 3RF Secretariat's functions related to progress monitoring, reporting and strategic communications.

Implementation Status

During the last year, significant progress was made on the implementation of this technical support activity. Firstly, the charter for the operationalization of the IOB has been prepared and approved by its six Civil Society Members. The 3RF website has been developed and is now online at <https://www.lebanon3rf.org>.

However, there has been limited progress on the development and deployment of a Citizen Engagement (CE) module due to reluctance by the GoL to host the module on Lebanon's Central Inspection IMPACT Platform. At the time of the conceptualization of the module, the IMPACT webpage was considered to be the most conducive channel to house this module, given its high visibility and outreach in Lebanon and the likelihood that a higher number of Lebanon's residents would utilize it to provide feedback and insights on the 3RF's progress. However, the development of this module for the IMPACT website has been delayed, pending formalization of the draft Partnership Arrangement between the World Bank and Central Inspection to have this module hosted as part of IMPACT. Moving

forward, at this juncture, the World Bank team is exploring options to incorporate the CE module in the 3RF webpage and align it with the 3RF's increased focus on reforms. The CE module will evolve to reflect the changes in the 3RF mandate.

While this overall activity was administratively scheduled to close on December 31, 2022, it was agreed with the World Bank 3RF team to extend the activity closing date to align with the implementation period of the 3RF program, given the necessary support provided by the LFF to the 3RF's World Bank team (including, but not limited to a communications specialist, IOB coordinator, etc.), the IOB, and to covering the recurrent costs of hosting the 3RF website and planned Citizen Engagement module.

Results

- The IOB has been established and is functional. Membership was expanded from three members to six members in March 2022, which now include: Kulluna Irada, Lebanese Transparency Association, Maharat Foundation, Nusaned, Lebanese Center for Human Rights, and Lebanese Association for Taxpayers' Rights. The IOB Governance Charter was completed in August 2022, and is available on the 3RF website (<https://www.lebanon3rf.org>). The IOB has issued communiques to voice their opinion, as well as a press release in August 2022 highlighting the lack of progress made on the implementation of reforms. The IOB finalized its 2023 Work Plan in consultation with the World Bank and 3RF Technical Team.
- No results have yet been achieved related to citizen engagement activities due to the delays outlined above.

Challenges

- **Tensions within the GoL** made it difficult to obtain approval to use government systems, such as the IMPACT platform, resulting in significant delays.
- **It has taken time for the IOB to integrate and bring up to speed its newest members.** The

⁶ The IOB serves as an independent mechanism for representatives from civil society and other institutions to provide broad oversight on 3RF implementation and hold 3RF stakeholders – government, civil society, development partners, and implementing organizations – accountable for overall 3RF progress including the LFF. The IOB consists of six members representing a diversity of expertise related to the 3RF pillars, core sectors, and the functions of the IOB. IOB representation is at the individual level with the approval and endorsement of the organization with which the individual is associated.

expansion of the IOB led to a short delay in the finalization of its Governance Charter.

Lessons Learned

- Expanding the role of civil society requires sufficient time and consultations with CSOs to help them understand the role that they are expected to play in a platform like the 3RF. The creation of the IOB was a new institution for the World Bank and was also new to the Lebanese CSOs who were eligible to participate in the Board. As a result, there was a rather steep learning curve inside the World Bank and among the CSOs which took some time to overcome. The role of the 3RF Secretariat was critical to ensuring that the IOB members advanced up this learning curve over the first year of its existence. It is likely that additional consultations and more targeted and intensive discussions among the IOB members would have sped up this process. However, the World Bank team and the IOB members faced continued COVID-19 travel and meeting restrictions during the early days of the Board.
- Using government systems to mainstream IT solutions is challenging in practice if political circumstances change. Moreover, IBRD's data privacy architecture and procurement requirements are not conducive to supporting external IT solutions.

COVID-19 Vaccination Third-Party Monitoring – US\$1 million

This financing was allocated for independent third-party monitoring of the rollout of World Bank-financed vaccines in Lebanon through an ongoing operation (the Lebanon Health Resilience Project), to ensure safe, effective and equitable vaccine deployment. The Third-Party Monitoring Agent (TPMA) aimed to verify the compliance of the vaccine rollout with the National Deployment and Vaccination Plan (NDVP), international standards, and World Bank requirements, with respect to supply chain management and administration of COVID-19 vaccines at: (i) key points in the supply chain; and (ii) vaccination sites from the technical, environmental, and social safeguards perspectives. The International Federation of Red Cross and Red Crescent Societies (IFRC) was selected as the TPMA to

undertake this task. The scope of IFRC's TPM is limited to vaccines financed by the World Bank.

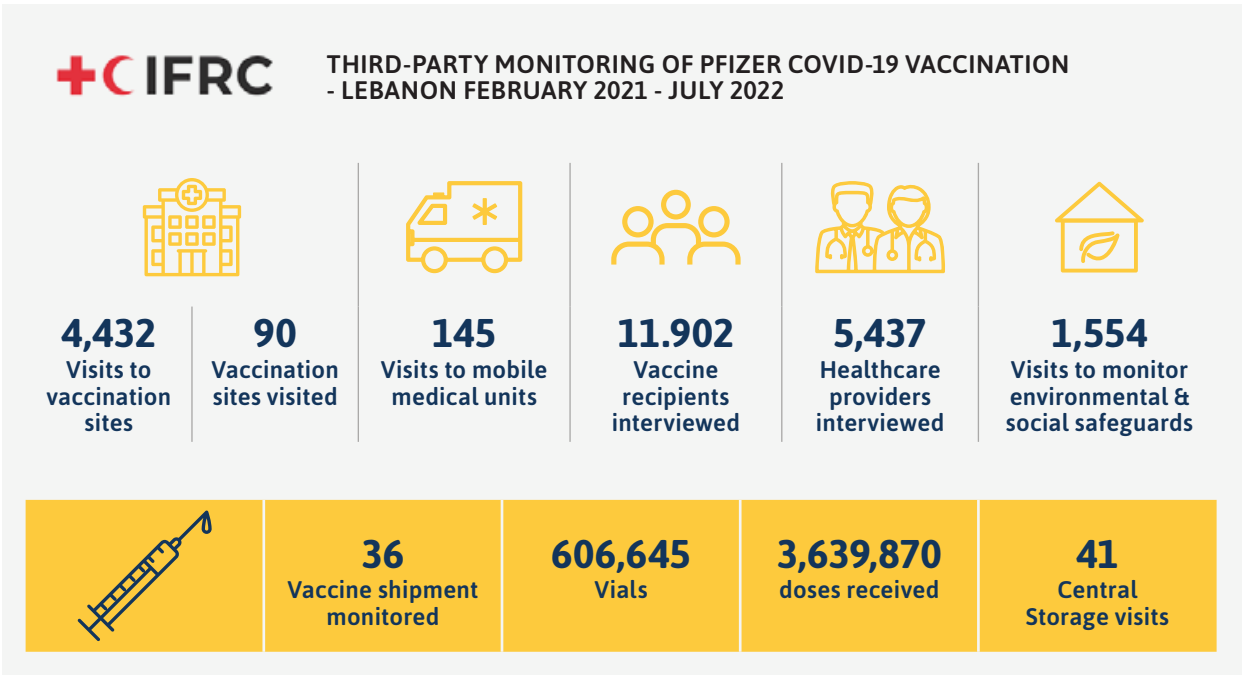
Implementation Status

Monitoring activities started on February 14, 2021 (outside of LFF funding), one day following the arrival of the first shipment of Pfizer vaccines to Lebanon, and concluded in July 2022. The findings of the field monitoring visits were shared periodically through reports with the World Bank, the Joint Monitoring Committee (composed of UNICEF, WHO, UNRWA, UNHCR, and IOM), the Ministry of Public Health (MoPH), the National Vaccination Committee and the Vaccine Executive Committee. A summary of findings was also shared with the public using a bi-weekly infographic (see Figure 1). Additionally, any observation of deviation from standards requiring immediate attention was shared with the MoPH in real-time through short incident reports for corrective action. All reports have been received on a timely basis and have been shared with relevant stakeholders. The monitors noted improvements in multiple practices following reports to the MoPH, which took corrective action to strengthen the quality of the vaccination services. The COVID Vaccination TPM activity of the project has been completed.

Results

- At the end of the TPM activity, vaccine supplies were managed according to established standards at vaccination sites. Vaccines were stored correctly at 100 percent of the vaccination sites visited and safety boxes were used for safe disposal of syringes and needles at 95 percent of the vaccination sites visited, surpassing the target of 75 percent or above.
- Vaccines were also administered as per international and NDVP standards. Correct injection technique was used at 100 percent of the sites visited, 97 percent of interviewed vaccine recipients reported being satisfied with the vaccination process, and no interruption in the national electronic registration system occurred in 99 percent of the monitoring visits. However, only 17 percent of interviewed vaccine recipients were aware of complaint mechanisms, falling short of the 75 percent target.

FIGURE 1.
INFOGRAPHIC SHARED WITH THE PUBLIC ON A WEEKLY BASIS BY THE TPMA*



* The contract with the TPMA ended in July 2022, thus the infographic displays final figures.

Challenges

- **Monitoring tools used by field monitors to collect data required regular updates** to align with the progress of the campaign.
- **At the beginning of the campaign, there was a reluctance to share information by vaccination site staff.** To overcome these challenges, field monitors would share the objective of the monitoring to convince staff members of the importance of data collection to ensure the high quality of the vaccination campaign and to inform corrective action where needed. Rapport building between field monitors and vaccination site staff and communication with the World Bank team and the MoPH were key in facilitating access to the vaccination sites.
- **Frequent changes in locations and operating schedules** of fixed and mobile vaccination sites required flexibility in the deployment of field monitors.
- **There was also high turnover** among monitoring team members due to the short duration of the project. This also creates challenges in the readiness of MoPH for the handover of COVID-19 vaccination monitoring. Verifying whether corrective

action was taken after reports of breaches required close follow-up with MoPH.

Lessons Learned

- While monitoring tools used by field monitors to collect data required regular updates to align with the progress of the campaign, it was important to maintain a consistent list of indicators to ensure that data collected can be aggregated to examine trends over time.
- Regular refresher training for field monitors was important to ensure uniform understanding of the indicators and observations made during monitoring. These sessions held throughout the project helped in maintaining good quality data.
- The close collaboration with the MoPH and partners was essential in facilitating and strengthening the monitoring activities.
- The constant review of the submission of the deliverables and adjustments done to the data collection checklists to accommodate the changing project context and align with the progress of the national vaccination campaign was instrumental given the high volume of data collected and high frequency of reporting.



OPERATIONAL UPDATES

LFF PROGRAM MANAGEMENT

Trust fund operations and management are supported by a Program Management Team (PMT) based in the World Bank office in Beirut. Functions of the PMT are detailed in the Operations Manual. All of the LFF PMT positions were filled in 2021. During 2022, the LFF PMT focused on enhancing dialogue, communication and collaboration among the World Bank, donors, CSOs, implementing agencies, government and project beneficiaries.

On August 1, 2022, Jean-Christophe Carret assumed his role as the new World Bank Middle East Country Director and co-chair of the LFF, based in Lebanon. EU Ambassador Ralph Tarraf continues to serve as the second co-chair.

DONOR AND STAKEHOLDER ENGAGEMENT

The LFF PC met in April 2022 to discuss implementation progress and initial results of approved LFF-financed projects as well as donor contributions one year following the endorsement of the first LFF Work Plan. LFF programming needs and emerging priorities were discussed for 2022, in light of Lebanon's ongoing compounded crises and challenges. The meeting was attended by LFF donors, government representatives, the UN, CSOs, and co-chaired by the World Bank Regional Director and the EU Head of Delegation.

Significant efforts were made to strengthen engagement among donors, beneficiaries, government and implementing agencies through several project field visits. In April

2022, a roundtable discussion was held with the beneficiaries of the B5 project to learn how the project is helping them resume their business operations, as well as the continuing challenges they are facing. In addition, a visit to B5 female beneficiaries was held in June 2022. Also in June 2022, the LFF PMT organized site visits to all four LFF recipient-executed projects. Donors visited buildings being rehabilitated under the Beirut Housing project, the solid waste sorting facility under the Environment project, and met with additional beneficiaries of the B5 Fund and the Social Recovery Project to discuss how the LFF is helping them cope with the impact of the PoB explosion and the multitude crises on their lives and businesses. Further, Donors expressed high appreciation for these field visits, which they found extremely informative and useful. They commended the World Bank for its strong effort to communicate results.

Five technical consultations with donors were held in 2022 to assess progress, risks and challenges and to hold technical discussions on potential LFF project pipeline. This is in addition to a deep dive discussion held in November 2022 to present results achieved to date and to quantify the challenges and obstacles hampering the implementation process under the LFF.



The GoL, represented by the Deputy Prime Minister, as well as the Prime Minister's Office, played a key role in providing overall guidance and advice on the design and implementation of projects and advisory services, while ensuring an inter-linkage between the World Bank and concerned line ministries and public entities to maintain consistent coordination for the efficient development of operations and activities under the LFF.

MONITORING AND REPORTING

The LFF has an overarching results framework reporting on outputs and results at the Program level (see Annex 2). In addition, as with all World Bank-financed projects, each project under the LFF has its own M&E arrangements, including a results matrix that describes the project impact and outputs through indicators that can be monitored over the project life. Furthermore, standard World Bank monitoring and reporting processes are used (e.g., Implementation Status Reports) and published on the World Bank Lebanon website in line with the World Bank's Access to Information Policy.

Given the particularly weak governance in Lebanon, the World Bank initially planned to engage a suitably qualified and experienced independent TPMA as an additional layer to ensure that World Bank funds executed by projects developed under the LFF were utilized for the purposes specified in the legal agreements. While a proposal for an Umbrella-level LFF TPMA was originally included in the 2021 Work Plan, this is unlikely to proceed due to budget constraints. The use of TPMA will be revisited with LFF donors pending funding availability.

