



PROJECT DOCUMENT
[Lebanon]

Project Title: Strengthening the Long-Term Resilience of Subnational Authorities in countries affected by the Syrian Crisis
Project Number: 00116813
Implementing Partner: United Nations Development Programme (UNDP) and United Nations Human Settlements Programme (UN-Habitat)
Start Date: Jan. 14, 2019 **End Date:** Jan. 31, 2022 **PAC Meeting date:** Jan. 3, 2019

Brief Description

The impact of the Syrian crisis on Lebanon is reaching a scale unprecedented in the history of complex, displacement-driven emergencies. In April 2012, 32,800 Syrian refugees were registered or awaiting registration with UNHCR; by January 2018, this figure stands around under one million refugees. When taking into account the Palestinian refugees, this represents an increase equal to over 25% of the total Lebanese pre-crisis population, placing Lebanon first worldwide in terms of the number of refugees per capita.

The overall objective is to strengthen the long-term resilience of targeted subnational authorities and their host/refugee populations in countries affected by the Syrian crisis. The specific objectives of the action are:



1. Subnational authorities have enhanced capacities to engage in holistic, area-based planning and consider different scenarios that respond to the needs of host, refugee, and internally displaced persons (IDP) populations;
2. Service delivery is increasingly responsive, and generates greater social stability outcomes, based on the needs of host, refugee, and IDP populations.
3. Subnational authorities are empowered to facilitate local economic development and have better access to municipal investment that benefits the extension of safe public services and economic opportunities for host, refugee, and IDP populations.

Contributing Outcome (UNDAF/CPD, RPD or GPD):
Productive sectors strengthened to promote inclusive growth and local development, especially in most disadvantaged areas.

Indicative Output(s) with gender marker:
GEN2 - Gender equality as a significant objective

Total resources required:	USD 8,530,952	
	UNDP TRAC:	
	Donor:	\$ 8,530,952
	Government:	
	In-Kind:	
Allocation:	UNDP: \$ 8,530,952	

Agreed by (signatures):

Government	UNDP
Council of Development and Reconstruction (CDR) President Mr. Nabil El Jisr 	UNDP Resident Representative a.i. Ms. Celine Moyroud 
Date: 27 MAR 2019	Date: 01/03/2019

I. DEVELOPMENT CHALLENGE

After seven years of conflict, the situation in Syria is still very tense: conflict and instability are still prevalent, and there is no clear road map to peace. Since the Regional Refugee and Resilience Plan (3RP) for Syria was first launched in December 2014, the humanitarian and development situation has deteriorated and continues to be threatened both inside Syria and in neighbouring countries. Over the last year, the number of registered Syrian refugees in neighbouring countries has increased by more than 1 million and currently amounts to 5.3 million. In addition, displacement continues inside Syria, with some 6.1 million people internally displaced, including populations stranded near border areas in the north and south of the country¹.

Syrian refugees often face difficulty accessing employment and basic services which impacts their ability to attain food, housing, health and post-traumatic care, and other basic needs for themselves and their families. Many are increasingly exhausting their savings and falling further into poverty.

With a decrease in refugee populations residing in camps, host cities face the challenge of providing housing, public services, and jobs to both refugees and host communities. In this regard, host governments and sub-national authorities, including municipalities and local communities, continue to bear the burden of the political, economic, social, and security spill overs from the conflict. The large increase in population since the Syria crisis places public institutions under extreme pressure to deliver basic services to an increasingly high number of vulnerable people. In a context of shrinking national resources, this is testing the limits of infrastructure and public services that were already fragile prior to the crisis.

The impact of the Syrian crisis on Lebanon specifically is reaching a scale unprecedented in the history of complex, displacement-driven emergencies. In April 2012, 32,800 Syrian refugees were registered or awaiting registration with UNHCR; by January 2018, this figure stood at just under one million refugees. When taking into account the Palestine refugees, this represents an increase equal to over 25% of the total Lebanese pre-crisis population, placing Lebanon first worldwide in terms of the number of refugees per capita.

Seven years into the crisis, poverty levels are high, and the long-term resilience of the country's vulnerable communities is eroding as they run out of savings and struggle to attain income. At present, 1.5 million Lebanese and 76% of the Syrian refugees live below the poverty line.² In response to this protracted poverty which is leading to rising food insecurity, 96% of Syrian households are adopting negative coping mechanisms. As a result, households are sinking deeper into debt.

At the same time, the reality of the response on the ground in the most affected regions indicates that sub-national authorities are yet to play a consistently effective role in guiding the response and coordinating the diverse range of interventions implemented by a multitude of actors. This reality is a significant level of inefficiency and redundancy in the delivery of much needed aid and, in numerous cases, misguided targeting with regards to valuable interventions. It also represents a missed opportunity to affect a longer-term process for the development of sub-national systems of governance and the coherence between various roles and responsibilities of sub-national tiers of administration or government. Coordination between these entities and central ministries, in most

¹ 3RP Regional Refugee and Resilience Plan 2018-19

² Most of the refugee related data in this brief is extracted from the Vulnerability Assessment of Syrian Refugees in Lebanon (VASyR) 2017. This is an annual inter-agency assessment done with UNHCR, WFP, UNICEF that informs the LCRP sector strategies and targeting.

cases, continues to hold the bulk of the responsibility to deliver the most basic social and economic services and infrastructure.

The Urban Dimension of the Crisis

Syrian refugees are residing throughout Lebanon due to the absence of official camps: 87% of them live in 251 localities (and in certain municipalities, they outnumber local residents) and in these same localities reside 67% of the Lebanese underprivileged populations³. By mid-2017, it was estimated that 74% of refugees fall under the poverty line and 58% cannot meet minimum survival expenditures⁴.

While detailed data on urban refugee conditions is limited, available information suggests that vulnerability is concentrated in Lebanon's four largest cities - Beirut, Tripoli, Saida, and Tyr - including ...% of the Syrian refugees, ...% of the Palestinian Refugees, 66% of Palestinian refugees from Syria, and ...% of the Lebanese population living under 4 USD per day⁵. In addition, there are many factors affecting the host population's acceptance of refugees, including access to proper basic services with fewer hours of electricity, reduction of water provision and unmanaged solid waste and sewage, as well as competition over livelihoods opportunities⁶. Between 2014 and 2017, the percentage of Lebanese who did not report any inter-community tensions dropped from 40 to 2 percent. Competition for jobs, political and cultural differences, and pressure on resources and utilities are the top three sources of tensions. 94% of Lebanese respondents agree that the presence of Syrian refugees in Lebanon is placing too much strain on resources. Areas identified as most vulnerable in the 251-vulnerability map, which include all large cities of Lebanon and their suburbs, consistently suffer from less access to services, more insecurity, higher levels of tensions, and more exposure to violence than non-vulnerable areas.

Local Authorities and a more Resilient Response

Within this context, municipalities have a critical role to play in the country's response to the impact of the Syria crisis and there is a growing intention to engage more municipalities for services provision and social cohesion. However, this will require increased funding and empowered human resources at the municipal level, as well as enhanced collaboration and communication with central and subnational government entities. 70% of municipalities are too small to provide basic services (even before the crisis), 57% lack an administrative structure, and 40% have only a single employee (often working on a part-time or voluntary basis).⁷

The draft law on decentralization was driven by the increasing responsibilities placed on local governments and the lack of an effective central government. It focuses on reforming the Independent Municipal Fund system (IMF) and strengthening local governance to fairly distribute resources among different municipalities, and to improve the country's socio-economic development. The draft law, released in April 2014, aims to achieve equity across different regions by transforming Cazas (districts) into elected councils endowed with sufficient fiscal resources to provide more services and development projects. Additionally, it promotes fiscal autonomy such that the major sources of revenue are direct local taxes and fees. Finally, it aims to reduce

³ Source Inter Agency Most Vulnerable Localities Map March 2015

⁴ Initial findings of the Vulnerability Assessment of the Syrian Refugees in Lebanon (VASyR) for 2017

⁵ Source Un Habitat 2015

⁶ ARK Group for UNDP Lebanon, Regular Perception Surveys on Social Tensions Throughout Lebanon; Wave I narrative report, August 2017.

⁷ Lebanese Center for Policy Studies (2015), Local Governments and Public Goods: Assessing Decentralization in the Arab World; Lebanese Center for Policy Studies (March 2015).

socioeconomic imbalances by distributing intergovernmental transfers according to clear, transparent, and equitable criteria. District Councils would therefore be able to directly administer taxes on built real estate, a portion of the income tax, and a portion of real estate registration fees. It is worthy to note that this law will not impose any new taxes or fees on citizens, with the exception of a new tax on real estate profit.

In the absence of a centralised system, increased interaction between the national and local level will allow for enhanced responsiveness and support by central public institutions and ministries to the needs of municipalities. The response in Lebanon is testing approaches to increase effectiveness of municipalities through enhancing local-regional-national level coordination and improving capacities in a targeted manner. This work is seen as a potential source for informing a future decentralization reform and strengthening social stability in Lebanon; recent analysis has also demonstrated that resident trust in local authorities is a key component of social stability.⁸

Justification/Key Challenges

Despite increasing efforts from national and international actors to largely and actively engage municipalities in the response, municipal performance is hindered by the following key challenges:

Highly Centralized System: According to the Law 118/77, municipalities enjoy administrative and financial independence. However, in practice, they are bound by the highly confessional and political systems that restrict decision making at the central level.

Limited Financial Resources: Municipal finances rely mainly on funds channelled through the Independent Municipal Fund (IMF), controlled by the Ministry of Interior and Municipalities (MoIM), and fed from the taxes collected by key public service providers (e.g. electricity, communications, water, etc.). Amounts channelled to municipalities through the IMF are calculated based on a complex formula that considers the number of registered population and the percentage of fees collected annually by municipalities. However, in reality, the size of municipal annual budgets and their liquidity are subject to the availability of cash within the Ministry of Finance. Except for the funds channelled by the central government, municipalities seldom pursue any initiatives that may enhance local revenues. Moreover, municipalities did not receive increased national revenues to deal with the impact of the Syrian crisis within their localities.

Lack of Skilled Human Resources: Insufficient funds and the bureaucracy within the existing systems restrict the ability of municipalities to recruit the necessary technical and administrative personnel. This, in turn, hinders proper municipal planning and efficient service delivery as it negatively impacts the quality and cost effectiveness of proposed plans and interventions.

Bureaucratic Administrative Process: According to the Lebanese Administrative structure, municipalities fall within the jurisdiction of the MoIM for processing their daily business. Municipalities are required to obtain ex-ante approvals from the Qaemaqam (the governor) and the minister according to set expenditure thresholds. This extensive administrative process has been impeding municipalities to meet the needs of their communities in a timely manner and affecting overall municipal performance and operations.

Overlapping and Unclear Mandates: Over the years, the highly confessional and politicized system in the country has led to overlapping mandates and conflicting responsibilities between municipalities and line ministries, and amongst the ministries themselves. The competition over decision making and the confusion over the scope, scale, and level of work have led to improperly planned, cost ineffective, and unaligned service delivery systems at the local, subnational, and

⁸ Aktis Strategy (2016), Impact Evaluation Report, Lebanon Host Communities Support Project.

national levels. This was made evident during the response to the Syrian refugee crisis, whereby local and national authorities made contradictory statements in response to proposed solutions and roles clearly overlapped.

The proposed action will build on the already existing context (refer to section 1.4.2 on complementary actions), and in particular, the existing work of UNDP and UN Habitat with regards to Host Communities and Urban Populations. However, the overarching intent will be to go one step further than previous interventions and develop capacities, particularly at the sub national level, that will result in Unions of Municipalities and Municipalities that are better able to manage the impact of the crisis. The intention is to leverage the investments in a manner that enables systems strengthening and results in stronger, more capable, and accountable sub-national structures. This is, in essence, the transformative agenda of the “Resilience Approach” where funding targeting a specific crisis contributes to longer term change.

II. STRATEGY

The proposed “Municipal Resilience Programme in Response to the Syria Crisis” is a UNDP/UN-Habitat joint action intervening in countries affected by the impact of the Syria crisis (Lebanon and Iraq) over a period of 36 months with a set of tangible results achieved in the two countries in the first 18 months.

The main objective of the proposed action is to strengthen the long-term resilience of targeted subnational authorities and their host/refugee populations in countries affected by the Syrian Crisis.

The action seeks to optimize the impact of a range of interventions by multiple actors towards improving the resilience of host and refugee populations through complementing their efforts and accurately targeting priorities to fill the gaps in support – an area where a UN Partnership brings a strong added value. Such complementarity requires supporting institutionalization and operationalization of integrated multi-tier planning and implementation of cross-sectoral actions covering basic social services, as well as local economic development, including inducing employment opportunities, availing affordable housing, and improving the management of natural resources.