Independent Oversight Body (IOB). As part of the overarching architecture of the 3RF, the IOB serves as an independent mechanism for civil society representatives to provide broad oversight on 3RF implementation and hold 3RF stakeholders – including government, development partners, and implementing agencies – accountable for overall progress. The IOB was set up in June 2021 and its membership was expanded from three to six members in 2022, which now include representatives of: Kulluna Irada, Lebanese

Transparency Association, Maharat Foundation, Nusaned, Lebanese Center for Human Rights, and Lebanese Association for Taxpayers' Rights. The IOB is tasked with independently verifying and monitoring the implementation of the LFF's activities to ensure transparency, fairness, and accountability in the program's resource allocation. As detailed above, the LFF supported the operationalization of the IOB, which has provided feedback on 3RF implementation. The IOB is working on monitoring the effective functioning of the 3RF and LFF funded projects by focusing on essential criteria such as transparency, inclusivity, accountability, and responsiveness.

COMMUNICATION

Ever since the LFF was established, the PMT has been prioritizing communications and outreach activities and efforts to promote results under the various projects in close and continuous coordination with the various LFF PMUs. Thanks to these efforts, the LFF won an Umbrella Program Award in December 2022 based on its strong focus on communications, outreach, promoting results and donor visibility.

Following the development of the LFF Communications and Visibility Plan (CVP) and detailed branding guidelines, two LFF financed projects also developed their own project identities, brands and communications plans.

Under the **B5 Fund**, the implementing agency, KAFALAT, competitively selected a firm to develop and implement a communications campaign, website, web-based application and dashboard that provides constant real-time information regarding progress. The B5 PMU has also recently recruited a communications officer to step up the project's presence and visibility on the B5 social media accounts and document beneficiary testimonials and before/after impact stories.

Under the **Beirut Housing Rehabilitation and Cultural and Creative Industries Recovery project**, the implementing agency, UN-Habitat, developed a communications strategy together with a branding plan that gave the project a shorter name: **Beryt** that stems from the ancient name for the city of Beirut. Over the course of its history, Beirut was destroyed and rebuilt seven times. "BERYT" highlights the vintage, precious,



cultural, and historical aspects that this project aims to promote and preserve. To accompany the name, a logo was created to represent the project visually and a tailored visual identity was also developed capturing different heritage elements that come together as a puzzle made of designs for tile used in old traditional Lebanese houses.

To ensure consistency and alignment of communications efforts among different partners on this project, and in line with the LFF branding guidelines, a detailed branding guiding document as well as a communications and visibility guiding toolkit were developed. These guiding materials are being shared with different partners working on the "BERYT" project, to help guide them on how to communicate about the project while maintaining a balanced representation of all donors and partners across the project.

Under the recently launched 3RF website, the LFF has a dedicated webpage: www.lebanon3rf.org/lebanon-financing-facility. The LFF page provides information about the trust fund's objectives, activities and results stories, governance structure, development partners, and key outputs, including knowledge products, project documents, and media material.



FINANCIAL HIGHLIGHTS

The LFF was established administratively in December 2020. As of December 31, 2022, donor contributions from Canada, Denmark, the EU, France (Ministry of Economy, Finance and Recovery, and the *Agence Française de Développement* (AFD)), Germany and Norway totaled **US\$69.98 million**, all of which had been paid in (see Table 3). In 2022, the LFF received a contribution of 10 million Euros from the EU.

The LFF has earned a total of US\$0.74 million in investment income⁷, which is considered as part of the LFF's contributions and used for programming and fund management of the LFF. The administration fee of the LFF amounted to US\$2.61 million as of December 31, 2022. Total fund resources (contributions and investment income, minus the administration fee) thus equaled **US\$68.11 million** (see Table 4).

⁷ Investment income consists of the modified cash basis trust funds' allocated share of the following: interest income earned by the Pool, realized gains/losses from the sale of securities, and unrealized gains/losses resulting from recording the assets held by the Pool at fair value.

TABLE 3. FUNDS CONTRIBUTED AND RECEIVED FROM DONORS

Donors	Contributions (local currency)	Contributions (US\$ million)	Paid in (US\$ million)
Canada	20.0 CAD	15.90	15.90
Denmark	37.5 DKK	6.10	6.10
EU	28 EUR	30.73	30.73
France (Ministry of Economy, Finance, and Recovery)	2.5 USD	2.50	2.50
France (AFD)	2.3 EUR	2.53	2.53
Germany	10.0 EUR	11.27	11.27
Norway	8.3 NOK	0.95	0.95
TOTAL		69.98	69.98

TABLE 4. TRUST FUND RESOURCES

Trust Fund Resources	US\$ million
Total Contributions of which:	69.98
<i>Paid in</i>	69.98
<i>To be paid</i>	0.00
Investment Income	0.74
Administration Fee	(-)2.61
TOTAL Fund Resources	68.11

As of December 31, 2022, grants were approved for a total of **US\$56.75 million** under the LFF, including US\$52.75 million for recipient-executed projects, US\$2.85 million for Bank-executed activities, US\$0.59 million for project preparation, and US\$0.57 million for program management and administration (see Table 5).

As of December 31, 2022, the LFF had disbursed **US\$17.83 million**.⁸ While disbursements are still low as some projects have only become effective relatively recently and given delays in implementation, they are considerably higher than in 2021. Total grant disbursements represent 31 percent of the funds allocated. This included

US\$15.59 million for recipient-executed projects, US\$1.45 million for Bank-executed activities, US\$0.40 million for project preparation and supervision, and US\$0.40 million for program management and administration. Higher disbursement rates can be attributed to significant progress on certain projects, particularly the B5 Fund, which contributed 60 percent of total disbursements.

When considering total fund resources (US\$68.11 million), unallocated funds⁹ were **US\$11.36 million** as of December 31, 2022, which reflects resources that can be used for new programming.

⁸ This figure reflects total project disbursements and does not include administrative fees and expenses, of which US\$2.61 million were disbursed as of 12/31/22.

⁹ This equals total fund resources (total contributions plus investment income minus the administration fee, equal to US\$68.11 million) minus funds committed/allocated (US\$56.75 million).

TABLE 5. FUNDS ALLOCATED AND DISBURSED BY GRANT AS OF 12/31/22

Grants	Grant Amount (US\$ million)	Total disbursed (US\$ million)	Total disbursed (%)
Recipient-executed grants	52.75	15.59	30
B5 Fund	25.00	10.59	42
Support for Social Recovery Needs of Vulnerable Groups	5.00	0.70	14
Beirut Housing Rehabilitation and Cultural and Creative Industry Recovery	12.75	3.33	26
Beirut Critical Environment Recovery, Restoration and Waste Management	10.00	0.97	10
Bank-executed grants	2.85	1.45	51
Beirut Housing Rehabilitation and Cultural and Creative Industry Recovery – Technical Assistance	0.25	0.04	16
3RF Governance Implementation – Reconstruction with Integrity and Transparency	0.50	0.11	22
Port of Beirut Reform and Reconstruction	0.25	0.01	4
Supporting 3RF Implementation	0.85	0.34	40
COVID-19 Vaccination Third-Party Monitoring	1.00	0.95	95
Project preparation and supervision grants (for RE projects)	0.59	0.40	68
B5 Fund	0.26	0.19	73
Support for Social Recovery Needs of Vulnerable Groups	0.08	0.04	50
Beirut Housing Rehabilitation and Cultural and Creative Industry Recovery	0.15	0.13	87
Beirut Critical Environment Recovery, Restoration and Waste Management	0.10	0.04	40
Program Management and Administration	0.57	0.40	70
TOTAL	56.75	17.83	31

CROSS-CUTTING CHALLENGES AND LESSONS LEARNED



Cross-Cutting Challenges

Lessons Learned

Insufficient grant funding. Lebanon's worsening situation resulting from the compounded crises is putting immense pressure on donors to provide grant funding to compensate for the deterioration in the provision and quality of service delivery.

Engage more consistently with donor members of the 3RF Consultative Group that have not yet contributed to the LFF to raise awareness of the immense needs on the ground and to explore funding opportunities.

In parallel, Bank teams are exploring grant financing from other World Bank-administered trust fund resources as well as blended finance (grants and loans) options to complement future LFF engagements to ensure sustainability of operations.

Implementation delays resulting from the compounded crises and complex implementation arrangements. The severe crisis context results in implementation delays and risks, including slow project start-up and administrative preparations; high staff turnover; heavy due diligence requirements to ensure risks are mitigated and implementing partners are aware of World Bank requirements; rapid changes requiring continuous data collection and updating; and the significant time and effort needed for coordination. Additionally, highly fluctuating prices as a result of the continued devaluation of the local currency contribute to complexity in budgeting and implementation of subgrants.

Adjust expectations and tolerance for implementation delays and risks and ensure flexibility in trust fund design. The implementation timeframe should take into account potential delays arising from the instability and complexity of the context and there should be a higher tolerance for implementation delays and risks. Further, the level of effort required to properly develop and harmonize relationships with non-governmental implementing agencies requires early planning and simplified implementation arrangements. Accelerating project implementation can come with risks and tradeoffs, particularly in crisis settings where there are heightened concerns related to grant oversight and monitoring. Striking a balance between speed of disbursement and ensuring money is spent properly requires continuous adaptation and strong hands-on support from the World Bank to the implementing agency.

In a context of fragility and instability, the LFF will continue to be flexible to adjust to critical emerging priorities and engage in timely and formal course correction.

Cross-Cutting Challenges**Lessons Learned**

Implementation capacity of implementing partners. During the design phase, LFF projects underestimated the capacity building and hands-on support required to ensure that implementing partners, particularly local NGO partners/sub-grantees, can meet the Bank's fiduciary practices and standards. This was not only in terms of subject matter expertise but also in financial management and procurement, given the lack of access to and experience with international financing.

Although implementing agencies have their own set of standards and typically have higher capacity than government counterparts, additional capacity building is still needed to ensure alignment with the World Bank ESF, particularly in order to meet the requirements of ESS5 (land acquisition, restrictions on land use and involuntary resettlement).

Limited GoL commitment to reform. There are a number of commitments that are either on hold or delayed due to prolonged institutional paralysis and political vacuum. For example, the internal regulations of the NACC have not yet been approved by the State Council, the draft Port of Beirut law is still pending Parliament approval. Overall, there has been a failure to pass the laws required to advance economic and financial reforms.

Engagement with CSOs. As the Bank is mandated to work through public institutions and government systems, incorporating CSO engagement in the unique architecture of the LFF requires intensive consultation and time to build CSOs' understanding of the role they are intended to play in platforms such as the 3RF and LFF.

Provide strong hands-on guidance and technical support for implementing agencies and undertake detailed assessments of implementation capacity. This includes support in the sectoral areas of intervention, as well as for procurement, financial management, environmental and social safeguards, and monitoring, learning and evaluation. Special attention is needed to strengthen the coordination between implementing agencies and the national authorities responsible for environmental licensing and monitoring.

Capacity building programs are being developed and accommodated to accelerate the execution of projects. There is also a need for stronger coordination among stakeholders, including by keeping the Government engaged and to secure its buy-in.

Ensure strong, persistent engagement with the Government. Beyond financial and technical assistance, international partners need to continuously urge the Government to fulfill its obligations to fund, staff and ensure the legal and operational independence of new institutions. Although some reform milestones have been achieved, such as the approval of the Public Procurement Law and the appointment of members to the independent NACC, implementing a comprehensive reform agenda is the only way to help Lebanon return to a path of sustainable development.

Expand the role of civil society. CSOs have a crucial role in promoting inclusion, accountability, transparency as well as fostering citizens' trust. Considering this, consultations with civil society should be expanded, underlining the need for stronger coordination. IOB members should continue to monitor the implementation of LFF-funded projects.

Cross-Cutting Challenges

Lessons Learned

Limited trust and skepticism of grant programs and reluctance to engage.

There was hesitancy among potential beneficiaries to engage with implementing partners of LFF programs, given skepticism about the materialization of promises of financial support by government, civil society and other stakeholders to people and businesses affected by the Port of Beirut explosion. This impacted the quality of applications for LFF grants and led to a reluctance to share information.

Building trust requires constant communication, access to information and management of expectations of beneficiaries.

Raising awareness about planned activities and innovative methods of engagement with beneficiaries has proved essential under LFF projects. Communicating in a simple and timely manner with potential stakeholders and beneficiaries is key.

Risk of overlap / duplication of activities.

There is a risk of duplication with other donors, including on the targeting of beneficiaries. This risk is further compounded by the lack of donor coordination on the part of the GoL, leaving the international community to take on this role independently.

Address the acute lack of donor coordination following the PoB explosion.

Fragmentation of donor assistance and lack of an empowered government unit to take on this role left the burden of coordination on donors and civil society initially. However, despite all the donor coordination initiatives, government leadership is pivotal in ensuring synergies and lack of duplication among respective stakeholders. While the Central Management Unit that was established in the Presidency of the Council of Ministers is a step forward, it has not yet effectively achieved proper donor coordination. The LFF, in parallel, continues to play a key role in strengthening donor cooperation. This is reinforced by the active participation of the GoL, donors and CSOs in the 3RF Working Groups.



LOOKING FORWARD

The LFF's 2022 calendar year ended with substantial results achieved on business and social recovery, and key implementation arrangements established and strengthened for all projects. A key priority for 2023 will be ensuring that ongoing projects advance in their implementation, leading to an increase in disbursements.

The strategic shift in the scope of the 3RF towards a focus on reform will be reflected in the LFF's 2023 annual work plan. The objective is to prioritize institutional strengthening and the design and implementation of critical reforms as identified by the GoL. This includes potentially supporting the core functions of the Ministry of Finance as well as to support banking crisis resolution and financial sector restructuring.

Project proposals have been developed for potential new activities and shared with the PC after conducting several technical consultations with donors. The proposals will be presented as part of the 2023 Work Plan and will be considered for endorsement by the PC at the next PC meeting scheduled in May 2023. Following the review and potential endorsement of the work plan (in full or with qualifications), project teams will prepare full-fledged projects in close consultation with all stakeholders.

Additional donor contributions will be needed to fund new activities going forward, given the immense needs. It is anticipated that additional funding will be received from donors before the end of 2023, which would help to fill the gap. The LFF PMT will continue to prioritize fundraising in 2023 to ensure sufficient resources are available to allow the LFF to respond flexibly to emerging priorities and critical challenges related to recovery and reforms.

ANNEX 1.

LIST OF TRUST-FUNDED PROJECTS

Building Beirut Businesses Back & Better (B5) Fund

PROJECT CODE	P176013
STATUS	Active
TYPE OF GRANT	Recipient-Executed
OBJECTIVE	To support the recovery of targeted MSEs and ensure the sustainability of eligible MFIs.
BRIEF DESCRIPTION	To support the immediate recovery of viable MSEs affected by the explosion and sustain the microfinance sector operations, the World Bank established the Building Beirut Businesses Back & Better (B5) Fund financed by the LFF as immediate support to the private sector. The B5 Fund provides grants to MSEs to cover immediate recovery needs and grants to MFIs. The fund will also provide technical assistance to damaged Women Owned or Led (WOL) businesses, as well as businesses led by persons with disabilities, to help them build back better. The fund will specifically target WOL businesses affected by the crisis.
TIMEFRAME	2021 – 2024 (Approved: July 28, 2021; Expected Closing: July 31, 2024)
CONTEXT	The Beirut port explosion had a severe impact on the productive sector. Most privately-owned establishments across all sectors, within a 5 Km radius of the explosion site, have been affected and service delivery will be extremely hard to restore in the short term. Losses exceed damages due to the disruption of business activity and associated losses of revenue. The Rapid Damage and Needs Assessment (RDNA) found that at least 5,000 formal business facilities have been damaged and need urgent financial assistance across all sectors: tourism, commerce & industry, creative industries, utilities, health, and education. MFIs reported that over 5,200 micro borrowers located in the blast area have experienced material damage to their homes and/or businesses, with some having lost their primary breadwinner. Estimated needs for business recovery range between US\$335 and US\$415 million, with US\$225 and US\$275 million in the immediate term ¹⁰ . According to a survey undertaken by Acted, respondents estimate that 50% to 60% of firms will not be able to resume activities without external financial assistance. Similarly, according to a UN Women/Stand for Women assessment, half of female-led businesses, which according to preliminary data constitute one fifth of total affected businesses, will not be able to reopen without some form of assistance. ¹¹ The loss of women-led businesses also leads to a loss of employment opportunities for women. In an assessment carried out among women-owned business damaged by the explosion, 70 percent of employees were women. ¹²

¹⁰ According to RDNA estimates.

¹¹ UN Women, CARE, UN ESCWA, ABAAD, UNFPA, *Rapid Gender Analysis of the August 2020 Beirut Port Explosion: An Intersectional Examination* (October 2020).

¹² Ibid.

	<p>The explosion further exacerbated stress on the microfinance sector, which was already operating in a multiple crises environment. The sector has been key in facilitating access to finance for micro entrepreneurs and small businesses since the 1990's and enjoys several top-performing institutions. By mid-2019, the nine members¹³ of the Lebanese Microfinance Association (LMFA) had an aggregated portfolio exceeding US\$220 million and 135,000 loans, over half of which went to female entrepreneurs. The sector is concentrated, with one institution reaching out to approximately 50 percent of the market, and four institutions totaling over 90 percent of the market. Similar to the Lebanese economy, the sector has been shrinking, with portfolio losing at least 25 percent of its value and loans falling below the 100,000 mark. Prior to the explosion, the sector was already under severe strain, and for the past year, it has not generated sufficient revenues to cover all costs. On the one hand, demand for new loans has been declining, initially driven down by the economic slowdown, then by the series of lockdowns the pandemic response has imposed. According to the Consultative Group to Assist the Poor (CGAP) survey, 90 percent of micro entrepreneurs saw their sales drop, and 40 percent of microfinance clients are no longer able to meet their basic needs as their revenues dwindled while their purchasing power dropped significantly. As a result, they have been servicing their debts with delay.</p> <p>Given the context, MFIs have limited collection power and non-performing loans have soared from a historically low 2 percent to over 20 percent in late 2020. On the other hand, some of the large MFIs have currency mismatches in their assets and liabilities. Those MFIs lend either in USD or in LBP, with a portfolio mix varying between 10 percent and 90 percent in USD depending on the institution. They have fueled their growth primarily through debt, often from foreign lenders, leaving them with an aggregate outstanding external debt of US\$75 million. Clients are, however, reimbursing their loans at the pegged rate, generating significant foreign exchange losses. The US dollar deposits they hold at local commercial banks are subject to informal capital control and might be subject to further losses, depending on the outcome of the overall banking crisis. The combination of lower activity, poorer portfolio quality, and foreign exchange losses is posing serious solvency risks to the entire sector, which is threatening access to finance to micro entrepreneurs and small businesses, and the significant portion of the low-income active population that the sector caters.</p>
COMPONENTS	<p>Component 1: Grants to Micro and Small Enterprises (US\$18.5 million)</p> <p>Component 2: Grants to Microfinance Institutions (US\$5 million)</p> <p>Component 3: Project Management and Gender Support (US\$1.5 million)</p>
FINANCING	LFF: US\$25 million
ALIGNMENT WITH 3RF PILLAR AND PRIORITY AREA	<p>Jobs and Economic Opportunities</p> <p>Priority area: Restore business activities and preserve jobs (People-centered Recovery Track)</p>
CROSS-CUTTING PRIORITIES: GENDER, INCLUSION AND TRANSPARENCY	<ul style="list-style-type: none"> ■ The design of the B5 Fund promotes inclusion, through targeting vulnerable groups, such as micro and small businesses including those that operate in the informal sector, as well as women and people with disabilities. ■ It is expected that at least 30 percent of grant beneficiaries will be women-led or -owned. In addition, the B5 Fund will aim to address barriers faced by women and complement financing support with non-financial, technical advisory support, also targeting MFIs. Technical support will also be accessible to people with disabilities.
INTENDED BENEFICIARIES	4,300 businesses and/or entrepreneurs will benefit from the project financing, of which 30 percent will be Women Owned or Led businesses. A maximum of 5 eligible MFIs will benefit from the grant support up to their respective market shares.
IMPLEMENTATION ARRANGEMENTS	Kafalat will be both the recipient and project implementing agency. Kafalat is responsible for establishing a PMU and maintaining it throughout project implementation.

13 Members of the association include ADR, AEP, Al Majmoua, CLD, EDF, Emkan, Ibdaa, Makhzoumi Foundation, and Vitas.

Support for Social Recovery Needs of Vulnerable Groups in Beirut

PROJECT CODE	P176622
STATUS	Approved and Effective
TYPE OF GRANT	Recipient-Executed
OBJECTIVE	To support the immediate social recovery ¹⁴ needs of vulnerable groups ¹⁵ following the Port of Beirut explosion
BRIEF DESCRIPTION	The project will finance NGOs to provide social services to vulnerable groups affected by the crises including: (i) survivors of GBV; (ii) those suffering from deteriorated psycho-social wellbeing; (iii) and persons with disabilities and OPs facing limitations related to their disabled or elderly status. Given the cross-cutting nature of their vulnerability, refugees and migrant domestic workers will be targeted across these beneficiary groups. The project will support non-government stakeholders that are engaged and have a track record in social recovery services by improving their capacity to participate in the broader social recovery and reconstruction processes. While project activities strive to meet immediate emergency needs in Beirut and include capacity building activities, there is still an overarching need for a broader public sector reform agenda to address the extensive needs of vulnerable groups, which is beyond the scope of the current project.
TIMEFRAME	2022 – 2023 (Approved: December 23, 2021; Expected Closing: October 31, 2023)
CONTEXT	<p>The August 4, 2020 Port of Beirut (POB) explosion compounded Lebanon’s existing economic and social challenges and disproportionately affected Beirut’s vulnerable populations. The event occurred against a backdrop of rising national poverty rates, hyperinflation, the loss of jobs and livelihoods, and high exclusion. Since the explosion, the efforts of more than 130 NGOs¹⁶ have been crucial for recovery and rehabilitation efforts. However, the lack of coordination between ongoing efforts and the ad hoc/temporary nature of most interventions have been noted as important obstacles to be overcome, including by the Ministry of Social Affairs, since they challenge the effectiveness, inclusivity and sustainability of the broader recovery and rehabilitation process. The situation of Beirut’s population therefore remains precarious and the need for support to recovery and reconstruction efforts urgent.</p> <p>This project responds to the 3RF’s third strategic pillar on social protection, inclusion, and culture. It does so by targeting the most vulnerable populations in Beirut who continue to be impacted by the complex corollaries of the POB explosion. Consultations with local civil society organizations (CSOs), non-governmental organizations (NGOs) and UN agencies between August 2020 and January 2021 revealed that heightened vulnerabilities are still being recorded amongst three vulnerable groups affected by the blast in Beirut: (i) survivors of Sexual and Gender-Based Violence (SGBV); (ii) those suffering from deteriorated psycho-social well-being; (iii) and/or those facing limitations related to being a Person with Disabilities (PWDs) or older persons (OPs). In addition, the proposed activities are also complementary to the recently approved Lebanon Emergency Crisis and COVID-19 Response Social Safety Nets Project (ESSN).</p>
COMPONENTS	<p>Component 1: Support for social services for vulnerable groups affected by the explosion (US\$4.43 million)</p> <p>Component 2: Capacity Building and Project Management (US\$0.62 million)</p>

14 “Immediate social recovery” refers to meeting the short-term needs directly associated with the reasons for vulnerability of groups, who, due to pre-existing exclusion, stigma and service delivery gaps have been less resilient to shocks and more prone to harm following them. The project therefore conceives of “immediate social recovery” as a necessary emergency intervention that precedes later reform efforts, which in turn will address the systemic social drivers of vulnerability.

15 For the purposes of this project, vulnerable groups include women, men and children survivors and at risk of GBV, people with mental health disorder challenges, persons with disabilities and older persons. These groups may also include migrants and refugees working as domestic workers in Beirut, and who cut across the previously described groups.

16 Findings from the Ministry of Social Affairs Rapid needs assessment for people impacted by the Beirut explosion, August 2020.

FINANCING	Total: US\$5.05 million (Restructured from US\$7.795 million) LFF: US\$5 million State and Peacebuilding Fund: US\$0.05 million (US\$2.745 million cancelled due to grant closing in June 2022, creating a shortfall)
ALIGNMENT WITH 3RF PILLAR AND PRIORITY AREA	Pillar: Social Protection, Inclusion and Culture Priority area: Social Cohesion, Inclusion, and Gender
3RF CROSS-CUTTING PRIORITIES: GENDER, INCLUSION AND TRANSPARENCY	<ul style="list-style-type: none"> Its target beneficiaries are considered the most vulnerable among the Lebanese population, including women, children/youth, persons with disabilities, older persons, domestic and migrant workers and refugees working as domestic workers. The delivery of services is being done through NGOs and community-based organizations (CBOs) to ensure strong citizen and community engagement; a feedback mechanism is in place.
INTENDED BENEFICIARIES	Vulnerable groups specifically supported by the project include women, men and children survivors and at risk of gender-based violence (GBV), people with mental health challenges, persons with disabilities and older persons, as well as migrants and refugees working as domestic workers in Beirut.
IMPLEMENTATION ARRANGEMENTS	International Rescue Committee (IRC) Lebanon. As the Implementing Agency, IRC has formed a PMU to implement activities through sub-grants to local NGOs. IRC assumes fiduciary supervision of the sub-contracted NGOs, develops and monitors reporting standards for partner NGOs, and facilitates independent audits.

Beirut Housing Rehabilitation and Cultural and Creative Industries Recovery

PROJECT CODE	P176577
STATUS	Approved – Grant agreement was signed on 24 February 2022
TYPE OF GRANT	Recipient-Executed
OBJECTIVE	To support the rehabilitation of prioritized historical housing for the most vulnerable people, and to provide emergency support to creative practitioners and entities in areas affected by the Port of Beirut explosion.
BRIEF DESCRIPTION	The project responds to critical needs on the ground in terms of emergency reconstruction of severely damaged residential buildings and CCI support, while establishing the basis for medium term reconstruction and resilient recovery for the city. The project is structured as follows: 1A) the rehabilitation of severely damaged residential heritage buildings; 1B) the provision of technical assistance for rental support; 2) support to cultural entities and practitioners through the provision of grants for cultural production; and 3) project management. The project will support the medium-term recovery and reconstruction planning of the areas of Beirut affected by the blast through LFF-funded technical assistance to local and national government institutions to strengthen their planning, coordination, and citizen outreach capacity, and provide a platform for in-depth consultations with government, civil society, and donors.
TIMEFRAME	2022 – 2024 (February 24, 2022; Closing: December 31, 2024)

CONTEXT	<p>Housing was the sector the most impacted by the explosion of the Port of Beirut. Approximately 87,552 housings were damaged, with 16 percent destroyed, 29 percent partially damaged, and 55 percent minimally damaged. Of all asset classes, low-income housing units sustained the most damage, with 64 percent of these units (22,000 low-income residential units) having sustained some form of damage. The area affected by the explosion was home to a diverse population of around 750,000 residents in 2018. Within that population, renter households make up about 55 percent, occupying units in both single-family and multi-family buildings. Much of the historic housing has been damaged, often those housing the lowest-income households, and the ability for self-recovery is furthered hampered due to the compounding effects of the economic collapse at the end of 2019 and COVID-19 from early 2020. These conditions have severely compromised the socio-economic conditions for blast victims to develop or utilize favorable economic opportunities to recover. Low-income populations are subject to tenure insecurity, high housing and services costs and informal real-estate practices, while the damage to the housing stock caused by the explosions renders these populations even more vulnerable to longer term displacement. The neighborhoods affected by the explosion are among the most culturally vibrant and hosting a high number of historic buildings, which are important to preserve, as they are among the few cornerstones of Lebanese identity surviving from the Civil War. The level of mobilization from the Government and civil society after the explosions has been remarkable, with the Government issuing decisions to prevent predatory practices and demolitions of these historic buildings, and civil society mobilizing at an unprecedented scale to protect, stabilize them, and begin repairs wherever possible.</p> <p>The explosion has also caused immense damage to the tangible and intangible cultural heritage of Beirut, impacting some of the most historically and culturally vibrant significant neighborhoods in the city. This has resulted in great cultural and socio-economic damage and losses in a city that is a historical and cultural hub for the region. The areas affected by the explosion contained 381 religious assets, 25 national monuments, 16 theaters and cinemas, 8 museums, 25 libraries and archives, at least 755 heritage buildings including archaeological areas and historic housing. The most-affected area was also the vibrant epicenter of the city with a unique urban fabric embedded with historical buildings hosting the production of Cultural and Creative Industries (CCI), with impacts on associated livelihoods, and the risk of permanent exodus from the sector of those affected. Each CCI business provided on average five full-time jobs, mostly to youth. Overall, the estimate of damage to the cultural sector ranges from US\$1.0 - US\$1.2 billion, with losses from US\$400.0 - US\$490.0 million.</p> <p>In addition to damages, a wide part of CCI is at risk of closing, with programming on hold and commitment taken ahead of the blast for activities supposed to cover the running and human resources costs until the end of the year, and thus the sector is facing a complete paralysis and potential exodus in the absence of urgent assistance, thus compromising a key aspect of the city's economic recovery.¹⁷</p>
COMPONENTS	<p>Component 1: Housing Recovery (US\$8.28 million)</p> <p>Component 2: Emergency Support for CCI Recovery (US\$1.95 million)</p> <p>Component 3: Project Management and Monitoring and Evaluation (US\$2.52 million)</p>
FINANCING	LFF: US\$12.75 million (Recipient Executed); US\$0.25 million (Bank Executed)
ALIGNMENT WITH 3RF PILLAR AND PRIORITY AREA	Pillars: Improving Services and Infrastructure; and Social Protection, Inclusion and Culture

¹⁷ Overall, it is estimated that more than 70% of cultural practitioners' income is less than US\$500 since the beginning of the economic crisis (2019), while it was between US\$1500-US\$3000 prior to that. These elements were gathered at the Digital Forum – Beirut Urban Declaration (March 2021), organized by the Order of Engineers and Architects of Beirut.