The proposed action is based on the objectives of the EUTF MADAD: *“To address longer-term resilience needs of Syrian refugees in neighbouring countries, as well as supporting host communities and their administrations.”* As such, it is aligned to the framework of the Regional Refugee and Resilience Plan (3RP, 2018-2019) and the related national response plans. It responds to the “3RP Resilience/Stabilization component,” specifically within its Livelihoods/Social Cohesion sector.

The proposed action addresses the resilience and stabilization needs of impacted and vulnerable communities in all sectors through a balanced approach between supporting longer term efforts for better systems and capacities for local development and facilitating shorter and more immediate results that would help host communities and refugees improve their state of living with tangible benefits. Such an emphasis on capacities and concrete results envisages strengthening the ability of local governments to play a central role in crisis response, alongside the provision of strategic, technical, and policy support to advance national responses. It also targets generating more immediate and medium-term results through activities that support basic services, livelihoods, and income generation in targeted communities.

By complementing and integrating into ongoing EUTF MADAD-funded actions, UNDP and UN-Habitat aim at strengthening and scaling-up their resilience response to the crisis through multi-country, multi-partner, and multi-year action for greater effectiveness, accountability, and consistency in delivery through their country offices.

The Proposed Action's Theory of Change assumes that enhanced coordination and consolidation of the diverse set of interventions by a multitude of public sector entities (central and local), development partners, private sector, and civil society actors would optimize their cumulative impact and enhance the efficiency of resource utilization. It also assumes that the systemic empowerment of sub-national authorities to play a meaningful role in guiding and consolidating/coordinating these actions would improve the direction of the response to address the specific needs and priorities of affected localities, host communities, and refugees.

The theory of change that underlies the proposed action rests on a number of interconnected assumptions, principles, and lessons learned from the global approach and experiences of the partner agencies (UNDP and UN Habitat) in similar contexts and in their ongoing work in Syrian crisis affected countries, as detailed below.

- 1) With adequate support, local authorities can better plan, lead, and coordinate state, societal, and development partner efforts to achieve progress where people need it most (services, social cohesion and security, economy, livelihoods). Local governments do not have an exclusive mandate over all the above and need to work with other formal and informal actors that also play an important (and sometimes even more preponderant) role in these areas, such as the local executive (de-concentrated) bodies of line ministries for planning and delivering public services. They must be supported to work with clan structures and civil society on reducing conflicts and preventing violence, and with the private sector in stimulating the growth of local economies to generate employment opportunities. Above all, the role of local governments as conveners of local problem-solving, including refugee-related issues and recovery-planning coalitions, can have a direct effect on social peace and help strengthen the social contract. A related assumption is that local stakeholders inherently have the inclination and abilities required for collaboration and for developing collective responses but often need safer and more inclusive spaces for exercising these abilities.
- 2) Early economic revitalization through job creation and restoration of basic services or natural asset protection are key to effectively stabilize communities and keep peace immediately, thus facilitating early recovery and a steady return to sustainable development, including areas with potential, on-going, or recurring violence. Short-term work created through emergency employment and MSME (Micro, Small and Medium Enterprise) recovery projects can provide rapid improvements to community infrastructure and services, enabling access to markets and social services. Emergency employment, particularly when coupled with MSME recovery support, can also help crisis-affected people to develop or regain sustainable livelihoods assets and contribute to the revival of the local economy until the private sector can grow to absorb the labour supply with stable market-clearing wages.
- 3) Community infrastructure rehabilitation projects, if approached comprehensively, can support affected citizens to come together and rebuild their communities, strengthen partnerships with local authorities, reflect their own priorities in broader recovery and development planning, and acquire new knowledge and skills that empower them to expand their opportunities and choices. Community infrastructure rehabilitation is an important entry point for mobilizing communities around initiatives that help restore access to markets and essential services.

The project will be implemented under three outcomes:

Outcome 1: *Subnational authorities have enhanced capacities to engage in holistic, area-based planning and consider different scenarios that respond to the needs of host, refugee, and IDP populations.*

Output 1-1: *Efficient and timely municipal work processes to address impact of crisis are strengthened through an enhanced administrative interface.*

According to “Act 118/77,” municipalities have to obtain approvals from the MoIM for all their administrative and financial affairs. This lengthy and bureaucratic process involves district and governorate levels until it reaches the Directorate General for Municipalities (DGM) based in Beirut and officially known as the “General Directorate of Administrations and Local Councils.” The delays in processing approvals are mainly linked to the lack of capacities, weak coordination, and conflicting priorities between local and national levels.

The Project will thoroughly assess the bottlenecks hindering effective municipal performance and will recommend and implement relevant capacity development activities that will strengthen the local-subnational-national interface. The focus with regards to this output of the intervention will be on the administrative aspect, the flow of information, and cooperation between different levels of Government that are local, deconcentrated, and national. This will involve municipal staff, employees at the level of the Governors’ offices, and the DGM. Before proceeding with Capacity Development (CD) activities and actions to enhance the interface between MoIM and municipalities, a Capacity Assessment will be conducted to analyse aforementioned gaps and challenges and recommend viable actions.

To ensure better outputs and long-term outcomes, it was agreed with MoIM that the Project team unit will be established and housed in the premises of DGM for the whole duration of the Project. The day-to-day interaction with DGM employees will help the Project team better understand processes, routines, and challenges, and allow them to advise and recommend actions that will facilitate and accelerate work processes between municipalities and DGM.

In addition to skills and capacities, the Project team will examine applied workflows, admin routines, and approval processes, to recommend relevant, effective, and advanced computerized solutions at local and national levels.

Activity 1-1-1: Conduct Capacity/Functional Assessment (UNDP)

A multi-purpose, multi-level assessment will be implemented to thoroughly assess the overall capacity of the DGM, concerned governors’ offices, and unions of municipalities. It will involve an overview of the current communication protocols/practices between the unions of municipalities and different levels of government. This will include a review of the mandates and bi-laws of the different administrative levels to identify gaps and overlaps, as well as potential synergies and complementarities. This assessment will look at both human and physical capacity, the working environment, and the availability of the necessary resources in order to perform the required task. Analysis of applied workflows, routines, and processes will also take place to advise on improved local-regional-national coordination, capacity development needs on administrative levels, and the use of advanced technology solutions. The assessment will be a functional task review with regards to the administrative functions of Government at different levels.

Activity 1-1-2: Design and Implement a Capacity Development Strategy (UNDP)

Based on the initial assessment, priorities will be identified where capacity development is required. The expectation is that topics such as communication, mandate, responsibilities etc. will be prioritized; but, as mentioned already, an initial assessment will be the precursor to any selected topic. Once the topics have been identified and agreed upon, capacity development packages will be developed and rolled out. Highly competent expertise will be sought, with regards the development and roll out of the packages, that will link local knowledge with strong technical expertise. It is important to note that these packages will employ a number of mechanisms, including formal training, mentoring, and setting of targets, all of which will be geared towards delivering a sustainable change. Given that the assessment will include analysis of the working environment and resources available, some of the proposed actions required will, in all likelihood, include investment in equipment and materials such as IT equipment and specific software. This will be of particular importance if, as is expected, a shared platform between municipalities and the DGM is highlighted as part of the assessment to facilitate and speed up the exchange of information and work processes.

Output 1-2 Greater understanding and awareness by all local actors of their role in managing the impact of the crisis

The arrival of Syrian refugees generated tensions in host communities. The tensions are linked to overall livelihoods and development challenges (e.g. pressures on housing, jobs, and local infrastructures, and concrete security incidents and human rights violations, but also to perceptions. Intergroup conflicts are still relatively minor issues and mostly manifest in low level incidents. Instances of violent confrontation are sporadic and localized, usually linked to crimes and offences for which Syrians are blamed by Lebanese residents⁹.

While the presence of Syrian refugees has increasingly become less perceived as a direct security threat to host communities, the protracted nature of the crisis is expected to aggravate negative perceptions.¹⁰ Most recent perception surveys point to increasing feelings of tension between refugees and host communities.¹¹ Such increases are related to the fact that the Lebanese people tend to initially perceive the Syrian refugee presence as temporary.¹² With the Syrian crisis entering its seventh year, the presence of Syrian refugees has begun to aggravate tensions over competition for jobs and livelihoods.¹³ The political calendar also impacts tensions at local level. A great source of concern in recent surveys is the increased number of respondents seeking to defend their interests and a decrease of those promoting dialogue in most communities. These figures indicate growing tensions and decreased social stability within the communities, and the increased likelihood that this will lead to negative action. This situation could create conditions for people to use more violent or isolating means to “take matters into their own hands,” particularly when taking

⁹ *The Syrian Crisis and its Impact on Lebanon, A Conflict Analysis*, Norwegian Church Aid (2015), p. 5

¹⁰ “Looking at non-services, it appears that security is becoming less of a concern, while employment remains an issue that people consistently, and increasingly, raise in their stories” – *Impact Evaluation Report, Lebanon Host Communities Project*, AKTIS/UNDP (2016), p. 13

¹¹ *Impact Evaluation Report, Lebanon Host Communities Project*, AKTIS/UNDP (2016), p. 67. This is the case of the North and the Bekaa that were the focus of the study; but can be said from other regions, such as Mount-Lebanon.

¹² *Citizens' perceptions of security threats stemming from the Syrian refugee presence in Lebanon*, International Alert (2015), p. 4

¹³ *Impact Evaluation Report, Lebanon Host Communities Project*, AKTIS/UNDP (2016), p. 59

into consideration the high number of respondents who feel powerless to affect change in their communities, and who see themselves as increasingly competing with the refugee population¹⁴.

This output will specifically target the local political leadership and community leaders from various sectors, age groups, and women, and provide them with tools and knowledge as to how to better manage the impact of the crisis and promote state-society relations. This output will work in close coordination with another separate intervention on Community Security that is implemented in partnership between UNDP and UNHCR.

Activity 1-2-1 Develop Mechanisms for Social Stability (UNDP)

These mechanisms will be developed with the view of targeting elected officials and community leaders representing different sectors with the intent of beginning to incorporate a conflict prevention lens within any planning process taking place. They will build upon on the extensive learning and knowledge coming from the existing work that UNDP has been rolling out in support of host communities in partnership with the Ministry of Social Affairs (MoSA) and its Social Development Centers (SDCs). These mechanisms will take on different roles in different locations, given that they are very adaptive to the local context with the common objective of reducing tensions and invigorating the role of the municipalities in mitigating conflicts and managing the crisis.

In practice, this will be achieved by establishing *Mediation Units* (which will be closely linked to the Regional Technical Offices - RTO) at the level of each union. The RTO may act as the secretariat for the units, which will include representatives of the union, staff from the SDCs in the specific region, as well as the main NGOs working in the area and any other key actors. The units will be trained on conflict analysis techniques reflecting on peace practices, conflict prevention and communication skills, etc. MoSA staff previously trained by UNDP and who happen to be from the same targeted union's boundaries will co-facilitate the training sessions.

These units will then reach out to municipalities and other key actors within each union's boundaries through a series of meetings and focus groups, to develop regional conflict briefs for the respective areas. Such analysis will be an important local level resource and will contribute to the local level planning processes and decision makers. Also, the individuals who have been involved in the development of these documents will be important local level resources who can act as focal points and inform local decision makers.

Secondly, these units will be enabled to support local officials in combatting the problems they face in managing the day-to-day impact of the crisis. The material and background for such advice will draw from existing data that has been developed through projects such as the Community Security.

The overall intent here is twofold:

1. To provide an overview of the context in the geographic region from a conflict perspective that feeds into all planning processes at the local level.
2. To advise local leaders on how they can mitigate the impact of the crisis

¹⁴ *Ibid.*, p. 76

Activity 1-2-2: Facilitate the involvement of the Subnational Government structures in the Syrian Crisis Response coordination mechanism. (UNDP)

There are a multitude of coordination mechanisms that meet at the local level and although MoSA participates in and even chairs many of these groups, the involvement of Local Government structures remains limited. Response actors tend to coordinate and communicate with Sub National Government structures on a bi-lateral basis. This element of the intervention will break down this barrier and ensure the involvement of the local level in the relevant response coordination structures jointly managed by the Government of Lebanon and the UN. At the very least, the Social Stability, Livelihoods and WASH working groups will be targeted. To date, this has not really happened for two reasons

1. Language: the meetings are held in English which, by default, excludes many local participants
2. Communication with regards to the Lebanon Crisis Response Plan (LCRP) by Municipalities tends to take place directly between implementing partners and the mayors of specific locations. While in many cases this will still be required, there is a place for clusters and unions to be represented at local level coordination meetings of the Governor's offices, and in the coordination meetings will also be developed and strengthened this way.