3RF CROSS-CUTTING PRIORITIES: GENDER, INCLUSION AND TRANSPARENCY	<ul style="list-style-type: none"> Gender equality: This project will factor in gender considerations as a cross-cutting sectoral approach throughout all analysis, prioritization, and sequencing of recovery and reconstruction activities. It is expected that at least 25 percent of female headed households will benefit from housing rehabilitation under component 1, and 50 percent of direct beneficiaries under component 2 will be women. Targeting the most vulnerable populations: The project will carefully select housing and CCI structures that are operated by and inhabited by populations that are most at risk. Special attention will be paid throughout the project in the outreach to cultural practitioners who are persons with disabilities, elderly, LGBTQ+, refugees, displaced people, and migrants. Citizen and community engagement: The Bank project team, together with UN-Habitat and partners, has been consulting with CSOs and NGOs in Beirut to ensure their participation in the design and implementation of the project at all stages.
INTENDED BENEFICIARIES	<p>The direct beneficiaries under Component 1 will be approximately 560 people benefitting from resilient rehabilitated residential units, and for Component 2, approximately 1,300 cultural actors. The project is expected to rehabilitate around 30 buildings of cultural heritage value. Technical assistance will be offered to the tenants and wider community to support sustainable rental solutions. Other beneficiaries would include professionals working in engineering, architecture, construction sectors, cultural artisans, equipment suppliers, construction and engineering firms, and other service providers. Indirect beneficiaries are the inhabitants of the restored neighborhoods that may benefit from the enhanced historic built environment. Regarding Component 2, direct beneficiaries are self-employed cultural practitioners, workers within cultural entities and additional cultural workers involved in the roll out of cultural productions financed with the grants. Indirect beneficiaries are members of the local community that will benefit from the roll out of cultural productions and the overall economic value added by increased tourist potential.</p>
IMPLEMENTATION ARRANGEMENTS	<p>The project will be implemented by UN-Habitat through direct implementation as well as project cooperation agreements between UN-Habitat and UN/local partners. An Implementing Entity will be identified to complement Component 2 through a subsidiary agreement. A Technical Advisory Committee will provide strategic level advice on project implementation to support integration and synergies amount the activities of the components.</p>

Beirut Critical Environment Recovery, Restoration and Waste Management Program

PROJECT CODE	P176635
STATUS	Approved
TYPE OF GRANT	Recipient-Executed
OBJECTIVE	To support emergency environment control measures in Beirut City from the impacts of the August 2020 explosion and support planning for longer-term environmental restoration efforts.
BRIEF DESCRIPTION	The environmental interventions of the project are urgent measures aimed at controlling the most urgent public health and environmental impacts that resulted from Port of Beirut (PoB) explosion. The interventions are based on the needs identified under the Rapid Damage Need Assessment (RDNA) and 'Construction and Demolition Waste Management Plan' prepared by the European Union (EU) and 'Demolition Waste Assessment' carried out by United Nations Development Program (UNDP). The project activities have been selected to ensure maximum public health and environmental risk reduction, with the limited funds available for the project. The selection of project interventions was also informed by other environmental restoration activities being implemented by and through donors active in Lebanon.

TIMEFRAME	2022 – 2025 (Approval: May 12, 2022; Closing: June 30, 2025)
CONTEXT	<p>The August 4, 2020 explosion at the Port of Beirut (PoB), has caused significant damage to the environment of the city and generated large quantities of various waste streams. The Rapid Damage Need Assessment (RDNA) identified several environmental challenges due to the explosion including: (i) the storage and management (including treatment) of chemicals, hazardous material, health care waste and other special wastes; (ii) inadequacy of the solid waste management (SWM) system of the city of Beirut and Mount Lebanon and the need for a long-term and integrated approach for SWM for Beirut city; and (iii) lack of facilities for safe management of large quantities of demolition waste, hazardous waste (including asbestos), scrapping/disposal of damaged vehicles, electronic waste, etc. Other major environmental challenges caused by the explosion include: (i) impact on the surrounding marine ecosystem; (ii) loss of the green cover/vegetation in the city of Beirut; and (iii) potential increase of Suspended Particulate Matter (SPM) that could contain asbestos particles.</p> <p>The explosion has also highlighted the significant weaknesses in the overall environmental management of the city of Beirut, including inadequate monitoring and enforcement system of environmental regulations, limited strategic planning and weak government capacity to ensure inclusive representation and participation (by gender, age, etc.) across stakeholders' groups, including civil society and the private sector, in responding to environmental priorities.</p>
COMPONENTS	<p>Component 1: Rehabilitation and operationalization of damaged solid waste management infrastructure and management of debris, asbestos-contaminated materials and hazardous waste generated due to the PoB explosion (US\$8 million)</p> <p>Component 2: Priority actions contributing to policy and institutional work for greening Beirut's Reconstruction Agenda (US\$0.5 million)</p> <p>Component 3: Management and technical assistance (US\$1.50 million)</p>
FINANCING	LFF: US\$10 million
ALIGNMENT WITH 3RF PILLAR AND PRIORITY AREA	<p>Pillar: Improving Services and Infrastructure</p> <p>Priority areas: Environment under 3RF Port Sector and "Urban Services Pillar" strategic priority</p>
3RF CROSS-CUTTING PRIORITIES: GENDER, INCLUSION AND TRANSPARENCY	<ul style="list-style-type: none"> ■ The proposed recycling of debris and other waste streams provide opportunities to address gender gaps in the sector (e.g. more limited access for women to economic opportunities in the waste sector, lower involvement of women compared to men in decision-making, etc.)¹⁸. Needed assessments will cover female and male representation as well of women/men-led groups and associations and activities performed to ensure economic opportunities under various activities to be equally accessible. ■ The activities will also strengthen the needed environmental reform through a participatory strategy for greening the reconstruction agenda and an action plan for adopting the waste management hierarchy, starting from segregation at source, reducing and recycling, and ensuring a sustainable and inclusive system of waste management in collaboration with Central/ Local Governments as well as participation of NGOs and the private sector. ■ The operation will ensure the establishment of a collaborative platform to promote citizen's engagement, inclusive representation and participation, and the design of actions addressing specific needs and interests of women and men in the reconstruction agenda. The collaborative platform will focus on environmental priorities and will identify appropriate communication and outreach tools, noting that this will be closely coordinated with the overarching communication and outreach activities of the LFF.

¹⁸ This is in line with the Lebanon's prioritization of the waste sector (along with the energy and water sectors) to undertake gender mainstreaming. According to UNDP (2021), the waste sector in Lebanon offers great opportunities to address gender gaps in the sector and has a high potential impact, while the current status and capacity of the sector to seize such opportunities are still limited.

INTENDED BENEFICIARIES	The investment activities will directly benefit about 350,000 people in Beirut affected by the explosion. In addition, the policy and institutional support interventions will indirectly benefit the entire population of Beirut.
IMPLEMENTATION ARRANGEMENTS	United Nations Development Program(UNDP) is the intermediary implementing agency, which is supporting the implementation of the project activities in close co-ordination with public and private stakeholders.

Implementing 3RF Governance Pillar

PROJECT CODE	P178520
STATUS	Active
TYPE OF GRANT	Bank-Executed
OBJECTIVE	To begin to establish a transparent, accountable, and inclusive policy and institutional framework for Lebanon’s reconstruction and recovery
BRIEF DESCRIPTION	The activities will initiate the implementation of reforms in the Lebanon 3RF Governance Pillar jointly developed with the UN and EU in response to the August 2020 Lebanon Port Blast. The activities will be implemented in a phased approach supported by available funding from the Lebanon Financing Facility. The activities in phase 1 of this Pillar will encompass building capacity and providing technical assistance to support: Public Investment Management, the operation of key accountability institutions such as the Court of Accounts and Central Inspection, the creation of a new Anticorruption Commission and laying the foundation for the creation of new public procurement bodies, Procurement Policy Authority and Procurement Review Body.
TIMEFRAME	2022 – 2023 (Approval: January 20, 2022; Expected Closing: January 1, 2024)

CONTEXT	<p>Lebanon suffers from severe governance and trust deficits. The governance system is characterized by weak public financial management and public procurement, outdated and ineffective institutional arrangements for control and audit, lack of an independent judiciary capable of upholding the rule of law, and ineffective (or non-existent) delivery of public services. Protests, started in October 2019 and continued during the COVID-19 pandemic, reflect a growing consensus that systemic and widespread corruption has drained the state's treasury, impaired the effectiveness of its institutions, and blocked reforms. Following the explosion at the Beirut Port, civil society organization raised concerns that pervasive political capture and gaps in transparency and integrity will undermine the recovery and reconstruction efforts. As a result of the systemic corruption underlying Lebanon's governance system, the public has little trust in the ability of public institutions to respond to Lebanon's multifaceted crises. The economic crisis, followed by the COVID-19 pandemic, the August 4 Port explosion have fed a view among Lebanese citizens that the political system (and political class) is not willing or capable of reform or effective solutions.</p> <p>There is a weak legislative foundation and institutional capacity for transparency and accountability initiatives. Key governance sectors are governed by outdated and ill-suited legislation. This applies to Lebanon's public financial management (PFM), public procurement, and existing accountability institutions such as the Central Inspection (CI) and Court of Accounts (CoA). When new legislation is adopted, it often lacks the implementing decrees and regulations necessary to make new laws effective. This is the case of the recently adopted Anti-Corruption Law and the new Illicit Enrichment/Asset Declarations Law. At the same time the adoption of the Anti-Corruption Law, along with the adoption of previous transparency and integrity laws, such as Access to Information Law (2017), and Whistleblower Protection Law (2018) as well as the Cabinet's endorsement of National Anti-Corruption Strategy in 2020 provide constructive steps for combating Lebanon's corruption. The ongoing debates on draft Public Procurement and Judicial Independence Laws also provide openings to re-establish integrity and transparency and begin to rebuild public trust.</p>
COMPONENTS	<p>Component 1: Establish Accountability to Build Trust (US\$0.275 million)</p> <p>Component 2: Building an Effective Public Investment Management (PIM) System (US\$0.075 million)</p> <p>Component 3: Institutionalizing a new Public Procurement Framework (US\$0.15 million)</p>
FINANCING	LFF: US\$0.50 million
ALIGNMENT WITH 3RF PILLAR AND PRIORITY AREA	<p>Pillar: Improving Governance and Accountability</p> <p>Priority areas: Public financial management and public procurement; anticorruption; and justice reform.</p>
3RF CROSS-CUTTING PRIORITIES: GENDER, INCLUSION AND TRANSPARENCY	<ul style="list-style-type: none"> ■ Transparency and accountability: Component 1 activities specifically focus on strengthening existing and new accountability institutions by ensuring that they have improved tools and enhanced capacity to monitor reconstruction and recovery activities and hold implementing bodies accountable. Component 2 activities will help create a framework to ensure that future Lebanese Governments make best use of public investments through an open and accountable investment management system. The same is true for the public procurement activities under Component 3 which will help to ensure that government purchases are done through a transparent process, with a complaint handling institution that can hold government officials responsible for their procurement decisions and actions. ■ Gender: While the proposed activities do not directly promote gender equality, all activities will be designed to ensure that they are gender neutral. Where possible, capacity building activities will ensure equal gender representation. For example, training on forensic audit will be provided to all eligible CoA judges which currently enjoys balanced gender staffing with women in a number of senior positions.
INTENDED BENEFICIARIES	In addition to the Lebanese citizens affected by the port explosion and ongoing socio-economic crises, direct beneficiaries of the grant activities include key government accountability institutions (e.g., Court of Accounts and Central Inspection), as well as policymaking and implementing governmental bodies (e.g., Central Tender Board, Institute of Finance and OMSAR Anticorruption Task Forces).
IMPLEMENTATION ARRANGEMENTS	The World Bank team consists of experienced specialists from the Governance Global Practice's Financial Management, Procurement and Public Sector teams, drawing from expertise based in Beirut, Washington, DC and globally.

Port of Beirut Reform and Reconstruction

PROJECT CODE	P176271
STATUS	Active
TYPE OF GRANT	Bank-Executed
OBJECTIVE	To support port sector reforms in Lebanon to pave the way to rebuild a better Port of Beirut.
BRIEF DESCRIPTION	As part of the global effort to build back better the Port of Beirut, the activity will support the coordination of a group of experts from the donor community to develop an action plan for the way forward for the Port. A paper will be prepared on good practices in port and border agency management to guide the definition and introduction of the most appropriate governance model for the port sector in Lebanon. It will be disseminated in a webinar and used for engaging with the incoming government.
TIMEFRAME	2022 – 2023 (Approval: January 16, 2021; Expected Closing: June 30, 2023)
CONTEXT	<p>The explosion of August 4, 2020 in the Port of Beirut clearly illustrates the evident governance shortcomings of the current institutional set-up, as well as the risks emanating from the no-reform scenario. Lebanon adheres to a port management model that arguably reflects the complex political-economic realities, and which runs counter to recognized good practices. The current port sector model, with its opaque governance and lack of accountability, was one of the underlying factors that contributed to the tragedy, and ignoring it could exacerbate existing vulnerabilities, generate further crises, and delay meaningful change. Another contributing factor was the lack of operational coordination between the port management and trade compliance agencies, intensified by their outdated procedures and limited use of automation.</p> <p>There is therefore a need for a robust governance structure at various levels, with a clear delineation between policy setting, regulation, port management, and commercial operations. This would need to be anchored in structures endowed with enough capacity to enforce transparency and efficiency and thus maximize economic benefit for the Lebanese people. The establishment of an optimal institutional framework for the port sector would build confidence in a critical segment of the national economic fabric and provide a beacon to other sectors, thereby supporting Lebanon in overcoming its current economic crisis.</p> <p>Building on the Rapid Damage and Needs Assessment (RDNA) and the Reform, Recovery, and Reconstruction Framework (3RF), the World Bank has set up a unified platform for communication, coordination and exchange of expertise and international best practice among the diplomatic and donor community to plan and coordinate the support to Lebanon’s port sector. Groups of Experts (GoE) were created, and included focus on the national strategy for ports, institutional reforms, and Customs protocols and port digitalization.</p>
COMPONENTS	<p>Component 1: Development of a Reform Roadmap</p> <p>Component 2: Collaborative platform for stakeholder engagement</p>
FINANCING	<p>LFF: US\$0.25 million</p> <p>Global Infrastructure Facility Trust Fund (managed by the WB): US\$0.60 million</p>

ALIGNMENT WITH 3RF PILLAR AND PRIORITY AREA

Pillar: Improving Services and Infrastructure
Priority area: Port

3RF CROSS-CUTTING PRIORITIES: GENDER, INCLUSION AND TRANSPARENCY

Reforming the Lebanese port sector aims at establishing a sound and transparent framework. This entails the adoption of the laws and regulations required to enable ports to: (i) deliver the most cost-effective services; (ii) support national economic development; and (iii) create the enabling environment to attract more private sector investment. This approach will meet the demands and aspirations of all stakeholders with a direct interest in the efficient functioning of ports, including Customs and trade facilitation and the Lebanese population overall. To restore trust, the framework comprises the establishment of a new independent Port Authority focusing on good governance and safe port operations, while creating added value for the Lebanese community.

The proposed activities will contribute to building this new framework based on the following 3 principles that are paramount to promote a different way of working and promote transparency and accountability in the sector:

1. *Clear delineation of mandates:* with separation of commercial and technical regulatory functions in a Port Authority, and separation of responsibilities for port technical and economic regulation.
2. *Governance:* Port tariff setting transparency (informed by cost accounting principles); Port Manager (or GM, MD) professional criterion spelled out; Port Board qualifications, responsibilities and accountabilities spelled out.
3. *Transparency:* Transparency in identification and nomination of Port Boards, their terms and replacements; nominations from both public sector and private sector associations; annual independent audit of port accounts and annual port sector report made publicly available, giving transparency to port operational activities and plans, with publication of key performance indicators.

INTENDED BENEFICIARIES

Youth; women; refugees, IDPs and returnees

IMPLEMENTATION ARRANGEMENTS

The grant activities will be implemented by a World Bank team led by the Transport Global Practice and comprising the Urban Development, Digital Development and Macroeconomics, Trade and Investment Global Practices. The team will be strengthened by international and local consultants. NGOs/CSOs will be recruited to undertake the activities of Component 2 under the supervision of the Bank team. Activities will be complemented by expertise provided with the support of other donors.

Strengthening 3RF Oversight, Engagement and Monitoring

PROJECT CODE	P177084
STATUS	Active
TYPE OF GRANT	Bank-Executed
OBJECTIVE	To support the establishment and functioning of the 3RF institutional arrangements, and provide dedicated support to strengthening citizen engagement, monitoring and communications across the 3RF.

BRIEF DESCRIPTION	<p>This project will support three components to help operationalize the 3RF institutional arrangements and strengthen citizen engagement, monitoring and communications across the 3RF.</p> <p>Component 1: Supporting 3RF Secretariat and establishment of Independent Oversight Body (IOB). This component will support the functioning of the 3RF Secretariat and help establish and launch the Independent Oversight Board (IOB).</p> <p>Component 2: Establishing and Operationalizing a Citizen Engagement Initiative for the 3RF. This component will provide support for developing a responsive citizen engagement mechanism to advance transparency and accountability across 3RF priority programs. This will provide citizens with opportunities to engage and provide feedback on 3RF activities, and decision- and policy makers with real time information on prioritization, design and implementation of 3RF activities. Citizen feedback will also constitute an important source of input for the IOB to execute its oversight role. The 3RF's citizen engagement initiative will be comprised of three elements which will be supported under this component: (i) Digital Citizen's Portal (or module), (ii) Feedback/Grievance Mechanism, (iii) Community-Based Monitoring.</p> <p>Component 3: Supporting 3RF Strategic Monitoring and Communications. This component will support the 3RF Secretariat's functions related to progress monitoring and reporting and strategic communications. An important element will be to supplement traditional approaches to monitoring and progress reporting (e.g., based on quantitative results indicators and narrative progress reporting by project teams) with the collection of citizen/beneficiary perspectives.</p>
TIMEFRAME	2021 – 2025 (Approval: August 20, 2021; Expected Closing: June 30, 2025)
CONTEXT	<p>In the aftermath of the Port of Beirut explosion, the World Bank Group, the European Union (EU) and the United Nations (UN) developed a reform, recovery, and reconstruction framework (3RF) to define short- and medium-term needs and priorities. To promote a different way of working, the 3RF is designed as a collaborative process that is based on the participation of the Government, civil society, the private sector as well as development partners.</p> <p>This grant is directly supporting the operationalization of the institutional, monitoring and accountability arrangements proposed under the 3RF. As such, it will also help operationalize key cross-cutting principles of the 3RF related to citizen engagement, transparency and accountability and two-way communications. A three-pronged approach that links progress monitoring with citizen engagement and communications is essential to provide the foundation for successful recovery. Accountability and transparency arrangements will be critical and will need to be adequately resourced, particularly given the high levels of public concern about the management of the reconstruction process.</p>
COMPONENTS	<p>Component 1: Supporting the 3RF Secretariat and establishment of the IOB (US\$0.3 million)</p> <p>Component 2: Establishing and Operationalizing a Citizen Engagement Initiative for the 3RF (US\$0.35 million)</p> <p>Component 3: Supporting 3RF Strategic Monitoring and Communications (US\$0.2 million)</p>
FINANCING	<p>SPF: US\$ 0.025 million</p> <p>LFF: US\$0.825 million</p>
ALIGNMENT WITH 3RF PILLAR AND PRIORITY AREA	<p>This grant directly supports the operationalization of the institutional, monitoring and accountability arrangements proposed under the 3RF (see 3RF section 5, pp. 60-64). It will also help operationalize key cross-cutting principles of the 3RF related to e.g., citizen engagement, transparency and accountability and two-way communications.</p>

3RF CROSS-CUTTING PRIORITIES: GENDER, INCLUSION AND TRANSPARENCY

- Promoting gender equality:** To ensure that women have equal opportunities and say in Beirut's recovery and rehabilitation, activities financed by this grant will adopt a gender sensitive approach by: (i) collaborating with NGOs/CSOs with high levels of female representation and encouraging the deployment of female citizen monitors and facilitators for survey design and/or focus group discussions; (ii) encouraging equal levels of female and male representation on the IOB; (iii) ensuring that the program level feedback/grievance mechanism has referral pathways for gender-based violence complaints, including links with related activities promoted by the ABAAD NGO and ISF hotline, and alignment with the feedback/grievance management approach of the proposed LFF project on social recovery (which, among others, aims to support shelters for survivors of Gender Based Violence in Beirut); and (iv) collection, analysis and reporting of gender disaggregated data through the feedback/grievance mechanism and citizen surveys.
- Targeting the most vulnerable populations:** This grant will help to promote differentiated and inclusive approaches for information sharing and engagement with vulnerable groups, including women, persons with disabilities, refugees, gender and sexual minorities, etc. To the extent possible, online data will be shared in open and user-friendly formats in Arabic and English. Uptake channels for the 3RF's feedback/grievance mechanism will be tailored to ensure that they are accessible for various groups, and data tracked on feedback received and resolved will be disaggregated by the nature of the issue as well as age, disability, etc.
- Promoting strong focus on citizen and community engagement:** The main objective of the grant is to support a range of citizen engagement approaches that will rely not only on consultations with beneficiaries and the general public on specific project interventions, but also on more collaborative approaches such as community monitoring whereby citizens adopt a more "hands-on" approach to oversee and report on the progress of project implementation. Public feedback will be compiled on regular basis (via the Secretariat) and with support of the grant, and program level beneficiary/grievance mechanisms and citizen surveys, which will be shared by the 3RF Secretariat and analyzed/scrutinized by the Consultative Group and the IOB as part of their oversight roles.
- Promoting transparency and accountability:** By supporting the 3RF Secretariat and the IOB, the grant will directly promote the integration and mainstreaming of transparency and accountability in recovery planning, programming, and implementation. By supporting the IOB and community monitoring, the grant will also support social accountability and the role of civil society and harness the benefits of technology and innovation in enhancing transparency and openness. IOB reporting and monitoring will provide CSOs/NGOs with a platform to express their views on 3RF implementation and hold implementing bodies accountable for agreed outputs and results. The dialogue and potential collaboration with Central Inspection on the 3RF Citizen Engagement Mechanism and the hosting of a CE interface on the IMPACT platform, will also indirectly contribute to strengthening the role of formal oversight institutions.

INTENDED BENEFICIARIES

Beneficiaries of grant activities will be the Lebanese public with a focus on people affected by the Beirut port-explosion. Grant activities will also aim to support and inform members of the 3RF institutional arrangements, notably members of the Independent Oversight Body.

IMPLEMENTATION ARRANGEMENTS

This grant is managed by a small cross-sectoral World Bank team (FCV, GOV, SSI) working closely with the 3RF Secretariat and EU and UN counterparts from the 3RF technical team. The 3RF Secretariat will coordinate as needed with government/public administration counterparts including Central Inspection and Court of Accounts as well as with parliament, judiciary and municipal officials. Coordination will focus on implementation of 3RF program overall, and seeking counterpart contributions on citizen engagement, monitoring and communications task.

COVID-19 Vaccination Third Party Monitoring

PROJECT CODE	P163476
STATUS	Contract ended on September 30, 2022
TYPE OF GRANT	Bank-Executed
OBJECTIVE	To conduct independent third-party monitoring of the rollout of World Bank-financed vaccines in Lebanon to ensure safe, effective and equitable vaccine deployment.
BRIEF DESCRIPTION	<p>The project aims to verify the compliance of the vaccine rollout with the National Deployment and Vaccination Plan, international standards, and World Bank requirements, with respect to supply chain management and administration of COVID-19 vaccines at: (i) key points in the supply chain; and (ii) vaccination sites from the technical, environmental, and social safeguards perspectives.</p> <p>Through a team of 18 field monitors, IFRC monitors the arrival of vaccine shipment to the airport and central storage, as well as a sample of fixed and mobile vaccination sites in the national network on a weekly basis. During monitoring visits, field monitors conduct interviews with a sample of vaccine recipients and health care providers and collect data on vaccine stock on a sampling basis. IFRC also monitors social media platforms.</p> <p>Monitoring activities started on February 14, 2021, one day following the arrival of the first shipment of Pfizer vaccines to Lebanon and ended in July 2022. The findings of the monitoring are shared through reports with the WB, the Joint Monitoring Committee (composed of UNICEF, WHO, UNRWA, UNHCR, and IOM and chaired by the WB), the Ministry of Public Health (MoPH), the National Vaccination Committee and the Vaccine Executive Committee. A summary of findings is also shared with the general public using a bi-weekly infographic. Additionally, any observation of deviation from standards requiring immediate attention is shared with the MoPH in real-time through short incident reports for corrective action. Monthly score cards for each vaccination site are also prepared and shared with the MoPH.</p>
TIMEFRAME	2022 (TPM activities will cover monitoring until the end of July 2022 using LFF funding)

CONTEXT

The ongoing economic and financial crisis has severely affected the capacity of the health sector to meet the health needs of the country, and the COVID-19 pandemic has further exacerbated the strains on the health sector. Lebanon experienced an unprecedented surge in COVID-19 with a record-breaking number of confirmed cases during the first week of January 2021 (around 5,500 daily cases). This surge, coupled with a high level of infections among health workers (2,308 cases), overwhelmed hospitals already operating at full capacity. To curb this surge in cases and fatalities, the GOL imposed in January 2021 a nationwide lockdown which was gradually lifted until today. A second peak of transmission, driven by the Covid-19 Delta variant, was observed in August 2021 (peak at 1,628 for a 7-day average of cases), but the intensity in transmission lowered and stabilized to 500 - 600 daily cases (7- day average) in September 2021 with a 31 percent occupancy rate of COVID-19 Intensive Care Unit (ICU) beds and 20 percent of COVID-19 regular beds.