Output 1-3: Strengthened Municipal Capacity on Raising Revenues and Financial management

Municipal finance in Lebanon depends mainly on funds channelled by the national government, yet on ad hoc basis, through the Independent Municipal Fund (IMF). Municipalities are required to prepare their annual budget, using a fixed template, and submit it to MoIM in October of every year. The requested annual budget is submitted together with the cashflow balance of the current fiscal year, showing expenditures, balances, overspending, and deficits.

Municipalities/union with large annual budgets follow more complicated and lengthy financial regulations and procedures than those with smaller budgets. All their payments are subject to a pre-audit arrangement conducted frequently by a "Financial Controller" assigned by the MoIM.

Municipal annual budgets are seldom developed in a "professional" manner. Mayors and their treasurers consider the received amounts of the current year as an indication for the budget of the coming year. Accordingly, they allocate funds as per budget categories/lines which include personnel, works & services and maintenance, equipment, and running costs. This routine exercise does not consider the annual value of taxes collected and/or the value of existing/ purchased assets, or the other funds provided indirectly by Aid agencies.

This output will create/promote applicable sound local public finance management tools that shall increase local revenues through widening the municipal tax base and related capacity development to allow eligible municipalities to receive and manage increased funding and pave the way to improved financial planning at the local level.

Activity 1-3-1: Assessing Municipal Financial Management (UN-Habitat)

A thorough assessment will be implemented addressing the municipal budgeting process, local level taxation, financial planning & management, asset management and management of revenues and expenses and resource mobilization. The Assessment will provide the background for and

inform the design of a Capacity Development strategy on Municipal Financial Management. The starting point for this activity will be the final report and material produced as part of the Technical Assistance to the Lebanese Ministry of Interior and Municipalities for the implementation of the programme: Support to Municipal Finance Reform.

Activity 1-3-2: Enhancing Local Revenues (UN-Habitat)

The strategy will be based on the findings of the assessment, but it is highly likely that it will include learning modules related to budgeting, revenue collection, transparency and gender sensitive budgeting. A good budget based on a strong consultation process is a key means of empowering subnational structures. The capacity development package will employ a number of mechanisms, including formal training, mentoring and setting of targets, that will all be geared towards delivering upon a sustainable change. It is important to note that this activity will be coordinated closely with MoIM with a view that the learning packages developed are employed in other locations and updated over time. This will add to the sustainability and ownership of the intervention.

Outcome 2: Service delivery is increasingly responsive and generates greater social stability outcomes based on the needs of host, refugee, and IDP populations.

This outcome will combine a capacity development approach and couple it with the implementation of actual projects. By combining the two, the intention is for the intervention to bring about the Systems Strengthening that is the core fundamental change being targeted. In short, municipal and union staff will employ skills that have been developed in the process of implementing projects as part of the intervention.

Output 2-1: Strengthened local capacity to develop, design, coordinate and implement strategic projects that will alleviate the impact of the crisis

The Project will implement and promote a strategic service-delivery approach rather than small basic services projects scattered within the targeted unions of municipalities. Promotion of large-scale investments will mobilize other national, local and/or Aid funds to; i) address priority basic services issues and propose long-term sustainable solutions coordinated and aligned with national and subnational government plans and strategies and ii) facilitate and complement the interventions planned to be implemented under the local economic development component. For example, if a LED project aims to rehabilitate the local public markets aiming to enhance access, functionality, safety, and the overall appearance, which will attract more clients, improve turnovers, and create jobs, then the budget allocated for basic services will serve to achieve the LED project in terms of infrastructure.

In order to achieve the above the capacity of the sub national human resource will be strengthened to allow for improved service delivery. This will include a focus on strengthening the ability of subnational government to manage their resources and plan their investments strategically. As a first step a substantive capacity development programme will be implemented the first step of which will be a Capacity Assessment exercise as outlined below. The Regional Technical Offices (RTOs) that have historically been established in the unions will play a key role on the implementation of this outcome as well as the project as a whole and this is expanded upon further below.

Activity 2-1-1: Conduct Capacity Assessment (UN-Habitat)

A thorough assessment will be made that will examine the capacity from a technical perspective of Sub National Government to deliver upon their mandate. This will look specifically at capacity which is required in order for services to be delivered and will look at issues such as procurement, municipal finance, participatory planning. This assessment will also examine the mandates and responsibilities with regards different government institutions in respect to municipal services. For example, in regards to Water supply and Waste Water it will examine the division of the responsibilities between the municipality, Water Establishments and the Ministry of Energy and Water (MoEW). In this specific case there will be close collaboration with the other MADAD partners working in this sphere in particular UNICEF. Based upon the results of this assessment exercise a complete Capacity Development package will be developed as outlined below.

This activity will be coordinated closely with MoIM, with a view that the learning packages developed are employed in other locations and updated over time. This will add to the sustainability and ownership of the intervention. Finally, with regards this activity there will be close coordination with VNGI, SKL and other actors working in the Sub national sphere and ideally the learning packages would be developed jointly. This activity will be implemented in very close coordination between UNDP and UN Habitat drawing closely on their respective expertise.

Activity 2-1-2: Develop and implement Capacity Development Strategy (UN-Habitat)

Based on an initial assessment priority sectors where capacity development is required will be identified. The expectation is that topics such as those highlighted above will be identified but the initial assessment will be the precursor to any topic being selected. Once the topics have been identified and agreed upon capacity development packages will be developed then rolled out at the local level. Highly competent expertise will be sought, with regards the development and roll out of the packages, that will link local knowledge with strong technical expertise. It is important to note that these packages will employ a number of mechanisms, including formal training, mentoring and setting of targets that will all be geared towards delivering upon a sustainable change. Furthermore, large parts of this exercise will feed into the identification, implementation and longer-term management of interventions under the next output. Finally, this activity will be implemented in a similar manner to 1-1-2 and there will be close coordination with VNGI, SKL and other actors working in the Sub national sphere. Note if as expected local Economic Development is identified as one of the areas where capacity development will be provided it will be included in the overall Capacity Development strategy. There will however be close linkages with the activities implemented under Outcome Three.

Activity 2-1-3: Support the establishment and/or strengthening of RTOs (UN-Habitat)

In locations where, Regional Technical Offices exist they will be strengthened and where they do not already exist, they will be established. Going forward these offices will be the main conduit and interlocutor for communication between the target group at the local level and as such will need to have the necessary Human and Physical resources, this activity will include the provision of equipment where necessary, to deliver upon this responsibility. Furthermore, these offices provide one of the main means of sustainability of the intervention with the intention being that in due course they will become localized structures funded from the local level budget.

The Regional Technical Office (RTO) is a unit performing under the mandate of the union of municipalities, established by UN-Habitat and gradually handed over to the concerned union. It comprises young and motivated local professionals who provide concerned municipalities and union with technical support enabling them better plan, coordinate implement priority

interventions. RTOs help in maintaining and sustaining achieved outputs through establishing strong connections with subnational service providers. They also play an important role in coordinating various interventions implemented by different int'l and national organizations within the boundaries of the union.

Within this Action, and throughout the implementation process, RTOs are expected to play the following major roles:

- RTOs staff will be capacitated to enhance the communication/interface with the Directorate General of Municipalities at the MoIM level. This will speed up approval processes of paper work related to service delivery actions;
- RTOs will be strengthened to establish solid collaboration with subnational service delivery institutions, ensuring alignment and complementarity of proposed actions with existing regional plans and projects;
- RTOs will be trained to initiate & lead coordination mechanisms within the union, involving all concerned stakeholders. This will ensure synergies amongst different actors and will avoid overlapping of similar interventions;
- RTOs will also be involved in mobilizing local communities, civil society, and the private sector, to be actively engaged in project identification and maintenance;
- RTOs will provide technical input during the identification, preparation, implementation, and monitoring of social and basic service, and LED projects and activities; More details are mentioned in further sections;

Based on previous experience, the handing over process of RTOs to concerned unions will be discussed and dealt with separately on individual basis. According to the Municipal Act 118/77, article 122, unions will be requested to initiate a fixed-term recruitment modality ensuring the continuation of RTOs operations beyond this Action. Currently, Un-Habitat has initiated this process in the Union of Municipalities of Tyre.

Output 2-2: Identification and implementation of priority interventions

Activity 2-2-1: Identify, validate, and assess priority strategic interventions (UNDP & UN-Habitat)

The Project team, together with the RTOs, will review existing basic services priorities at the local level derived from the different assessments, reports, and studies conducted by many partners as part of the Syria Crisis Response. The team will select strategic interventions which will complement other national/regional plans or facilitate the implementation of LED projects. Strategic interventions are defined as actions that meet the following criteria:

- Are sustainable
- Create synergies
- Are the result of a participatory planning processes
- Are supported by all relevant stakeholders
- Are likely to mobilize/leverage further investments and inputs

Once interventions are identified, a series of consultations will take place involving concerned municipalities, potential partners, targeted communities, and public service providers. This will ensure a multi-level validation, future local ownership, leveraging of additional resources, and sustainability, and will avoid duplication and inconsistency with national plans.

Once validated, an expert company will be hired to conduct, in coordination with the RTOs, a full design for the intended intervention.

Under this action, eight large size priority interventions will be implemented in an aim to improve the living conditions of vulnerable population groups (host/refugees). The actual investments themselves will focus on municipal and basic services. These could be within the mandate of municipalities and do not require consultation with another line ministries, such as:

- Public spaces (whether they should be indoors, or in the form of parks and recreational facilities)
- Secondary roads (although highly unlikely that the project would make this kind of investment)
- Collection of solid waste

Regarding basic services related to the authority or line Ministries, they need to be engaged and they must agree before any investment can be made, in fields such as:

- Potable water, sewage, and storm water: Ministry of Environment and Water Establishment (MoEW)
- Social/Health services: SDCs under MoSA and the Ministry of Public Health (MoPH)
- Schools (physical infrastructure): Ministry of Education and Higher Education (MEHE)
- Disposal of solid waste: Ministry of Environment (MoE).
-

The priority for these investments and for all interventions identified as part of this activity will be directly linked to the priorities of the local people and thus may vary from location to location. That being said, the types of projects outlined above are likely to cover the vast majority of proposed interventions.

While the identification and design of the investments will start in Q4 of year 1, procurement and implementation will be carried on through years 2 and 3 (Q3).

Activity 2-2-2: Design and implement priority strategic investments (UNDP & UN-Habitat)

Based on the developed technical dossier and feasibility study completed through activity 2-1-1, a procurement process will be initiated to contract the appropriate company for the implementation of the project. This will be done in accordance with UNDP procurement rules and regulations. Selected contracting companies will commence with work after having signed their contracts with UNDP. The specific activities that will be implemented, in the majority cases, will be works related to implementation of infrastructure in line with the sectors identified in the previous section. There will also be a certain amount of other goods procured, depending on the type of project identified and the need.

RTOs will be fully engaged in monitoring and supervision once works commence. The Engineer of the Project team and the UN Habitat and UNDP area coordinators will coach the RTOs staff and ensure timely reporting procedures are in place.

Activity 2-2-3: Develop Operations and Maintenance Plans (UN-Habitat)

Operations & Maintenance plans will be developed by the RTOs and the Project Engineer and will be discussed with relevant line ministries and regional service delivery public institutions to ensure that O&M costs are secured after the implementation of the projects. Unions of municipalities will have to take “official” decisions indicating the amount to be allocated annually on O&M and how

this will be secured. Despite the fact this appears at the end of the process in reality this is an activity that will occur in parallel with the development of project ideas. This reflects the importance that is given to the long-term sustainability of any intervention implemented and thus the need to examine from the outset exactly how operation and maintenance will be addressed.

Outcome 3: Subnational authorities are empowered to facilitate local economic development and have better access to municipal investment that benefits the extension of safe public services and economic opportunities for host, refugee, and IDP populations.

The intent here is to develop an enabling environment at the local level that can facilitate economic development resulting in a snowball effect. In order to do so, the following needs to be in place:

One, there must be a greater understanding about what the term “Enabling Environment” really means amongst all stakeholders, particularly at the political level. The political level is so important because this is where the decision-making power lies, specifically in regards the allocation of public funds. Two, capacity must exist to capitalize and bring different groups together around existing natural, physical, and financial resources, available assets, and local skills and competences, as well as experiences and lessons learned. Three, criteria on what really represents the economic multiplier effect must be established and agreed upon with local stakeholders. See section activity 3-2-1.

Output 3-1: An Enabling Economic Environment is created with active engagement of Local Authorities, the private sector, and LED associations

Under the component of enhancing the local economy, this action will capitalize on existing natural, physical, and financial resources, available assets, and local skills and competences as well as experiences and lessons learned. Once the projects are identified, they will be linked to the sectors of agriculture, agro-industry, tourism, light industries, handicrafts businesses, fishing, etc., and could be developed and promoted within the targeted areas.