In preparation for the introduction of COVID-19 vaccines, the Government of Lebanon (GOL) with the support of the World Bank (WB) and other partners conducted a COVID-19 vaccine readiness assessment. The GOL established a National COVID-19 Vaccine Committee and seven Technical Working Groups to prepare the National Deployment and Vaccination Plan for COVID-19 Vaccines (NDVP). The NDVP was developed by the GOL with the technical support of development partners and was launched on the 27th of January 2021. Per the NDVP, Lebanon seeks to vaccinate 80 percent of the total population by the end of 2022. The NDVP covers the vaccination of both citizens and non-citizens, regardless of their status as long as they are residing on the Lebanese territory. In line with the WHO Strategic Advisory Group of Experts on Immunization (SAGE) Allocation Framework, Lebanon's NDVP prioritizes high risk populations through a multi-phase roll-out plan. As of January 2022, per the national plan, all individuals 12 years of age and older are eligible to receive a COVID-19 vaccine.

The GOL signed a Committed Purchase Agreement with the COVAX Facility to procure 2.73 million doses of COVID-19 vaccines for 1.36 million individuals (with a two-dose regimen), or 20 percent of the total population residing in the country (both citizens and non-citizens). The GOL has also signed a contract with Pfizer to secure 3.25million doses for 1.62 million individuals (2 doses for 24 percent of the total population) in addition to 600,000 doses as a donation for refugees for a total of 3.85 million doses (also a two-dose regimen). The Pfizer-BioNTech vaccine doses have been procured through the WB Lebanon Health Resilience Project (LHRP). The Pfizer vaccine was the first COVID-19 vaccine to arrive in Lebanon on February 13, 2021. Additional doses of Pfizer, Astrazeneca, Sputnik, Sinopharm, Moderna and Janssen vaccines were delivered to the country through direct procurement by the GoL, by the private sector through the GoL, and as donations.

Lebanon is currently recording another surge in COVID-19 cases. As of February 4, 2022, the local incidence rate for the past 14 days is 1,954 per 100,000 and the average positivity rate over the last 14 days reached 23.6 percent¹⁹. As of February 7, 2022, regular and ICU bed occupancies have reached during the last week an average of 53 percent and 72 percent.²⁰ According to WHO's situational matrix guideline, Lebanon is currently at Level 4 of community transmission. However, the health infrastructure today is not prepared to contain another transmission surge such as the one observed in January 2021. The vaccination campaign is ongoing and according to the MoPH, 48% of the eligible population (12 years of age and older) have received at least one COVID-19 vaccine dose, and 40% have received two doses.

In addition to political and governance risks as well as the macro-economic risks, there are associated risks in the delivery of COVID 19 vaccination. This unprecedented vaccination effort stretches capacities of the MoPH for vaccine delivery and monitoring deployment and inherently entails risks, including those of elite capture, fraud and corruption, given that the demand outstripped the supply. Interventions to improve the traceability of COVID-19 vaccines throughout the supply chain and down to the vaccine recipient level will be a mitigation measure for the project to support. The key institutional risk remains the MoPH's capacity to carry out the proposed activities and is heightened by the complexity of vaccine acquisition and deployment, especially in the absence of adequate funding to purchase vaccines for the entire eligible population and delays in shipment deliveries due to the global supply constraints. Moreover, the complexity of vaccine deployment is further exacerbated by the large presence of refugees in the country and the potential risk of ensuring equitable distribution of vaccines.

Considering the above plans as well as the risks, the WB proposed to verify GOL's compliance through a Third-Party Monitoring (TPM) of all the stages of the COVID-19 vaccination, including but not limited to storage, stock and temperature maintenance across the supply chain, service delivery at vaccination sites, and vaccine recipients' and health providers' perspectives and feedback.

¹⁹ MoPH COVID-19 Surveillance in Lebanon Daily Report – February 4, 2022

²⁰ WHO COVID-19 DAILY BRIEF, February 6, 2022

COMPONENTS	<p>Component 1: TPM contract value (US\$0.783 million)</p> <p>Component 2: WB TPM supervision (US\$0.163 million)</p>
FINANCING	LFF: US\$1 million
ALIGNMENT WITH 3RF PILLAR AND PRIORITY AREA	Pillar: Improving Governance and Accountability
3RF CROSS-CUTTING PRIORITIES: GENDER, INCLUSION AND TRANSPARENCY	<ul style="list-style-type: none"> ■ The main goal of TPM is to increase transparency and public trust in the COVID-19 vaccination rollout in Lebanon. This is done through regular monitoring of key steps in the vaccination cycle from arrival of vaccines to deployment, in addition to monitoring of social media platforms. This is also done through sharing of key findings with the public and collecting feedback from vaccine recipients and service providers (through dedicated questionnaires used by field monitors). ■ The COVID-19 vaccination plan aims to be inclusive and non-discriminatory as the NDVP clearly states that all persons residing in Lebanon will have access to COVID-19 vaccination regardless of nationality, sex, religion, etc. One of the objectives of TPM is to verify that this commitment is applied in practice through the verification of the vaccine rollout across vaccination sites. It is also worth noting that TPM covers vaccination sites in all areas in Lebanon, including underserved and remote areas, to ensure proper levels of inclusion.
INTENDED BENEFICIARIES	All beneficiaries of the COVID-19 vaccination plan, including youth; women; people with disabilities; refugees, IDPs and returnees
IMPLEMENTATION ARRANGEMENTS	<p>The project is implemented as a Bank-Executed Trust Fund (BETF). The International Federation of Red Cross and Red Crescent Societies (IFRC) is the TPM agent undertaking this task. The scope of IFRC's TPM is limited to vaccines financed by the WB.</p> <p>In addition to contracting IFRC as the Third-Party Monitoring Agency, the WB will also be responsible for the overall supervision of the project's implementation. The WB will ensure quality control of IFRC deliverables and will act as a link between IFRC and relevant stakeholders (including the Ministry of Public Health, the National Vaccination Committee, the Vaccine Executive Committee and others) to ensure sharing of findings and implementation of corrective measures as needed.</p>

ANNEX 2.

RESULTS FRAMEWORK

Summary of material changes:

Development Objective indicators: The first development objective indicator “cumulative number of direct beneficiaries of LFF projects” has been removed, as projects are measuring beneficiaries in different ways that make it difficult to aggregate (e.g., as individuals, as households, as SMEs). Second, the citizen perception indicator will be measured once progress has been made on the 3RF citizen engagement module.

Outcome indicators: Only one indicator has been revised. Under Focus Area 2 – Reconstruction with Integrity and Transparency – the indicator “Forensic Training Workshop Delivered” was changed to “Peer review of forensic audit for quality assurance and training delivered.” This is planned for Fall of 2023. In addition, some targets were revised for the Social Recovery project.

Trust Fund Performance and Management indicators: First, the “amount of grant contributions raised per year” has been changed to “total amount of grant contributions raised” and the target has been revised to US\$150 million to more accurately reflect fundraising objectives given current contribution levels. Second, the target for the “disbursement ratio of active RE projects” has been updated to reflect targets for each year of the LFF’s implementation. Third, the target for “Partnership Council meeting frequency” has been revised down to 1-2 meetings per year to reflect the less frequent need for PC meetings, given other forms of engagement, such as technical consultations, project site visits, roundtable events, and email exchanges. Fourth, the Communications and Visibility Plan indicator has been revised to be more specific, measured by the number of unique visitors to the LFF website.

	<i>Unit of Measure</i>	<i>Baseline (2020)</i>	<i>End Target (2025)</i>	<i>Status</i>
Development Objective: The Lebanon Financing Facility (LFF) seeks to support the immediate socio-economic recovery of vulnerable people and businesses following the explosion in Beirut on August 4, 2020, and to build the foundation for medium-term recovery and the sustainable reconstruction of the Port of Beirut and affected neighborhoods.				
Indicator(s)				
Citizen perception of 3RF progress ²¹	Number	0	TBC	N/A

21 This will be measured as part of the 3RF Citizen Engagement module, the development of which has been delayed. The World Bank team is currently exploring options to incorporate the CE module in the 3RF webpage.

Unit of Measure Baseline End Target Status

FOCUS AREA 1: SOCIOECONOMIC AND BUSINESS RECOVERY

1.1 Supporting Beirut’s Immediate Social Recovery Services

Development Objective 1.1: To support the immediate social recovery needs of vulnerable groups following the port of Beirut explosion.

Outcome A: Increased access to services for GBV survivors, people with mental health challenges, older persons and persons with disabilities *Target end date: 2023*

Indicator(s)

A1: Number of direct project beneficiaries (disaggregated by GBV, mental health and persons with disabilities and older persons programs, and by gender)	Number	0	8,387 [GBV: 837; Mental health: 6,400; Older persons and persons with disabilities: 1150]	2,070 [GBV: 222 (24 boys); Mental health: 1,610; Older persons and persons with disabilities: 241 (174 persons with disabilities; 67 older persons)]
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Intermediate Indicator(s)

A2: Total NGOs receiving sub-grants from the project	Number	0	17	12
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Outcome B: Increased quality of services for GBV survivors, people with mental health challenges, older persons and persons with disabilities *Target end date: 2023*

Indicator(s)

B1: Percentage of cases following project improved mechanisms and/or protocols (disaggregated by GBV, mental health, persons with disabilities and older persons programs, and by gender)	Percentage	0	85	0
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Intermediate Indicator(s)

B2: Number of NGO/care workers benefitting from project-provided training (disaggregated by gender)	Number	0	556	86
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B3: Public Sensitization Awareness campaign modules on GBV, mental health and disability and old age supported by the project	Number	0	3	0
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Unit of Measure Baseline End Target Status

1.2 Environmental Recovery, Restoration and Waste Management

Development Objective 1.2: To support emergency environment control measures in Beirut City from impacts of the August 2020 explosion and support planning for longer term environmental restoration efforts

Outcome C: Rehabilitation of damaged solid waste management infrastructure and management of asbestos-contaminated debris generated due to the PoB explosion *Target end date: 2024*

Indicator(s)

C1: Amount of demolition waste at identified storage sites safely managed with control measures (site securing, containment measures, disposal or treatment)	Total tons	0	150,000	0
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C2: Amount of municipal solid waste generated in Beirut safely managed and disposed of	Total tons/day	0	650	0
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Intermediate Indicator(s)

C3: Solid waste management infrastructure damaged due to the explosion is rehabilitated and operationalized	Yes/No	No	Yes	No
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C4: Segregation, collection and transportation measures initiated in Beirut city for integrated solid waste management and sustainability of rehabilitated infrastructure	Yes/No	No	Yes	No
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Outcome D: Policy and institutional support for greening Beirut's Reconstruction Agenda *Target end date: 2024*

Indicator(s)

D1: People affected by the explosion benefitting from improved urban living conditions	Number	0	350,000	0
Of which number are women	Number	0	175,000	0

Intermediate Indicator(s)

D2: Collaborative platform for stakeholders' engagement in the environmental agenda of Beirut established and operational	Yes/No	No	Yes	No
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1.3 Beirut Housing Rehabilitation and Cultural Heritage and Creative Industries Recovery

Development Objective 1.3: To: (i) support the rehabilitation of cultural heritage residential buildings and the access to sustainable rental solutions for vulnerable households directly affected by the Port of Beirut explosion; and (ii) support the recovery of the cultural production in Beirut.

Outcome E: To pilot the rehabilitation of a select number of severely damaged residential heritage buildings *Target end date: 2025*

Indicator(s)

E1: People benefitting from resilient rehabilitated residential units	Number	0	560	0
Of which are members of female-headed household	Percentage	0	25	0
Owners benefitting from resilient, rehabilitated residential units	Number	0	210	0
Tenants benefitting from resilient, rehabilitated residential units	Number	0	350	0
Beneficiaries reporting satisfaction with project activities	Percentage	0	75	25

	Unit of Measure	Baseline	End Target	Status
Intermediate Indicator(s)				
E2: Residential units rehabilitated according to resilience standards	Number	0	160	0
Of which are female-headed households	Percentage	0	25	0
E3: Rental contracts signed for rehabilitated units	Number	0	100	0
Of which, are signed with renters previously living in the target area	Percentage	0	75	0
Of which, are signed with newcomers	Percentage	0	25	0
E4: People benefitting from trainings or knowledge sharing activities related to technical rental support	Number	0	100	15
Of which, are female	Percentage	0	50	50
E5: DGA, PCH and municipal staff trained on providing support to vulnerable households	Number	0	8	4
Of which, are female	Percentage	0	25	50
E6: Person-days of temporary employment created under the project	Number	0	200,000	960
Outcome F: To provide emergency support to creative entities and practitioners			<i>Target end date: 2025</i>	
Indicator(s)				
F1: Direct beneficiaries of cultural production work	Number	0	1,300	0
Of which are female	Percentage	0	50	0
Of which are youth	Percentage	0	40	0
Cultural entities supported in cultural production work	Number	0	65	0
Cultural practitioners supported in cultural production work	Number	0	85	0
Beneficiaries reporting satisfaction with project activities	Percentage	0	75	0
Intermediate Indicator(s)				
F2: Grants disbursed to cultural actors	Number	0	150	0
F3: Grants achieving objective	Percentage	0	95	0
F4: Indirect beneficiaries from cultural productions (disaggregated by gender)	Number	0	10,000	0
1.4 Building Beirut Businesses Back Better (B5)				
Development Objective 1.4: Support the recovery of targeted micro and small enterprises (MSEs) and sustain the operations of eligible MFIs.				
Outcome G: Support the recovery of MSEs			<i>Target end date: 2024</i>	
Indicator(s)				
G1: Share of Micro and Small beneficiary enterprises that are operational for at least 12 months after receiving the grants	Percentage	0	80	0
Of which are women owned or led	Percentage	0	30	0