Activity 3-1-1: Identification of Potential LED Partner Entities (UNDP)

The Project will conduct a mapping exercise within each union, focusing on the hub of economic activity, to identify the relevant opportunities (e.g. Chamber of Commerce, associations of traders, large companies, Local Economic Development Agencies (LEDAs), SMEs etc.), and assess the type, size, and scope of key existing businesses. Data will be analysed and shared with the unions to agree on a clear strategy and action plan, and actively engage LED partners in the identification process of the planned intervention.

Activity 3-1-2: Private sector and LED entities participate in the identification of priority interventions (UNDP)

A consultative process will be initiated in each union involving all concerned LED actors including the unions. The outcomes of this activity will be an agreement on the priority LED intervention to be implemented under this project, commitment and contribution of concerned parties, cash or in-kind, role of unions, and ownership and sustainability.

Activity 3-1-3: Promote Public-Private Partnerships (PPPs) (UNDP)

The Project team will assess the newly ratified PPP law and will translate its articles into practical and simplified procedures that could be communicated to mayors, counsellors, RTOs, and concerned municipal staff. Orientation sessions, meetings, and workshops will be held to introduce PPP from conceptual, legal, and technical perspectives.

Potential private-sector contributors within each of the three targeted unions will be assessed and mapped, and classified according to their business sectors, location, size, etc. The Project team will conduct meetings with key potential private businesses that could partner with the unions for the implementation of local economic activities. Later on, mayors will be brought together with representatives of the private sector to agree on a clear and transparent collaboration framework, which will be tested during the implementation of this outcome.

Output 3-2: Capacity at local level to identify develop, design, and implement interventions with an economic multiplier impact improved

Activity 3-2-1: Design, develop, and implement priority LED interventions (UNDP & UN-Habitat)

Once interventions have been identified based on the consultations that have occurred under output 3.1, this component is largely an engineering and contract management function. In certain cases, it may involve procurement but is largely foreseen as investments in key infrastructure that will lead to economic multiplier impacts, e.g. markets, business development districts, better provision of key services such as electricity (lack of power has been inhibiting the ability of local businesses to function), etc. Priority LED interventions are defined as meeting the following criteria:

- Have an economic multiplier impact
- Leverage further investments
- Are sustainable
- Exhibit a clear ownership structure/mechanism

Based on the type of work to be implemented, technical dossiers will be prepared to procure services of relevant contractors, firms, NGOs, consultants, etc. who will be responsible for delivering the task. All procurement processes will be directly managed by the Project team and will be implemented according to UNDP rules and regulations. RTOs and other LED entities will take part in monitoring and supervising the implementation of works.

The formal ownership of these investments will rest with a specific entity that has the mandate and will obviously vary from location to location depending on the investment. The likelihood is that where there is physical infrastructure developed, this ownership will rest with the municipality in that location. However, there could be other entities who assume ownership; these include but are not limited to the Local Economic Development Agencies, the Chambers of Commerce, and the Special Economic Zone in Tripoli. More importantly, if the investments really do serve the purpose and create the desired dynamic, then it is the very same businesses that are benefiting who will ensure maintenance and long-term sustainability.

Under this action, one large scale LED project will be developed and implemented in each of the targeted union of municipalities. While the identification of such interventions will not start before Q3 of year one, the design, procurement, and implementation will commence within or after Q2 of year two, pending mobilization and engagement of the private sector.

Activity 3-2-2: Develop management/maintenance plans (UNDP)

Any major intervention implemented will be coupled with a management and maintenance plan that will ensure the sustainability of the project. This will involve local entities that have ownership of the implemented project. The Project team will develop agreements to be signed with concerned parties for the management and maintenance of achieved works or facilities. Despite the fact this

appears to be at the end of the process, in reality it is an activity that will occur in parallel with the development of project ideas. This reflects the importance that is given to the long-term sustainability of any intervention implemented and thus the need to examine from the outset exactly how operation and maintenance will be addressed.

III. RESULTS AND PARTNERSHIPS

Expected Results

The project is expected to achieve the below results:

Result 1: Subnational authorities have enhanced capacities to engage in holistic, area-based planning and consider different scenarios that respond to the needs of host, refugee, and IDP populations.

Result 2: Service delivery is increasingly responsive, and generates greater social stability outcomes, based on the needs of host, refugee, and IDP populations.

Result 3: Subnational authorities are empowered to facilitate local economic development and have better access to municipal investment that benefits the extension of safe public services and economic opportunities for host, refugee, and IDP populations.

Partnerships

The proposed project will be coordinated with the following government counterparts:

1. MoIM: Being the ministry mandated to oversee the municipal sector, the Ministry of Interior and Municipalities will be considered the main direct partner during the implementation of all project activities. The Project team is expected to be housed at the premises of the Directorate General of Municipalities located in Beirut. The daily interaction with the DG staff will help ensure the sustainability of Project's outputs.
2. MoSA: The proposed action is designed around the impact of the Syrian refugee crisis on the host communities and their administrations, and as such it is aligned to the framework of the Lebanon Crisis Response Plan (LCRP). The Project will closely coordinate with the Ministry of Social affairs, being the ministry mandated by the Government of Lebanon to lead the response to the Syrian Crisis.
3. MoEW and Water Establishment: Many of the basic services provided by municipalities are linked with the mandate of the Ministry of Energy and Water and the Water Establishments. Coordination and synergies with municipalities are crucial.
4. MoE and OMSAR: While the Ministry of Environment is mandated to promote proper solid waste management practices, the Office of the Minister of State for Admin Reform has been engaged for many years in supporting municipalities financially to overcome solid waste problems at the local level. Municipalities should consult with the MoE and coordinate with the two ministries when it comes to solid waste management.

5. MoPW: In the absence of streets and roads classification, the Ministry of Public Works and Transport is in charge of the construction and rehabilitation of "main roads," leaving municipalities in charge of secondary and tertiary roads.
6. CDR: The Council for Development and Reconstruction is the official body responsible for the planning and implementation of large infrastructure projects across Lebanon. As such, coordination with municipalities is necessary to align local priorities with the national plans.
7. Governors and Qaemaqam Offices: Responsible to facilitate and endorse admin and financial processes initiated by municipalities.
8. In addition to the above-mentioned counter parts, occasionally and when needed, the project will coordinate with other line ministries at the national or subnational levels (MEHE, MoPH, MoAg, etc.).

Risks and Assumptions

The key assumptions are as follows:

- The Government maintains current policy of refugees respecting non-refoulement
- Events such as the conflict in Arsal or suicide attacks do not lead to major inter-communal violence

Refer to the full risk log, which should be attached as an annex.

Stakeholder Engagement

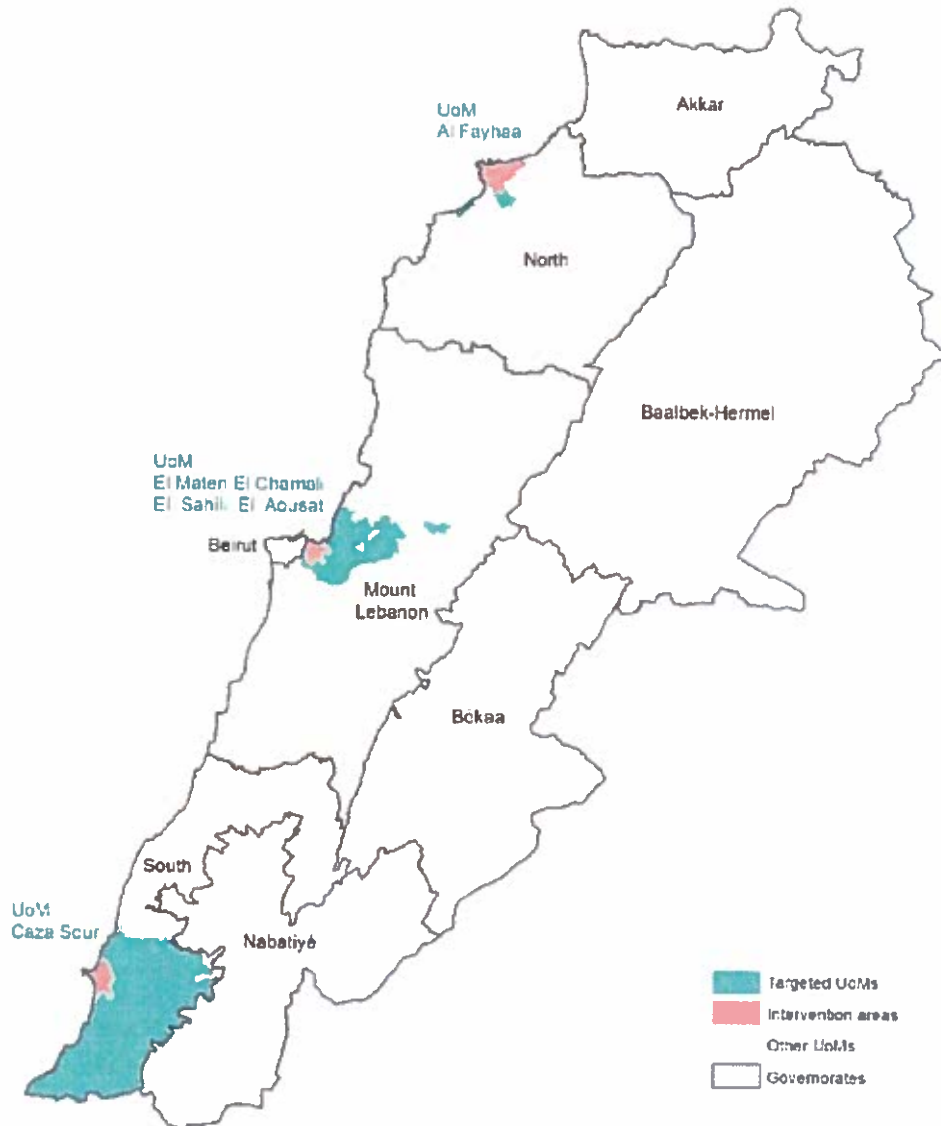
The UoMs will be the starting point for the interaction. However, given the intent of strengthened and improved systems, there will be a strong focus of uniting municipalities around service delivery and local economic development initiatives. In many cases, the main factor linking members of a Union is a confessional one and the intent here is to bring municipalities together around technical rather than confessional issues where there are clear efficient and economic benefits to support joint action. The Proposed Project targets three unions of municipalities: Al Fayhaa, Metn Chemali, and Tyre Caza.

In the context of a formal no-camp policy since the outset of the Syrian refugee crisis in 2011, refugees have largely resided in cities alongside impoverished host communities, exacerbating existing urban stresses for all. This geographical distribution has put a premium on understanding the urban dimension in the response. In the current proposal, each municipality falls within the dense core of the *top three largest cities* as defined by their continuously built-up areas (CBAs), an urban delimitation originally defined by UN-Habitat (UN-Habitat, 2016, 2017), and based on land-use morphology rather than on administration.

- Bourj Hammoud falls within the expansive 111 km² CBA of the capital city of Beirut which spans over 30 municipalities
- Tripoli municipality is at the center of a 25 km² CBA that contains part of four municipalities

- Tyre municipality is at the center of a 17 km² CBA that contains all or part of 63 municipalities.

Each municipality holds significant concentrations of refugees as well as poor Lebanese and constitutes compelling case studies for applying interventions to the benefit of all cohorts in a given location. Such cross-community improvement approaches are associated with reductions in sectarian tensions and improvements in social stability.



Geographic impact zone for capacity-building

The proposed *capacity-development* measures are readily scalable to the level of the Union of Municipalities (Figure 1) of which each selected municipality is part.

- Bourj Hammoud municipality is a key member of the 32 strong Union of Municipalities of Metn Ech Chemali.
- Tripoli municipality is the lead of the four strong Union of Municipalities of Al Fayhaa.
- Tyre municipality is the lead of the 63 strong Union of Municipalities of Sour.

The selection of municipalities and key roles within their respective unions provides institutional conduits for maximizing the impact of the capacity-building strand of the proposed funding intervention.

Geographic impact zone for basic services and economic investments

This proposal has incorporated provisions for dedicated economic studies to steer the decision-making process around the nature and scale of capital *infrastructure investment* which the intervention may leverage. Functional linkages in the urban setting can only be defined relative to the nature of sectoral or economic activity under consideration. The spatial boundaries of any such economic feasibility or market studies cannot, therefore, be pre-empted ahead of the determination of the nature of the proposed infrastructure investments, and the outcome of supporting studies.

Targeted Population

The outputs of the Project, mainly those related to basic services and local economy, will directly benefit the population in the three unions of municipalities distributed according to the following:

Union of Municipalities	Total Population / union	Population per cohorts per union			Population per cohorts within intervention areas		
		Lebanese Population	Lebanese Population	Syrian Refugee Population	Palestinian Refugee Population	Syrian Refugee Population	Palestinian Refugee Population
Sour Caza	351,648	192,517	192,517	28,622	120,000	20,000	100,000
Al Fayhaa	391,725	292,354	292,354	64,698	200,000	60,000	20,000
El Maten Chemali	458,098	390,308	390,308	50,460	290,000	50,000	15,000

Knowledge

The proposed project rests on lessons learned from the global approach and experiences of UNDP and UN-Habitat in similar contexts and in the ongoing work in the Syrian crisis affected countries, as detailed below:

- 1) With adequate support, local authorities can better plan, lead, and coordinate state, societal, and development partner efforts at achieving progress where people need it most (services, social cohesion and security, economic livelihoods). Local governments do not have an exclusive mandate over all the above and need to work with other formal and informal actors that also play an important (and sometimes even more preponderant) role in these areas, such as the local executive (de-concentrated) bodies of line ministries for planning and delivering public services. They must be supported to work with civil society on reducing conflicts and preventing violence, and with the private sector in stimulating the growth of local economies to generate employment opportunities. Above all, the role of local governments as conveners of local problem-solving, including refugee-related issues and recovery-planning coalitions, can have a direct effect on social peace and help strengthen the social contract. A related assumption is that local stakeholders inherently have the inclination and abilities required for collaboration and for developing collective responses but often need safer and more inclusive spaces for expressing these abilities.

- 2) Early economic revitalization through job creation and restoration of basic services or natural asset protection are key to effectively stabilize communities and keep peace. Thus, facilitating early recovery and transition to sustainable development, including those areas with potential, on-going or recurring violence, is essential. Short-term work created through emergency employment and micro, small, and medium enterprise (MSME) recovery projects can provide rapid improvements to community infrastructure and services, enabling access to markets and social services. Emergency employment, particularly when coupled with MSME recovery support, can also help crisis-affected people to develop or regain sustainable livelihoods assets and contribute to the revival of the local economy until the private sector can grow to absorb the labour supply at stable market-clearing wages.
- 3) Community infrastructure rehabilitation projects, if approached comprehensively, can support affected people to come together to rebuild their communities, strengthen partnerships with local authorities, reflect their own priorities in broader recovery and development planning, and acquire new knowledge and skills that empower them to expand their opportunities and choices. Community infrastructure rehabilitation is an important entry point for mobilizing communities around initiatives that help restore access to markets and essential services for the entire community.

Moreover, the approach that will be applied within the proposed project will rely on the following lessons learnt:

1. Thus far the approach with regards investments at the local level has focused on municipal needs. This may well play an effective stabilizing effect but at the same time opportunities have been missed with regards larger investments that will impact upon several localities. Engaging in larger-scale infrastructure and livelihoods projects through clusters of municipalities is the natural and logical way to approach moving forward with regards interventions addressing the impact of the crisis at the sub national level, on this note:
 - a. It is important that CDR are at the very least consulted with regards large infrastructure projects (i.e > one million) since CDR has a mandate to take on multi-sectoral projects and then hand them over to the relevant ministry.
 - b. Cluster-level implementation must be linked to, and not undermine, planning done at the local level through other processes such as the MRR and City Profiling.
 - c. Anecdotal evidence from municipal officials indicates that in principle they are willing to cooperate with other municipalities but in practice such efforts have been tried but have failed because of lack of trust.
2. With regards to livelihoods and economic development, a much more rigorous planning process is required, potentially with different actors, and from a wider geographical area. Part of this approach should include detailing a planning mechanism for livelihoods that supplements what is done with the local level planning processes such as the Maps of Risks and Resources (MRR) and City Profiles. A key point is that actors from a broader area than the municipality also need to be involved. Although the municipality can carry out many useful activities under the heading of Local Economic Development, market development requires area-based, regional, and sometimes national level activities.
3. The communication and division of responsibilities is not always clear between different levels of Government resulting in delays and conflict, particularly with regards to the necessary approvals and permits with regards to infrastructure works. Given that the legislation also leaves many questions to be answered, the only solution is a stronger interface between the central and local level. The challenge is to match local level needs with central level plans. This is linked with the planning process, but the reality is that, in many cases, it is far more of a political issue.

4. There is a need to be clear about what the immediate results of peace-building activities are meant to be. The result does not necessarily have to be conflict reduction or resolution. Results are specified as something more immediate and more achievable; for example, promoting inter-community dialogue, building social cooperation, and carrying out other activities are likely to form social capital and are more appropriate.
5. Capacity development at the sub national level has, to date, only received minimal attention from interventions responding to the Syria Crisis. There is a need to address this gap and also an opportunity that such an approach will contribute most notably to systems strengthening. In terms of institutional arrangements and Capacity Development activities, MoIM should take a lead role.

Theory of Change:

The proposed programme/action in Lebanon is based on the following Theory of Change:

IF there are area based local needs assessment and planning processes which are transparent, technically sound and participatory/inclusive;

AND there is a mechanism to support municipalities by rolling out systems and procedures needed to plan and deliver services and monitor their impact; and local skills in the planning and delivery cycle;

AND there is a mechanism which delivers investments in basic services, social services and livelihoods responsive to local plans and strategies, involving the civil society and private sector;

AND there is a mechanism to:

- Ensure that locally developed projects align with national/regional policies and strategies
- Help national/regional authorities improve their plans and strategies based on information developed at local level
- Ensure that relevant local/regional and national level actors are all fully involved in decision-making and oversight
- Enhance locally generated revenues through strengthened municipal finance
- Enable private capital to meet needs of limited income host communities and refugees

THEN

- Service delivery in host communities will be expanded and rehabilitated
- Service delivery in host communities will be more responsive to locally defined priorities
- Self-reliance of host communities and refugees will be enhanced by increased economic activity and better livelihoods opportunities in host communities

- Local authorities (municipalities and line ministries directorates) will be able to plan and deliver projects and service delivery with less external assistance
- Host communities will have more social capital and more opportunities for inter-communal interaction and relations

ULTIMATELY Lebanese Host Communities will be more resilient and able to cope with the crisis.

Capitalizing on their vast experience working with municipalities and subnational government institutions, UNDP and UN-Habitat will adopt a 5-pillar strategy by promoting the following:

1. **Integrated Capacity Development:** The Project will implement a multi-thematic capacity development program while at the same time scaling up the dialogue between municipalities and service delivery public institutions at the local, regional and national levels. Prior to initiating the CD activities, a Capacity Assessment/feasibility study will be conducted to identify the gaps and challenges exist within municipalities on the human resources and on the internal and external processes levels. The Assessment will examine thoroughly the bottlenecks hindering the smooth flow of business from municipalities to i) the governor office and then to MoIM, ii) the DGM to MoIM, and iii) to concerned line ministries and subnational public institutions.

The recommendations will inform the scope and focus of the capacity development Modules and Program, which will address the implications of the crisis and the political economy in the short and long terms.

2. **Enhanced Role of the DGM:** Involving from the onset the Directorate General of Municipalities, operating directly under the MoIM, in Project activities is very strategic to ensure local/national level system strengthening as well as sustainability of the intervention. Municipalities normally liaise with the DGM to process their regular admin and financial businesses.

While concerned staff from DGM will be involved in CD activities, the daily interaction with the Project Team who will be accommodated at the DGM premises will also enhance work processes and methods applied by the DGM. The Project will assess the applied interface and will advise on measures to be undertaken to improve work processes. This will include in addition to the planned capacity development program, the provision of equipment and installation of advanced computerised solutions at the central and local levels.

3. **Synergies with Public Institutions:** The Proposed Action will assess and analyse the flow of business processes between municipalities, line ministries, and subnational government institutions. The Project will unpack the obstacles & bottlenecks hindering the municipal work and will propose viable actions that will improve the delivery of services and facilitate existing processes. In this regard, the CD modules, training sessions, and coaching designed to be undertaken throughout the lifespan of the Project, will target not only municipalities, but also Governor offices, DGM, MoIM, line Ministries and subnational government.

4. **Regional Technical Offices (RTOs):** RTOs represent a vital instrument for the facilitation, timely implementation, and sustainability of Project activities as well as for future system strengthening. The Project will assess the capacity and the functions of the

RTOs currently operational in Tripoli and Tyre and will recommend actions to be undertaken to ensure consistency of RTOs operations with Project activities. The RTO Assessment will also examine the HR needs in terms of capacity, skills, and equipment.

The same will be applied while establishing the RTO under the union of municipalities of Metn Chemali. The Project team together with concerned unions of municipalities and the DGM will recommend an exit strategy that ensures the sustainability of the RTOs after the completion of the Project.

5. **Promoting Strategic Basic Services and Local Economic Investments:** The Project includes sizable funds allocated for each union to help mitigate the implications of the refugee crisis. However, the approach to be adopted in the design of potential interventions will ensure short and long-term outputs and outcomes.

While the LCRP promote small and medium scale interventions that respond to urgent needs identified within a number of set sectors, the investments under this Project will promote large scale basic services interventions linked and aligned with regional/national plans. For LED interventions, the Project will ensure return on investments.

The Project will initiate a dialogue between municipalities and the private sector and local economic civil entities, such as LEDA, the chamber of industry and commerce, trade unions, market committees, etc. It will also set the grounds to promote public-private partnerships capitalizing on the recently ratified law.

Sustainability and Scaling Up

The core feature of this intervention that will ensure long-term sustainability are as follows:

1. The fact that the interventions build on existing interventions and relationships that UNDP and UN Habitat have at both central and local levels. This ensures that what is proposed is a base extensive understanding of operating in the Lebanese context
2. There have been significant interactions with both local and central stakeholders with regards to the design process.
3. The project has been designed in such a manner, particularly with regards the Capacity Development activities, to change behaviour and also establish resources that will be an important means of reference in the future.
4. Finally, and most significantly, the activities are firmly embedded in existing structures at both the central and local level. The central level structures being part of the DG Municipalities in MoIM and the local level structures being part of the RTOs based in the Unions.

Women and Youth

These groups clearly need to be at the forefront of what is being implemented, given that in a society such as Lebanese one, there is inevitable danger that men will dominate. Specific actions will be taken here as follows:

1. All capacity development and training/learning events will seek to include by women and men.
2. Monitoring systems will be put in place to collect sex disaggregated data on all aspects of the intervention.

3. A specific focus of the Community Participation element of the project will be addressing how sub-national structures, in particular, can include input from women and youth with regards to decisions that taken at the local level.
4. One specific focus of the Capacity Development on Financial Management will be gender sensitive budgeting.
5. All projects implemented as part of the intervention will be required to demonstrate a direct impact in regards how they benefit women and youth.

Refugees

The approach of the project will be one of support to Lebanon in addressing the impact of the crisis, with the focus being on Public Institutions and Host Communities, the argument being that refugees are reliant on Lebanese Institutions for the vast majority of their services. Any improvement in the delivery of services will thus, by default, benefit the refugee population. In terms of more substantive involvement in, for example, consultation by sub national structures on priority projects or local economic development, a very cautious and sensitive case-by-case approach will be adopted. The approach here will be one of “do no harm.”

The New Law on Public Private Partnership (PPP)

This is a new piece of legislation that finally provides a framework for PPP within Lebanon. It is very broad and very much an umbrella document; however, it does provide the framework and the challenge now is to investigate how this can be put into practice. This is of particular relevance to the strategic project interventions supported under Outcomes two and three. There are countless examples from other countries where PPP has been effectively employed to deliver a whole range of services and there is no reason why the same could not be done in Lebanon. This intervention has the opportunity to play an important role in kick starting this process.

Environment

All sub projects implemented and supported as part of this initiative will be accompanied by an Environmental Impact Assessment or other depending on the category of project and based on the national legislation in this regard. This will be coordinated closely with the UNDP Energy and Environment Programme as the Social and Environmental Safeguards focal point and the Ministry of Environment. Coordination will be ensured with national projects in this sector. Furthermore, given the scale of the crisis with regards to solid waste, water, and waste water, it is highly likely that many of the interventions will target these areas, with a clear benefit to the environment at large.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

UNDP and UN-Habitat have been operating for a long time in the context of the Syrian crisis (i.e. 3RP) and both agencies have been at the forefront of new initiatives, working with local, national and international partners and across the UN system. The proposed action will be complementary to other initiatives already funded under the EU MADAD Trust fund or by other resources, as listed here below.

In Lebanon, coordination with ongoing initiatives will be achieved through the Lebanon Crisis Response Plan (LCRP) architecture. There is already a comprehensive coordination structure in place which provides an entry point for the proposed action. UNDP and UN Habitat are both at the

forefront of this structure with UNDP being the overall UN lead on Stabilization/Resilience aspects of the response, while UNHCR lead on the Humanitarian side. Below are ten different sectors and working groups: Social Stability, Livelihoods, and Energy are led by UNDP, while Shelter, and Neighbourhood and Area-based approaches are led by UN-Habitat. Furthermore, the Social Stability focuses on the work with municipalities and this working group also includes a Task Force on solid waste management. The other sector that will be of importance to this intervention is WASH, led by UNICEF, and the project will coordinate closely with both the sector and UNICEF given their planned complementary action under the MADAD fund.