	Unit of Measure	Baseline	End Target	Status
Intermediate Indicator(s)				
G2: Number of Micro and Small enterprises receiving grants	Number	0	4,300	1,850
Of which are women owned or led	Percentage	0	30	32
G3: Amounts of funds disbursed to Micro and Small Enterprises	Amount (USD)	0	17,800,000	7,100,00 (8,800,000 committed)
G4: Number of jobs maintained within 12 months of receiving the grants	Number	0	4,472	0 (Not yet due)
G5: Share of Micro and Small women owned or led enterprises receiving business support training	Percentage	0	100	0 (Not yet implemented)
G6: Beneficiary Engagement: Share of women owned or led beneficiary firms who reported being satisfied with technical support offered	Percentage	0	75	0 (Not yet due)
Outcome H: Sustain the operations of MFIs			<i>Target end date: 2024</i>	
Indicator(s)				
H1: Number of Microfinance Institutions operational for at least 24 months after receiving support	Number	0	3	0 (Not yet due)
Intermediate Indicator(s)				
H2: Number of MFIs receiving financing	Number	0	3	3
H3: Amount disbursed to Microfinance Institutions	Amount (USD)	0	4,900,000	944,866
H4: Employment Capacity of Microfinance Institutions maintained	Percentage	0	80	0 (Not yet due)
H5: Number of Microfinance Institutions receiving gender sensitive training	Number	0	3	0 (Not yet due)

	<i>Unit of Measure</i>	<i>Baseline</i>	<i>End Target</i>	<i>Status</i>
FOCUS AREA 2: PREPARING FOR REFORM AND RECONSTRUCTION				
2.1 Reconstruction with Integrity and Transparency – Proposed Governance Activities (Phase 1)				
Development Objective 2.1: To begin to establish a transparent, accountable, and inclusive policy and institutional framework for Lebanon’s reconstruction and recovery.				
Outcome I: Improved capacity to conduct audits in compliance with international standards and good practices			<i>Target end date: 2023</i>	
Indicator(s)				
I1: Peer review of forensic audit for quality assurance and training delivered.	Yes/No	No	Yes	No (Review of pilot forensic audit planned for Fall 2023)
I2: Plan for centralized asset and interest declaration system prepared	Yes/No	No	Yes	No (Work to begin in Spring 2023)
Outcome J: Initial basis established for improved PIM practices and implementation of the public procurement reform to manage scarce resources efficiently and effectively for reconstruction and recovery			<i>Target end date: 2023</i>	
Indicator(s)				
J1: PIM Action Plan formulated and approved by key stakeholders	Yes/No	No	Yes	No (Review and update of PIM Action Plan ongoing, expected by June 2023)
J2: Internal Manuals, Staffing TORs, Organizational Circulars developed for Public Procurement Agency and for Procurement Review Body	Yes/No	No	Yes	Yes (Standard Procurement Documents prepared and submitted to PPA)
2.2 Reforming Lebanon’s Port Sector				
Development Objective 2.2: To support port sector reform in Lebanon to pave the way to rebuild a better, modern and digital Port of Beirut.				
Outcome K: Detailed port reform road map delivered and consulted upon			<i>Target end date: 2022</i>	
Indicator(s)				
K1: Detailed port reform road map delivered and consulted upon	Yes/No	No	Yes	No
K2: Collaborative platform for stakeholders’ engagement on the port sector established and operational	Yes/No	No	Yes	Yes

	Unit of Measure	Baseline	End Target	Status
FOCUS AREA 3: COORDINATION, MONITORING, ACCOUNTABILITY AND OVERSIGHT				
3.1 Coordination, Monitoring, Accountability and Oversight				
Development Objective 3.1: To support the establishment and functioning of the 3RF institutional arrangements with dedicated support to strengthening citizen engagement, monitoring and communications across the 3RF.				
Outcome L: The 3RF institutional arrangements for transparent, inclusive, and accountable program implementation have been established and are functioning.			Target end date: 2023	
Indicator(s)				
L1: The Independent Oversight Body has been established and is functional (i.e., IOB issues policy and technical recommendations to the 3RF Consultative Group and/or Secretariat)	Yes/No	No	Yes	Yes
Outcome M: An inclusive and responsive citizen engagement approach for the 3RF has been established and is operational.			Target end date: 2023	
Indicator(s)				
M1: 3RF beneficiaries reporting satisfaction with citizen engagement processes and transparency of information-sharing (disaggregated by gender and age)	Percentage	0	70	0
Intermediate Indicator(s)				
M2: Program level feedback addressed and responded to within a publicly stipulated timeframe (disaggregated by gender and age)	Percentage	0	90	0
3.2 COVID-19 Vaccination Third-Party Monitoring				
Development Objective 3.2: To conduct independent third-party monitoring of the rollout of World Bank-financed COVID-19 vaccines in Lebanon to ensure safe, effective and equitable vaccine deployment.				
Outcome N: Vaccine supplies are managed according to established standards at vaccination sites				
Intermediate Indicator(s)				
N1: Percentage of sites visited where vaccines are stored correctly	Percentage	0	>75%	100%
N2: Percentage of sites visited where safety boxes are used for safe disposal of syringes and needles	Percentage	0	>75%	95%
Outcome O: Vaccines are administered as per international and NDVP standards				
Intermediate indicator(s)				
O1: Percentage of sites visited where correct injection technique was used	Percentage	0	>75%	100%
O2: Percentage of interviewed vaccine recipients who are satisfied with the vaccination process	Percentage	0	>75%	97%
O3: Percentage of interviewed vaccine recipients who are aware of complaint mechanisms	Percentage	0	>75%	17%
O4: Percentage of sites visited where no interruption in the national electronic registration system occurred for more than 30 minutes	Percentage	0	>75%	99% of monitoring visits

	<i>Unit of Measure</i>	<i>Baseline</i>	<i>End Target</i>	<i>Status</i>
TRUST FUND PERFORMANCE AND MANAGEMENT				
Development Objective 4: To support effective trust fund management				
Outcome P: The LFF is managed and implemented effectively.				
Indicator(s)				
P1: Total amount of grant contributions raised	US\$ million	0	US\$150	US\$69.98 (2020-2022)
P2: Disbursement ratio of active RE projects ²²	Percentage	0	Year 1: 15-20 Year 2: 30-40 Year 3: 45-60 Year 4: 60-80 Year 5: 75-100	Year 1: 16.5 Year 2: 31.4
P3: Timeliness of disbursements for RE projects	Average number of months between project effectiveness to initial disbursement	N/A	3-4 months	2.5 months ²³
P4: Portfolio quality	Percentage of active LFF RE projects rated moderately satisfactory or higher	0	75	100
P5: Partnership Council meeting frequency	Number of meetings with agenda circulated in advance and minutes circulated promptly	N/A	1-2 meetings per year	2021: 2 meetings 2022: 1 meeting
P6: Communications and Visibility Plan (CVP)	Number of unique visitors to the LFF website per year	0	500	2021: N/A 2022: N/A 2023: TBD
P7: Share of RE projects that are gender-tagged ²⁴	Percentage	0	100	100

22 This is based on the amount of project funds disbursed out of total project funds allocated (not out of total contributions). In total, since the LFF's establishment and up to December 31, 2022, US\$17.83 million has been disbursed out of a total allocation of US\$56.75 million. This amount does not include disbursements for administrative fees and expenses.

23 This result is based on the time between project effectiveness and initial disbursement. For the B5 Fund, this was 3 weeks; for the Social Recovery project, this was about 4.2 months; for the Housing Rehabilitation project, this was about 3 months; and for the Environmental Recovery project, this was about 2.3 months.

24 For a project to be considered gender tagged, it needs to (i) clearly identify gender gaps in the area of project influence based on evidence; (ii) incorporate into the project design actions that directly aim to close the identified gaps, accompanied by adequate resources; (iii) include indicator(s) with specified targets, to allow the measuring of progress towards the closing of the gap. This Theory of Change needs to be clearly articulated, and will be assessed by the WBG MENA Gender Team.

ANNEX 3.

3RF CO-CHAIR STATEMENT

Co-chair Statement by the Prime Minister of Lebanon, the UN Resident Coordinator, and Representatives of Donors and Lebanese Civil Society

Beirut, April 12, 2023 – The Reform, Recovery and Reconstruction Framework (3RF) was set up after the devastating explosion in the Port of Beirut, as a uniquely inclusive platform to coordinate people-centred recovery in the affected areas, as well as provide a comprehensive plan to support national reforms and investments in reconstruction.

Eighteen months after the launch of the 3RF, a wide range of stakeholders were consulted on the strategic way forward. Stakeholders agreed that reform is critical to help Lebanon return to a path of sustainable development, starting with the IMF staff-level agreement. To this end, the 3RF will be continued as an unique platform for inclusive policy dialogue and to make progress on implementing reforms to unlock international support for and investments in reconstruction. Furthermore, the 3RF will not extend its focus on recovery, since other coordination structures in Lebanon are better equipped to address recovery and humanitarian needs.

The Lebanon Financing Facility (LFF) will continue to channel funding to support the implementation of 3RF priorities and will provide financial and technical support for implementing the priorities defined by the sector working groups led by government representatives. The LFF 2023 annual workplan will reflect the shift in focus to reforms and their link to mobilization of funds for reconstruction. These decisions will not affect recovery projects currently under implementation.

Access to information about the 3RF will be improved through the launching of a dedicated [website](#), which will include a reform tracker, an overview of sector priorities, as well as key results and outcomes of discussions. This will also support the IOB to deliver on its important mandate. The 3RF Consultative Group will provide strategic guidance and mobilize political support at the highest level.

Inclusive technical discussions will continue taking place in empowered sector Working Groups where Lebanese state institutions will lead by presenting their proposals and challenges. This will help international organizations and donors prioritize their interventions. Local civil society, including private sector actors, will provide their expertise, monitor progress, promote priority issues, and highlight any challenges. Encouraging collaboration between civil society and state institutions is a priority to build and foster trust between local stakeholders. Convening the full range of stakeholders will bring together the resources needed to make progress possible for the people of Lebanon.

To read more about the 3RF, please visit the new 3RF website on <https://www.lebanon3rf.org>. Comments or questions can be sent to ask@lebanon3rf.org.

ANNEX 4.

LFF PRESS RELEASES ISSUED IN 2022

Lebanon Financing Facility Supports Beirut's Environmental Recovery Efforts and Solid Waste Management

Beirut, May 18, 2022 – A new US\$10 million grant will help Lebanon mitigate the environmental and health impacts of the Port of Beirut explosion on neighboring population and support the development of a strategic plan for greening Beirut's reconstruction.

The Beirut Critical Environment Recovery, Restoration and Waste Management Program, signed today between the World Bank and the United Nations Development Program (UNDP) in the presence of HE Minister of Environment Nasser Yassine, is financed by the Lebanon Financing Facility (LFF), a multi-donor trust fund established in December 2020 following the launch of the Reform, Recovery and Reconstruction Framework (3RF) to pool grant resources and coordinate financing in support of the immediate socio-economic recovery of vulnerable people and businesses impacted by the Port of Beirut explosion on August 4, 2020.

According to the Rapid Damage and Needs Assessment (RDNA) prepared in response to the explosion, physical damages to the environment sector were assessed at US\$20 to 25 million and recovery and reconstruction needs were estimated at US\$75 to 100 million. The explosion caused severe environmental impacts from resulting huge quantities of waste streams, including hazardous and electronic waste and debris. It also caused significant damage to municipal solid waste management infrastructure; pollution of the marine ecosystem around the explosion site; loss of green cover/vegetation in Beirut City; and short-term increase in dust levels (particulate matter) containing asbestos, during demolition, rehabilitation, and reconstruction of damaged buildings. The presence of hazardous waste material in various waste streams poses a direct and immediate threat to the population and the environment in Beirut.

"We are launching today the fourth LFF financed project, after three other projects that address the recovery needs of micro- and small-enterprises, the social recovery needs of affected population groups and housing reconstruction and rehabilitation of cultural and creative industries in damaged neighborhoods in the city," said **Saroj Kumar Jha, World Bank Mashreq Regional Director**. *"This project will implement environment recovery activities in the city of Beirut to mitigate risks of a solid waste crisis and other environmental impacts which resulted from the Port of Beirut explosion. The project will also strengthen the basis for environmental governance in Lebanon more broadly."*

The Beirut Critical Environment Recovery, Restoration and Waste Management Program will help manage and dispose of asbestos-contaminated demolition waste generated from the damaged buildings, rehabilitate damaged solid waste infrastructure and provide technical assistance for their sustainable operation. The project will rehabilitate two damaged solid waste treatment facilities – the Karantina solid waste sorting facility and Coral composting facility. It will also support the improvement of the overall waste management system in Beirut through the implementation of demonstration pilots on integrated solid waste management, including the sorting, collection, transportation and disposal of solid waste, in selected areas impacted by the explosion. Local communities will be engaged in the selection of these pilots, the design of treatment approaches and the evaluation of their performance.

Building on its technical expertise in the environmental and waste management sector, strong local presence, and environment project implementation experience, the project will be implemented by

UNDP, in close coordination with the Ministry of Environment as well as relevant ministries and other stakeholders.

“Addressing the impacts of the port explosion on the environment and people’s health is of the utmost importance,” said **Melanie Hauenstein, UNDP Resident Representative**. *“The needs in this sector are growing more and more urgent every day, especially on solid waste management and other environmental issues. Our partnership with the World Bank ensures timely action for a sustainable environmental recovery for all of Beirut and beyond. Our approach puts the people of Lebanon at the center, to mitigate the impact of waste, pollution and environmental changes on people’s health and well-being.”*

The project will adopt the principles of “Build Back Better, Greener, and Smarter” as identified in the 3RF and will employ elements of fit for purpose, right siting, climate change adaptation, climate smart practices, and greening of project investments. This will be done through the development of a strategic framework for greening Beirut’s reconstruction based on a consultative approach with stakeholders and technical assistance and laboratory analysis for adopting an evidence-based methodology for future environmental action.

The project will also prioritize citizen engagement activities through meaningful consultation and feedback mechanisms, participatory mechanisms, citizen-led mechanisms, and the potential for creation of green jobs, given that the waste sector is labor intensive. A Grievance Redress Mechanism will be set up to help close the feedback loop on citizens’ concerns and questions about project activities and ensure transparency.