Building on the above, there will be close coordination with other projects already funded or in the pipeline to be funded by the MADAD trust fund. These projects include the following:

a) **The VNGI Local Governance Project**

The VNGI's local governance project is a multi-country project which aims at enhancing the resilience and early recovery of cities and towns coping with Syrian displacement through three pathways: i) by improving emergency and longer-term planning at municipal level, ii) by enhancing project pipelining at the municipal level, and iii) by ensuring service delivery is responsive to the needs of refugees, IDPs, and citizens, including women and girls, as well as firms.

b) **The DAAD Higher Education Initiative**

The Higher Education Initiative aims to improve the lives of young Syrians by empowering them to pursue higher education and possibly secure more stable livelihoods and contribute to post-crisis Syria reconstruction.

c) **The LEADERS Consortium**

The overall objective of the LEADERS Consortium's livelihoods and social services project is to advance economic self-reliance, resilience, and social stability of displacement-affected populations in Jordan and Lebanon in preparation for durable solutions. The project has three key components: i) creating sustainable livelihood opportunities especially for youth and women, ii) capacitating MSMEs to become more viable, sustainable, and sensitive to employees' basic rights, and 3) enhancing local economic development, service delivery, and short-term employment in communities hosting refugees.

d) **Search for Common Grounds' Livelihoods and Social Stability Project**

This project aims to strengthen community resilience and cohesion among Syrian refugee and host community youth in Lebanon by addressing youths' livelihood challenges through Business Development Services including trainings, coaching, and mentoring.

e) **UNICEF's 'No Lost Generation' Initiative**

This initiative invests in the future generation of children and young people affected by the Syrian conflict in Turkey, Lebanon, and Jordan by enabling Syrian children and children in host communities to access educational and child protection services.

f) **GIZ's 'Qudra' Project:**

Qudra aims to build the resilience of host communities, refugees, and displaced persons in Iraq, Jordan, Lebanon, and Turkey through five areas of intervention: i) improving school infrastructure and access to extracurricular activities, ii) expanding and improving basic vocational skills, iii) strengthening social cohesion through community-based services, iv)

building the capacities of the local administrations, and v) and promoting dialogue and exchange of experiences between refugees and host communities,

g) The Italian/French Grant System for Better Services

This initiative aims at improving public and social services through a grant system for selected municipalities.

h) SKL Supporting Union of Municipalities in Akkar

Funded by SIDA, SKL will be working over the coming three years in Akkar with an approximate annual budget of USD 1.5 million. The focus of the intervention will be support to two unions of municipalities as well as sub-national level structures. Hence, it will be essential for strong connections to be made here.

i) MADAD Support to the WASH Sector

There are also three initiatives, two led by International NGO's and one by UNICEF, planning to engage in the WASH sector. These interventions will address a range of issues including simple rehabilitation of networks and wells, as well as Capacity Development of the Water Establishments, specifically with regards to design. There is also an intention to examine the issue around "non-revenue water" via meters etc. attempting to have people pay for what they use. Here there will be opportunities to specifically complement the work with the Capacity Development of Water Establishments and the identification of strategic interventions. Furthermore, the issue of revenue offers an interesting possibility of collaboration with regards to the work that is planned on municipal finance (see Output 1.2).

Furthermore, the following projects under the existing respective portfolios of UNDP and UN Habitat will be prioritized to ensure that relevant synergies will be built.

a) Solid Waste Management Sector

Several donors (USAID, the World Bank, and to a lesser extent the Italian Cooperation) have been supporting the sector since the early 2000's which mainly promoted small-scale interventions for small municipalities (with the exception of the World Bank in Zahle but the project was suspended prematurely). The EU involvement dates back to the programme *Assistance to the rehabilitation of the Lebanese Administration (ARLA)* that phased out in 2011. Implemented by the Office of the Minister of State for Administrative Reform (OMSAR), this programme initially aimed at supporting the Lebanese Administration in implementing its National Administrative Rehabilitation Programme. Five years into implementation, an investment fund for municipalities amounting to EUR 14.2 million to finance Municipal Solid Waste Management interventions (MSWM) was approved. The EU reengaged in the sector in 2014 as a result of the Syria refugees crisis. Today, the portfolio amounts to EUR 72.6 million and mainly focusses on waste treatment and disposal.

Given that at the local level, Solid Waste is continually highlighted as one of the priority issues, many actors have historically engaged and continue to be involved in this sector. The Delegation will, in the near future, be accomplishing a 24-month support and evaluation mission to evaluate the impact of its past interventions and of a selected number of non-EU projects (more than 50 donor funded operations have been identified insofar) and assess the performance of its on-going interventions, with a vision to incorporate lessons learnt into current and future operations. By and large however, the EU has been facing similar challenges to its fellow donors. These call for a substantial revision of the approach within

the sector and the necessity to address the structural issues that the sector faces. In this respect, the development of local solid waste management plans based on relevant datasets and through an appropriate level of local consultation will be a pre-requisite for future interventions.

Any planned intervention in this sector by the project will take place within the framework described above. This will ensure consistency between the different interventions financed by the EU in Lebanon, which is very important given that several of the geographical locations of this intervention match those covered through the current interventions of the EU. In this regard, a division of labor may be agreed upon. The project will also incorporate the recommendations and lessons learnt from the aforementioned impact evaluation report, which should be available early 2019.

b) Lebanon Host Communities Support Programme (UNDP)

The Lebanon Host Communities Support Programme (LHSP) was developed within the framework of the interventions conducted by the UNDP in partnership with the Ministry of Social Affairs (MoSA) to implement activities aimed at enhancing social stability and promoting development as part of a national strategy to respond to the crisis. The project has three main goals:

- Increase the livelihoods and economic opportunities in affected areas
- Strengthen the capacity of local and national actors to deliver basic services in a participatory and conflict sensitive manner.
- Improve local level dispute resolution and community security.

It is important to emphasize that the Proposed Project will be very different from LHSP with a separate team, branding, and mode of operation. Furthermore, the two projects are very different in what they are fundamentally attempting to achieve with LHSP having a Stabilization focus whereas this intervention is focused on systems strengthening and a developmental approach.

c) Urban Crisis Response Programme (Habitat)

The programme includes profiling of affected cities and city neighbourhood, response strategies formulation of, capacity building at local level, and project implementation. The programme has given special attention to the main cities in Lebanon, whereby all the cities covered by the target regions of this proposal are involved.

d) Enhancing Community Security and Access to Justice in Lebanese Host Communities (UNDP)

The projects assumes that by (i) developing basic security and justice services for host communities and vulnerable groups in municipalities; (ii) developing the capacities of MoIM and MoJ to support municipal police and legal help desks; (iii) establishing platforms among state actors, as well as between formal and informal actors; (iv) developing capacities of national state institutions to understand and respond to local security, justice, and human rights challenges; and (v) developing a people-centred culture in security and justice institutions can possibly decrease tensions and conflicts between host communities and Syrian refugees, while laying building blocks for positive resilience and an improved social fabric.

Unified Approach

The UNDP/Habitat project will be implemented alongside a VNG(I) intervention, also funded by MADAD as well as the SKL project funded by Sida. Given that all three projects are working in the same sphere and will be initiated during the same period it is essential that they coordinate closely. Already there have been discussions and meetings in the course of the design process resulting in agreements with regards the geographical focus ensuring that there is no overlap. This coordination will continue into the implementation phase and there is as a starting point an agreement to have common action and consultation around the following areas:

- **Capacity Development:** the intention being that all actors will share resources and ideas with regards capacity assessment processes and the design of the capacity development packages that come out of them. The ideal scenario being that one set of Capacity Development packages modules is employed by all three actors.
- **Advocacy:** all three actors will seek to agree a common position with regards advocacy hence strengthening the nature of the message that is delivered. This is particularly important with regards the decentralization debate and providing a platform for further discussions to take place at the national level, through various fora.
- **Networking & Coordination:** This can be broken down into the following elements: (a) promoting reflective practice and joint lessons learnt regarding supporting system strengthening and local governance; (b) allowing for sharing of experiences and networking between the unions of municipalities engaged in the various interventions across the three projects and (c) codifying knowledge emerging from local level practice to inform policy discussions.

Project Management

The project will be directly and jointly implemented by UNDP and UN-Habitat in full partnership with the Ministry of Interior and Municipalities and the targeted municipalities and unions of municipalities identified within the selected Clusters. Technical backstopping from both Agencies' Regional Offices (Cairo and Amman) will be provided as needed.

A Project Steering Committee will be established, in addition to the Project Manager, representatives from MoIM, the DG of Municipalities, targeted unions/clusters of municipalities, the EU, UNDP, and UN-Habitat. Furthermore, the project will reach out to other MADAD partners to participate particularly where there are clear connections and linkages. In this respect the VNGI led consortium is an obvious candidate. The role of this committee is to provide overall guidance and oversight at the strategic level to the project team and ensure that implementation is progressing as per the planned schedule. The plan is to hold these meetings at least twice a year.

The Project Core Team (PCT) will be based at the Directorate General of Municipalities (DGM) in the Ministry of Interior and Municipalities and will be the overall engine and driver of the intervention, and will work closely with a Technical Unit that will be established within the DGM. The latter will play a major role in facilitating the work of the PCT, mainly with regards to access to data, and communication with Governor Offices, as well as with municipalities and unions of municipalities. This arrangement will also allow the PCT to develop the capacity of the Technical Unit staff, thus facilitating the sustainability of the intervention. UNDP and UN-Habitat will provide further support through their existing technical and admin/finance staff.

Through the Regional Technical Offices (RTOs), Municipalities and Unions will be directly involved in the planning and implementation of the Project activities. The Project involves a number of Capacity Development activities that will be addressed to different technical and admin staff at the municipal or union levels. This will ensure proper maintenance of achieved deliverables and smooth handing over to relevant entities. It will also enhance the collaboration between municipalities and regional/central level service delivery public institutions (CDR, WEs, Ministries, etc.). Finally, it will assist in ensuring the sustainability element of the intervention long term.

Close coordination will take place with the Ministry of Social Affair (MoSA), CDR, sector Ministries, and Water Establishment Offices. Sister UN agencies such as UNICEF, UNRWA, UNHCR, ILO, and UNIDO will be also approached to seek potential collaboration and alignment of planned activities. Furthermore, there will be coordination with other actors facilitated through participation in the relevant LCRP coordination structures at both the central and local levels.

The PCT will consist of the following positions:

- Project Manager (Int'l expert): Manages the Project and its deliverables and provides coordination and overall technical guidance.
- Municipal Finance Specialist: Designs, monitors, and facilitates the implementation of the interventions under the "Municipal Finance" component.
- Local Economic Development Specialist: Develops, liaises, and follows up on the execution of the LED strategy and activities under this project.
- Capacity Building Coordinator: Works closely with consultants who will develop the CD modules. This involves field assessment, consultation with local authorities, and community members. Tasks involve supervision of trainings and capacity development activities.
- Engineer: works closely with municipal technical teams on the development of basic services and LED interventions. This involves the preparation of BOQs and drawings and follow up on projects.
- Field Coordinators: Undertakes field assessments, consultations with local authorities and community members, and facilitates the implementation of Project's activities within the targeted areas.
- Media and Communication Officer: Develops/produces communication and advocacy instruments and materials for marketing material, awareness-raising campaigns, workshops, etc.
- M&E/Reporting Officer: Designs and implements the monitoring and evaluation plan for the whole project. This involves monitoring and measuring the indicators as indicated in the log frame, as well as preparing the ToRs for the mid-term and final evaluation of the project.
- Admin/finance Assistant: Manages program-related administrative and financial management activities.
- Driver: Provides transportation services to project staff.

The Project Core Team (PCT) will be hosted within the offices of the DGM and will be supported by a number of existing UNDP and UN-Habitat staff who will be partly engaged in the implementation of Project activities. These include:

- GIS Officer: Supports in mapping and management of quantitative and qualitative data at a range of spatial scales and produces maps for publications and other uses and will devote around 50% of his/her time for the project.
- Urban Analyst: Assists and advises the Project team on the functionality of selected areas/clusters in terms of basic services and LEF projects to be implemented under this

Projects, and helps the team in conducting analysis from an urban perspective and will devote around 25% of his/her time for the project.