About the Lebanon Financing Facility (LFF)

Established in December 2020 in the aftermath of the August 4 Port of Beirut explosion disaster and following the launch of the Reform, Recovery and Reconstruction Framework (3RF), the LFF is a 5-year multi-donor trust fund that will pool grant resources and strengthen the coherence and coordination of financing in support of the immediate socio-economic recovery of vulnerable people and businesses impacted by the explosion. To date, the LFF has received contributions and pledges from the governments of Canada, Denmark, France, Germany, Italy and Norway and from the EU. Subject to the commitment of all Lebanese stakeholders to critical reforms, the LFF will build the foundation for medium-term recovery and the sustainable reconstruction of the Port of Beirut and affected neighborhoods. The LFF prioritizes three focus areas of interventions: 1) Socioeconomic and business recovery; 2) Preparing for reform and reconstruction; and 3) Strengthening coordination, monitoring, accountability and oversight of the 3RF. The LFF will benefit from the World Bank’s high fiduciary standards, through the application of its fiduciary framework for financial management, procurement, and environmental and social safeguards. The LFF will also ensure that programs promote gender equality and community engagement that target women, youth and vulnerable populations.

Lebanon Financing Facility Supports Housing Reconstruction, Cultural and Creative Industries and Social Recovery Needs of Vulnerable Groups affected by the Port of Beirut explosion

Beirut, February 25, 2022 — Two new grants will help facilitate the return of socio-economically vulnerable households to neighborhoods damaged by the Port of Beirut explosion through historical housing rehabilitation, sustain the livelihoods of affected cultural entities and practitioners and provide immediate social recovery support to vulnerable groups impacted by the aftermath of the explosion.

The two projects — the Beirut Housing Reconstruction and Cultural and Creative Industries Recovery project (US\$12.75 million) and the Support for Social Recovery Needs of Vulnerable Groups in Beirut project (US\$7.8 million) — are funded through the Lebanon Financing Facility (LFF), a multi-donor trust fund established in December 2020 following the launch of the Reform, Recovery and Reconstruction Framework (3RF) to pool grant resources and strengthen the coherence and coordination of financing in

support of the immediate socio-economic recovery of vulnerable people and businesses impacted by the Port of Beirut explosion.

“Three months after the launch of the first LFF-financed project — the Building Beirut Businesses Back and Better Fund (B5) —, we are launching today two equally important projects to help improve the lives of vulnerable population groups and the livelihoods of artisans, craftspeople and creators,” said **Saroj Kumar Jha, World Bank Mashreq Regional Director**. *“These two projects would adopt transparent and credible mechanisms for providing assistance to eligible families. The coordinated recovery of the housing and cultural sector is key to the socio-economic revitalization of Beirut’s affected neighborhoods. Such a recovery should be built upon a people-centered, inclusive and participatory approach.”*

Beirut Housing Reconstruction and Cultural and Creative Industries Recovery (US\$12.75 million)

The Beirut Housing Reconstruction and Cultural and Creative Industries Recovery Project will prioritize complex, climate-resilient repairs of severely damaged residential heritage buildings located in neighborhoods within 5 km of the epicenter of the blast. Repairs will particularly focus on a subset of vacant damaged residential buildings that were inhabited by lower-income and vulnerable households with low tenure security, thus facilitating the return of displaced households to their homes. Buildings to be rehabilitated will be identified based on four prioritization criteria: geographic scope, level of damage, socio-economic vulnerability, and heritage value. The project will also provide technical assistance and grants to affected cultural entities and practitioners, prioritizing women and women-led entities, operating in targeted cultural and creative industries to provide them with incentives to continue cultural production in neighborhoods affected by the explosion. The project will be implemented by UN-Habitat in close collaboration with local authorities and other government entities, and in consultation with a large body of CSOs, NGOs, and academia. Grants to cultural and creative entities will be approved by a GAC comprised of representatives of government and local cultural entities and chaired by UNESCO.

The project was designed through an iterative and participatory process with extensive consultations on its scope, prioritization criteria and implementation arrangements. These consultations included government entities, civil society, academia, development partners and local and international experts. The project will set the foundation for a future scale-up, and longer term, area-based urban recovery and regeneration for the city.

“Cities are made for people and the urban recovery of Beirut must focus on the needs of its residents. Placing housing recovery and cultural and creative industries revitalization at the heart of this process has the potential to retain and maximize the social and built fabric of the city, while safeguarding critical housing, land, and property rights. The Lebanon Financing Facility is enabling an important opportunity for UN-Habitat and key government and non-government stakeholders to collectively address immediate needs of people, while laying the foundation for longer term recovery and housing reform,” said **Taina Christiansen, Head of UN-Habitat Lebanon Country Programme**.

Support for Social Recovery Needs of Vulnerable Groups in Beirut (US\$7.8 million, including US\$2.8 million for the State and Peace Building Fund)

The Support for Social Recovery Needs of Vulnerable Groups Project will address the immediate social recovery needs of vulnerable groups who remain impacted by the Port of Beirut explosion. Project beneficiaries will include survivors of gender-based violence, individuals suffering from deteriorated psycho-social wellbeing, and persons with disabilities and older persons facing difficulties in accessing appropriate care due to their disabled or elderly status. The project will be implemented by the International Rescue Committee (IRC). It will pilot an effective, inclusive and sustainable model for non-government support with grants provided directly to a select number of NGOs to provide social services to vulnerable groups affected by the crises in the immediate-to short- term. Beneficiaries of the project include women, men and children survivors and at risk of gender-based violence, people with mental health challenges, persons with disabilities and older persons, as well as migrants and refugees working as domestic workers in Beirut.

*“This opportunity provides a great prospect to the IRC to champion and resource leadership and action that comes from the communities in which we work,” said **Matias Meier, IRC Country Director**. “It would embody our vision of success which is: to partner first, and as equals, so that people impacted by crisis and the actors closest to them have the power and resources to respond and drive lasting change. We are aiming to work with around 20 civil society actors; we are very excited to engage with those national leaders in mutual capacity sharing.”*

The LFF is allowing the channeling of international support to help address the socio-economic recovery needs of the people of Lebanon. Generous pledges and contributions to date from the governments of Canada, Denmark, France, Germany, Italy, Norway and from the EU have totaled US\$73.79 million. More donors are invited to come forward in support of the 3RF priorities under the umbrella of the LFF.

About the Lebanon Financing Facility (LFF)

Established in December 2020 in the aftermath of the August 4 Port of Beirut explosion disaster and following the launch of the Reform, Recovery and Reconstruction Framework (3RF), the LFF is a 5-year multi-donor trust fund that will pool grant resources and strengthen the coherence and coordination of financing in support of the immediate socio-economic recovery of vulnerable people and businesses impacted by the explosion. To date, the LFF has received contributions and pledges from the governments of Canada, Denmark, France, Germany, Italy and Norway and from the EU. Subject to the commitment of all Lebanese stakeholders to critical reforms, the LFF will build the foundation for medium-term recovery and the sustainable reconstruction of the Port of Beirut and affected neighborhoods. The LFF prioritizes three focus areas of interventions: 1) Socioeconomic and business recovery; 2) Preparing for reform and reconstruction; and 3) Strengthening coordination, monitoring, accountability and oversight of the 3RF. The LFF will benefit from the World Bank’s high fiduciary standards, through the application of its fiduciary framework for financial management, procurement, and environmental and social safeguards. The LFF will also ensure that programs promote gender equality and community engagement that target women, youth and vulnerable populations.

ANNEX 5.

COMMUNIQUÉS BY THE INDEPENDENT OVERSIGHT BODY ISSUED IN 2022

Joint Communiqué Issued by the members of The Independent Oversight Board of the 3RF

Tuesday, April 26, 2022

First, the Independent Oversight Board (IOB) of the 3RF welcomes the three new members who joined in April; Ms. Carine Tohme representing ALDIC (The Lebanese Association of Taxpayers' Rights), Ms. Grace Eid representing NUSANED Foundation, and Mr. Fadel Fakih representing CLDH (Lebanese Center for Human Rights).

In light of the recent developments regarding the capital control law, a key entry point to ensuing reforms, the IOB would like to remind the parliament and the Council of Ministers that ensuring the rights of citizens against abuses by people or by the government is at the thrust of the domestic and international legislation and in particular the universal declaration of human rights that Lebanon contributed to its drafting.

The current capital control draft law in its current version will further destroy the Lebanese economy. It relieves banks from judiciary pressure, allows banks and authorities to remain unaccountable, and hinders the effects of lawsuits filed in Lebanon and abroad. Furthermore, the draft law violates the Constitution by disrupting the free economic system and the equality between citizens. It also places the depositors at the mercy of a committee that is not subject to any judicial authority. Economically, voting the law means obstructing foreign investments, impeding financial inclusion, paralyzing an economy already in its worst, in addition to stimulating money laundering and increasing the size of the illegal parallel economy; all of which foster placing Lebanon on black lists with international regulatory institutions.

Moreover, a stand-alone capital control law would disincentivize financial restructuring and fiscal and monetary reforms that can be delayed sine die. It should imperatively be accompanied by (1) the CoM approving a banking restructuring strategy, (2) Parliament enacting an appropriate emergency bank resolution law, (3) Parliament voting important amendments to the banking secrecy law, (4) auditing the Central Bank and the Electricite Du Liban, (5) unifying the foreign exchange rate and (6) passing a fair 2022 budget adapted to Lebanon's current situation, and (7) adopting an apt economic plan for the country. Finally, the Capital Control law should be accompanied by the determination of liabilities related to the financial and banking crisis, in order to restore accountability and put an end to the culture of impunity.





Beirut, August 4, 2022

Press release issued by the Independent Oversight Board of the 3RF (Reform, Recovery and Reconstruction Framework).

On the second commemoration of the Beirut port explosion: No reform, No recovery, only impunity is the master of the situation.

On the two-year commemoration of the Beirut port explosion, the Independent Oversight Board of the Reform, Recovery and Reconstruction Framework re-examined what has been achieved since the launch of the recovery plan, which pursues two tracks in parallel, a people-centered recovery track and a reform and reconstruction track.

This plan provided a voice for civil society at the level of the consultative group (CG) and at the oversight level by appointing members of the Independent Oversight Board from the civil society. The consultative group formed of multistakeholders including the government, civil society and the international community held till date 4 consultative meetings. The responsible stakeholders sought to secure the appropriate framework to implement the terms of the plan that was officially approved within the ministerial statement of the Mikati government. However, the last meeting that took place in this context on April 4th, 2022, at the Grand Serail showed that most of the reforms are still within the "in progress" status, meaning that none of the reforms, yet, has been achieved.

It is significant to point out that the reforms included within the recovery plan are structured around four strategic pillars:

- (1) improving governance and accountability;
- (2) jobs and opportunities;
- (3) social protection, inclusion, and culture;
- (4) improving services and infrastructure.



On the 4th of August's commemoration, the independent oversight board reminds that the state, with all its institutions, did not make the required efforts to respond to the requirements of the economic, social and financial crises that Lebanon is going through and the humanitarian crisis that erupted after the port explosion; regardless of the government hosting constant meetings at the Serail, or ministries and relevant institutions participating in the consultative working groups, yet what reflects the seriousness of the response is what has been achieved and accomplished within those two years, and what has really been achieved is almost negligible.

In a review of the progress made by the (former) United Nations Resident Coordinator for Humanitarian Affairs, Najat Rushdi, during the last consultative meeting of the stakeholders at the Grand Serail last April, it became clear that the reforms were at a halt.

Therefore, we would like to point out on the following:

At the investigation level into the Beirut blast crime

Impunity still prevails within the investigation of the crime of the port blast, as the judicial investigation was obstructed and the overall investigations were put on hold due to lawsuit dismissals, whereby some of which were returned (without any fines for violating the procedures). The issue of immunities stood up in the face of the judicial investigation, and the newly elected parliament tried in the parliamentary session of July 26th, 2022, to form the Supreme Council for the Trial of Presidents and Ministers by appointing deputies by acclamation, which does not conform to the principle of fair trial, with our reservation on all exceptional courts.



The independent oversight board considers that the state, with its executive and legislative institutions, committed constitutional violations by interfering in the work of judiciary and disrespecting its independence and the principle of separation of powers, which impeded the course of justice and placed barriers to the continuance of the investigation, thus delaying the course of justice in this crime, and enrooted the concept of impunity that began with the end of the civil war.

At the reforms level

At the required reforms level, the Public Procurement Law has been completed, yet it is clear that there has been an unjustified delay in the appointment of the Public Procurement Authority. Likewise, the Anti-Corruption Commission was appointed through a process that lacked transparency, but no budget was approved for it. As for the access to information law, most of the ministries directly involved in the Reform, Recovery and Reconstruction Framework still do not comply with the provisions of public disclosure according to Law No. 28/2017.

In addition, the electricity regulatory body that is a reform priority and the port's management authority have not yet been appointed.

To date, the national budget for the year 2022 has not been yet approved upon, despite the economic necessity. The law on the independence of the judiciary has not been approved upon. The National Commission for Human Rights is still without a budget and its work scope has been obstructed by the amendment of Law 62/2016, which linked the start of its work to the adoption of the decrees despite the oath.

This is in addition to the failure to pass the laws required to advance economic and financial reforms and the adoption of nominal laws, such as the banking secrecy law.



The newly elected parliament is required to abide by the implementation of the provisions of the recovery plan and should accelerate the discussion and adoption of the laws related to the reforms it stipulates, and to exercise its oversight role over the government's work and hold it accountable for the implementation of these commitments, as soon as this government is formed. The caretaker government must use its powers as deemed necessary, and the designated prime minister must expedite the formation of a government that performs its duties and implements its obligations.

At the aids level

Four financing initiatives have been launched by the Lebanon Trust Fund to Support the Recovery program, the Fund for Better Rebuilding Business Enterprises in Beirut, The Beirut Housing Reconstruction and Cultural and Creative Industries Recovery Project, and the Project to Support Social Recovery Needs for Vulnerable Groups in Beirut and the Agreement on the Environmental Rehabilitation Program for Salt and Waste Management in Beirut.

To date, the interactive platform has not been launched, which was supposed to be the cornerstone of the public communication with citizens, to inform them of all grants, aids, and work done, and to provide complaints mechanisms.

More efforts are required from those responsible of managing these grants to enhance public communication, listen to people and reach them in an inclusive manner to reach all affected people with transparency, as well as focusing on not providing any support that may be used to violate human rights, through establishing discriminatory and unfair mechanisms or that can harm official institutions and the transparency.

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For more information on the LFF, please visit:
www.lebanon3rf.org/lebanon-financing-facility