- Design Engineer: Supervises and provides technical support on BOQs and drawings and follows up on projects and will devote around 40% of his/her time for the project.
- Programme Officer: Processes financial and administrative actions and will devote around 30% of his/her time for the project.
- Procurement Officer: Monitors the procurement process and issues contracts and will devote around 50% of his/her time for the project.
- Human Settlements Programme Administrator: Supports the project by ensuring that it remains compliant with UN Rules and Regulations, with respect to (local) procurement, financial management and human resources management, and will devote around 5% of his/her time for the project.
- Regional Programme Specialist: Ensures consistency and coherence of programmatic and financial reporting of the different country components, conducts analysis of results and lessons learned at the regional level, and acts as a main interlocutor for the project with the EU, and will devote around 10% of his/her time for the project.
- Abroad (staff assigned to the Action): Includes short-term specialists for approximately a week at a time to assess an issue, advise on some technical matter, and conduct trainings for Project Staff.

All of the staff will report to the CTA whose accountability lies with both organisations and the steering committee. All Terms of References and recruitment will be undertaken in accordance with the respective rules and regulations of UNDP and UN-Habitat drawing on their respective experience.

There are several cost categories that are envisaged for the implementation of the Project and the functioning of the Project Office, including:

- General Expenses: To support all project activities, this proposed action includes expenses related to the refurbishment of the office space that will be provided by the Directorate general of Municipalities, office furniture and equipment, communication and internet, stationary and other office supplies, and equipment maintenance. Four vehicles will be purchased to facilitate field missions within the country. This entails expenses on fuel and maintenance.
- Travel and Regional support: Backstopping on components implemented by UN-habitat will be provided by Human Settlement Officer at UN-Habitat Regional Office for the Arab States in Cairo. This will entail missions to Lebanon on some specific occasions. Moreover, backstopping will be provided by UNDP regional hub mainly on the monitoring and evaluation of the Project.
- Seminars/conferences: This involves conducting a number of events to promote Project achievements. This will incur rental costs of spaces including costs of breaks, interpretation and translation costs, stationery, and others.

Communication and visibility

Communication and visibility are an important part of all MADAD Fund programmes factored into the implementation in order to underline its importance at all stages of the planning and implementation of the activities.

Under the proposed project, all visibility actions by UNDP and UN-Habitat will be stepped up based on the Joint Visibility Guidelines for EC-UN actions in the field, together with specific requirements to highlight the MADAD Trust Fund as established in the Annex VI to the EU-UNDP Agreement (Communication and Visibility Plan).

V. RESULTS FRAMEWORK

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:						
Productive sectors strengthened to promote inclusive growth and local development, especially in most disadvantaged areas						
Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets:						
Improved capacity of national and local institutions to respond to local needs in an integrated and coordinated way						
Applicable Output(s) from the UNDP Strategic Plan:						
Early recovery and rapid return to sustainable development pathways are achieved in post-conflict and post-disaster settings						
Project title and Atlas Project Number:						
Strengthening the Long-Term Resilience of Subnational Authorities in countries affected by the Syrian Crisis						
EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)	DATA COLLECTION METHODS & RISKS
			Value	Year		
Output 1-1 Efficient & timely municipal work processes to address impact of crisis are strengthened through an enhanced administrative interface.	1.1.1 # of agreements established for intra government cooperation	Project records; Progress reports	No agreements exist	2018	2 Agreements	Project records Mid-term evaluation and monitoring reports Attendance sheets of training sessions Progress reports Technical dossiers prepared
	1.1.2 # of municipalities benefiting from improved interface between different levels of Government		0	2018	15 municipalities and 3 unions/clusters of municipalities	
	1.1.3 # of capacity development learning modules developed on identified topics	No learning modules exist	2018	3 Capacity development learning modules developed		
	1.1.4 # of staff trained on topics identified in capacity development modules	0	2018	100 Staff from the Union, Governors Offices and DGM are trained At least 30% of staff trained are women		
Output 1-2 Greater Understanding and awareness	1.2.1 # of Municipal Council members civil society actors attending awareness sessions (sex disaggregated)	Attendance sheets of training and	0	2018	Municipal council members and civil society actors from 30 Municipalities and 3 Unions / clusters of Municipalities trained	Project records Mid-term evaluation and monitoring reports

by all local actors of their role in managing the impact of the crisis	1.2.2 # of Curricula developed on issues associated with managing impact of the crisis	awareness sessions	No curricula exit	2018	1 Curricula developed	Attendance sheets of training sessions
	1.2.3 # of Guidance notes developed targeting local level leaders	Progress reports	No guidance notes exist	2018	3 Guidance notes developed	Progress reports
	1.2.4 # of mediation units established		No mediation units exist	2018	Two units established	Technical dossiers prepared
	1.2.5 # of mayors, RTO and Governors' Office staff participating in the Crisis Response coordination structures at the local level		0	2018	6 mayors, 3 RTOs and two Governor's Office staff	
	1.3.1 # of entities demonstrating increase in local revenues	Progress Report	0	2018	3 Unions / Clusters of Municipalities 15 Municipalities	3RP reports, national and local reports
1.3.2 # Local authorities publishing budgets		0	2018	3 Unions / Clusters of Municipalities 15 Municipalities	Mid-term evaluation and monitoring reports	
1.3.3 # of Municipalities with increase in local revenues		0	2018	15 Municipalities have increased their revenues collected at the local level	Local Authorities' financial records	
1.3.4 # of capacity development learning modules developed on Municipal Finance, including subjects such as budgeting, revenue collection, transparency and gender sensitive budgeting		No modules exist	2018	1 Capacity development learning modules developed in budgeting, revenue collection, transparency and gender sensitive budgeting	Attendance sheets of training sessions	
1.3.5 # of staff trained and attaining sufficient level of performance in the capacity development (sex disaggregated)		0	2018	Staff from all 15 Municipalities and 3 Unions / clusters of Municipalities trained		
1.3.6 # of staff with certificate in public accounting (sex disaggregated)		0	2018	40 staff		
Output 2-1 Strengthened	2.1.1 # of capacity development learning modules developed	Progress Report	No learning modules exist	2018	4 Capacity development learning modules developed	Union records

local capacity to develop, design, coordinate and implement strategic projects that will alleviate the impact of the crisis (UN-Habitat)	2.1.2 # of staff trained on different topics as outlined by module (sex disaggregated)		Number of staff to be identified during year 1 of the project	2018	Staff from all Municipalities and 3 Unions / clusters of Municipalities trained At least 30% of staff trained are women	Project records Mid-term evaluation and monitoring reports
	2.1.3 # of agreements established for cost-sharing of Regional Technical Offices		No current agreements exist	2018	3 Unions / Clusters of Municipalities sign agreements	Attendance sheets of training sessions Project records; Progress reports Technical dossiers prepared
	2.2.1 # Strategic, projects developed for fundraising	Project Reports;	No strategic projects identified	2018	9 projects designed and developed	Project Reports; Monitoring and site visit Reports
Output 2-2 Identification and implementation of priority interventions	2.2.2 # strategic investments implemented (infrastructure, equipment)		No project implemented	2018	6 projects implemented	
	2.2.3 # of sustainability/maintenance plans developed		no maintenance plans exist	2018	6 plans developed	
	3.1.1 # of consultations between public and private entities	Project Reports	0 consultations	2018	30 consultations	
Output 3-1 An Enabling Economic Environment is Created with active engagement of Local Authorities, the private sector, and LED associations	3.1.2 # of private sector partners engaged	Project Reports	no private sector engagement	2018	60 partners engaged	Municipal Records Union Records
	3.1.3 # of private sector partners investing in economic multiplier projects		no private sector engagement	2018	9 partners	Mid-term evaluation and monitoring reports
	3.1.4 # of demonstrated investments by private actors in the "public domain"		No current investments	2018	3 investments	
Output 3-2 Capacity at local level to identify	3.2.1 # of awareness sessions with Municipal and Union representatives	Project Reports	No awareness raising sessions conducted	2018	Awareness sessions conducted for 15 Municipalities and 3 Unions	Project Reports; Monitoring and site visit Reports

develop, design and implement interventions with an economic multiplier impact improved	3.2.2 # of gender disaggregated LED interventions identified, developed, and implemented		Interventions to be identified during Project implementation	2018	3 interventions are implemented	
	3.2.3 # of maintenance plans developed		no maintenance plans exist	2018	3 maintenance plans developed	

VI. MONITORING AND EVALUATION

To ensure coherence, consistency and quality of the monitoring, evaluation, reporting of the project, UNDP and UN-Habitat agreed on the following coordination arrangements as indicated herewith:

Namely, UNDP RBAS in coordination with respective UNDP and UN-Habitat Country Offices will submit to EU the following reports:

- Quarterly Information Note (QIN) to be filled every three months;
- Progress and Final Reports as per reporting requirements set in article 3 of the General Conditions.

It is to be noted that the primary responsibility for developing the documents lies with the UNDP and UN-Habitat country offices in Lebanon, and substantive coordination for finalizing the documents or information should be done at the country level, between UNDP and UN-Habitat country offices. Each office will provide the relevant programmatic and financial information, in compliance with the ad hoc Monitoring and Evaluation Framework developed for the MADAD Fund as well as with the reporting requirements, templates and tools being developed by the EU Trust Fund (i.e. QIN) and in compliance with the reporting requirements set out in Article 3 of the Annex II to the EU-UNDP Agreement (General Conditions).

The UNDP and UN-Habitat country offices will liaise with each other within the country, and develop one consolidated report (or any other required documents) for each country. Each document will then be submitted to UNDP RBAS so that RBAS, in coordination with ROAS, can compile the documents from both countries, and make any revision needed to ensure consistency in the format and the use of language. Once the documents from two countries are compiled and edited as required, UNDP RBAS in coordination with ROAS will submit the document to the EUTF MADAD office, with copy to the UNDP and UN-Habitat country offices. The role of UNDP RBAS, as administrative agency for the project, is to liaise with country offices and with ROAS to compile documents/information submitted by two countries, and to streamline the communication with the EUTF MADAD office on behalf of the country offices and ROAS. When required, country offices will contact their respective regional offices to seek for advice or guidance to incorporate relevant regional perspectives.

Monitoring will be carried out in coordination with the EU Delegations in-country as appropriate and in particular with the assistance of specific Trust Fund field and liaison officers posted within the EU Delegations.

The proposed project plans to conduct a forward-looking review in the first half of the second year that will look to make recommendations on progress and as well as advising on any future steps.

All monitoring and evaluation exercises will be carried out as per provisions of the EU-UN Financial and Administrative Framework Agreement (the FAFA) signed 29 April 2003 and Article 10 of the Annex II to the EU-UNDP Agreement (General Conditions).

As set out in the FAFA, financial transactions and financial statements shall be subject to the internal and external auditing procedures laid down in the Financial Regulations, Rules and directives of the respective United Nations Organisations. In case the EC decides to carry out a verification, this will be done as set out in the EC-UN Common terms of reference for Verification Missions.

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Annual	Slower than expected progress will be addressed by project management.	UNDP, UNHABITAT, MOIM	Internal
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Semi-annual	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	UNDP, UNHABITAT, MOIM	Internal
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	Annual	Relevant lessons are captured by the project team and used to inform management decisions.	UNDP, UNHABITAT, MOIM	Internal
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annual	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	UNDP, UNHABITAT, MOIM	Internal
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision	Annual	Performance data, risks, lessons and quality will be discussed by	UNDP, UNHABITAT,	Internal

	making.		the project board and used to make course corrections.	MOIM	
Project Report	<p>A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.</p>	<p>Annually, and at the end of the project (final report)</p>		<p>UNDP, UNHABITAT, MOIM</p>	<p>Internal</p>
Project Review (Project Board)	<p>The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.</p>	<p>Annual</p>	<p>Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.</p>	<p>UNDP, UNHABITAT, MOIM</p>	<p>Internal</p>

VII. MULTI-YEAR WORK PLAN

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year					RESPONSIBLE PARTY
		3 Years Cost	UNDP 3 Year Budget	UN-Habitat 3 Year Budget	UNDP Year 1 Budget	UN-Habitat Year 1 Budget	
Output 1-1: Efficient & timely municipal work processes to address impact of crisis are strengthened through an enhanced administrative interface.	<i>Activity 1-1-1: Conduct Capacity/Functional Assessment</i>	\$ 137,231	\$ 137,231	\$ 0	\$ 137,231	\$ 0	UNDP
	<i>Activity 1-1-2 (a): Design and Implement a Capacity Development package</i>	\$ 182,975	\$ 182,975	\$ 0	\$ 0	\$ 0	UNDP
	<i>Activity 1-1-2: Design and Implement a Capacity Development package</i>	\$ 228,719	\$ 228,719	\$ 0	\$ 0	\$ 0	UNDP
Output 1-2: Greater Understanding and awareness by all local actors of their role in managing the impact of the crisis	<i>Activity 1-2-1 Develop Mechanisms for Social Stability</i>	\$ 137,231	\$ 137,231	\$ 0	\$ 137,231	\$ 0	UNDP
	<i>Activity 1-2-2: Facilitate the involvement of the Subnational Government structures in the Syrian Crisis Response coordination mechanism</i>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	UNDP
Output 1-3:	<i>Activity 1-3-1: Assessment of Municipal Financial capacities</i>	\$ 45,744	\$ 0	\$ 45,744	\$ 0	\$ 0	UN-Habitat

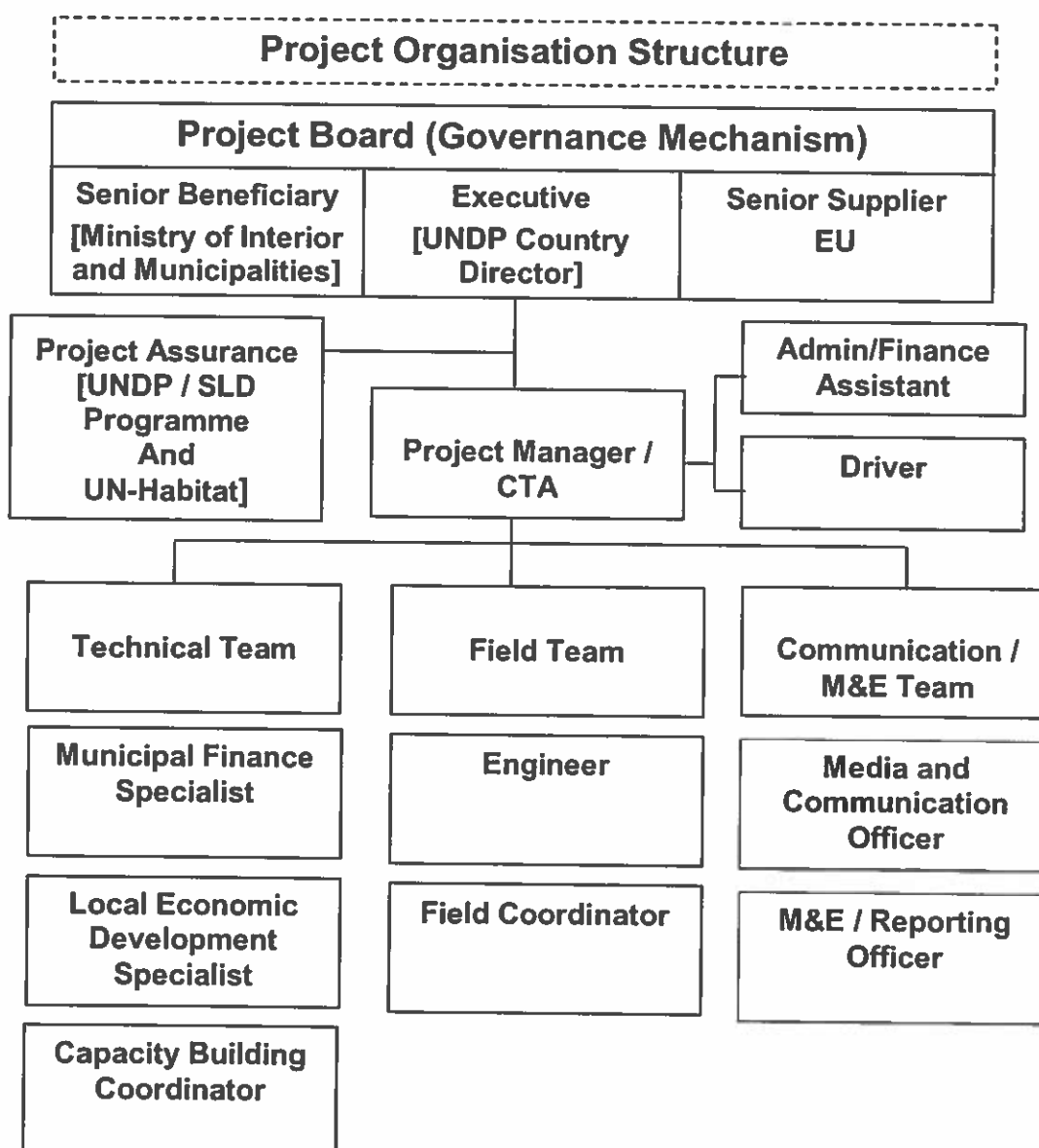
Strengthened Capacity on Raising Revenues and Financial management	Activity 1-3-2: Develop and implement a Capacity Development Strategy on Municipal Finance	\$ 73,190	\$ 0	\$ 73,190	\$ 0	\$ 0	UN-Habitat
Output 2-1: Strengthened local capacity to develop, design, coordinate and implement strategic projects that will alleviate the impact of the crisis	Activity 2.1.1: Conduct Capacity Assessment	\$ 137,231	\$ 0	\$ 137,231	\$ 0	\$ 0	UN-Habitat
	Activity 2.1.2: Development & Implementation of Capacity Development Strategy.	\$ 205,847	\$ 0	\$ 205,847	\$ 0	\$ 0	UN-Habitat
	Activity 2.1.3 (a) Provide financial grant to targeted unions to support establishment/running of Regional Technical Offices	\$ 329,355	\$ 0	\$ 329,355	\$ 0	\$ 164,678	UN-Habitat
	Activity 2.1.3. (b) Office refurbishment	\$ 68,616	\$ 0	\$ 68,616	\$ 0	\$ 68,616	UN-Habitat
Output 2-2: Identification and priority interventions	Activity 2.1.3. (c) Equip RTOs with furniture, computer, software, photocopier machine	\$ 82,339	\$ 0	\$ 82,339	\$ 0	\$ 82,339	UN-Habitat
	Activity 2-2-1: Identify, validate and assess priority strategic interventions	\$ 548,925	\$ 205,847	\$ 343,078	\$ 0	\$ 0	UNDP & UN-Habitat
	Activity 2-2-2: Design and implement priority strategic investments	\$ 6,038,175	\$ 2,264,316	\$ 3,773,859	\$ 0	\$ 0	UNDP & UN-Habitat
Output 3-1: An Enabling Economic Environment is created with active engagement of Local	Activity 2.2.3: Develop Operations and Maintenance Plans	\$ 73,190	\$ 0	\$ 73,190	\$ 0	\$ 0	UN-Habitat
	Activity 3-1-1: Identification of Potential LED Partner Entities	\$ 27,446	\$ 27,446	\$ 0	\$ 0	\$ 0	UNDP
	Activity 3-1-2: Private sector & LED entities participate in the identification of priority interventions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	UNDP & UN-Habitat

Authorities, the private sector, and LED associations	<i>Activity 3-1-3: Promote Public-Private Partnerships (PPPs)</i>	\$ 68,616	\$ 68,616	\$ 0	\$ 0	\$ 0	UNDP
Output 3-2: Capacity at local level to identify develop, design and implement interventions with an economic multiplier impact improved	<i>Activity 3-2-1: Design, develop and implement priority LED interventions</i>	\$ 3,979,706	\$ 2,653,137	\$ 1,326,569	\$ 0	\$ 0	UNDP & UN-Habitat
	<i>Activity 3-2-2: Develop management/maintenance plans</i>	\$ 41,169	\$ 41,169	\$ 0	\$ 0	\$ 0	UNDP
	Project Management	\$ 2,106,823	\$ 1,221,001	\$ 885,822	\$ 407,000	\$ 295,274	UNDP & UN-Habitat
	Human Resource	\$ 201,987	\$ 201,987	\$ 0	\$ 67,329	\$ 0	UNDP & UN-Habitat
	Human Resource (CO Support – DPC)	\$ 102,100	\$ 51,050	\$ 51,050	\$ 17,017	\$ 17017	UNDP & UN-Habitat
	Regional Technical Backstopping	\$ 14,821	\$ 7,410.5	\$ 7,410.5	\$ 2,470	\$ 2,470	UNDP & UN-Habitat
	Travel (International Travel)	\$ 9,149	\$ 4,574.5	\$ 4,574.5	\$ 1525	\$ 1525	UNDP & UN-Habitat
	Abroad (staff assigned to the Action)	\$ 133,114	\$ 54,892	\$78,222	\$ 54,892	\$ 78,222	UNDP & UN-Habitat
	Equipment and Supplies	\$ 226,340	\$ 46,110	\$ 180,230	\$ 15,370	\$ 81,424	UNDP & UN-Habitat
	Local Office cost	\$ 420,843	\$ 210,421.5	\$ 210,421.5	\$ 84,169	\$ 84169	UNDP & UN-Habitat
	Visibility	\$ 279,037	\$ 228,719	\$ 50,318	\$ 0	\$ 0	UNDP & UN-Habitat
	Other Costs	\$ 1,112,994	\$ 558,100	\$ 554,895	\$ 64,696	\$ 61,301	UNDP & UN-Habitat
General Management Support (7%)		17,012,913	\$ 8,530,952	\$ 8,481,961	\$ 988,930	\$ 937,035	
TOTAL							

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The day-to-day implementation of the EUTF MADAD project will be carried out by the respective UNDP and UN-Habitat country offices in Lebanon using the DIM modality. The UNDP Regional Bureau for Arab States (RBAS), as administrative agency for the project, will coordinate the project in terms of contractual agreements with the EU and ensure that funds for country-level activities are appropriately and timely channelled to the respective agencies.

RBAS, in coordination with its Representation Office in Brussels and with the UN-Habitat Regional Office for Arab States (ROAS), will maintain regular contacts with relevant EU offices in Brussels for ad-hoc updates and continue the strategic dialogue in relation to the broader UNDP, UN-Habitat, EU engagement. This exchange will also benefit from the lessons learned and best practices gathered from the implementation of the project, which will inform any future discussion for further collaboration.



IX. LEGAL CONTEXT

For Global and Regional Projects

This project forms part of an overall programmatic framework under which several separate associated country level activities will be implemented. When assistance and support services are provided from this Project to the associated country level activities, this document shall be the "Project Document" instrument referred to in: (i) the respective signed SBAs for the specific countries; or (ii) in the [Supplemental Provisions to the Project Document](#) attached to the Project Document in cases where the recipient country has not signed an SBA with UNDP, attached hereto and forming an integral part hereof. All references in the SBA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by UNDP ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

X. RISK MANAGEMENT

UNDP (DIM)

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]¹⁵ [UNDP funds received pursuant to the Project Document]¹⁶ are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/qa_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
6. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:

¹⁵ To be used where UNDP is the Implementing Partner

¹⁶ To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

- a. Consistent with the Article III of the SBAA *[for the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
 - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
- b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
- c. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
- d. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
- e. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
- f. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

- g. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

- h. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in

contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.

- i. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- j. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

XI. ANNEXES

1. **Project Quality Assurance Report**
2. **Social and Environmental Screening Template** [\[English\]](#)[\[French\]](#)[\[Spanish\]](#), including additional Social and Environmental Assessments or Management Plans as relevant.
(NOTE: The SES Screening is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences, preparation of communication materials, strengthening capacities of partners to participate in international negotiations and conferences, partnership coordination and management of networks, or global/regional projects with no country level activities).
3. **Risk Analysis.** Use the standard [Risk Log template](#). Please refer to the [Deliverable Description of the Risk Log](#) for instructions
4. **Capacity Assessment:** Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)
5. **Project Board Terms of Reference and TORs of key management positions**

Annex 3 – Risk Analysis

Risk	Likelihood of risk	Consequence	Risk impact	Mitigation Measure
External factors:				
Serious deterioration of the security situation in the Country/targeted areas	Low	High	<ul style="list-style-type: none"> -Project team can't access the sites -Detached follow up on implementation -Discontinued implementation of project 	<ul style="list-style-type: none"> -Existing RTOs and municipal staff will be constantly on board -Field officers within PCT will be based within selected areas
Sources of funding have decreased considerably (Int'l & National levels)	Medium	High	<ul style="list-style-type: none"> - Planned projects have no sufficient funding to be completed - Municipalities cannot commit funds required from them 	<ul style="list-style-type: none"> - Projects' design and business plans will take into account different scenarios - Projects will be designed to be implemented in separate, yet complementary phases
Internal factors:				
MoIM and targeted municipalities do not show enough commitment throughout implementation process	Medium	High	<ul style="list-style-type: none"> - Sustainability of achieved outputs will be at risk - Project objectives might not be achieved - Delay in the implementation of planned activities 	<ul style="list-style-type: none"> - Support letter has been already provided by MoIM - Project details will be discussed and agreed upon with mayors before project kickoff - MoUs/Agreements will be signed with MoIM and Unions
Potential corruption and financial irregularities	Low	High	<ul style="list-style-type: none"> -Improper delivery of implemented works due to bribes to municipal/ project staff -Implications on UNDP/ Habitat and municipalities' reputation 	<ul style="list-style-type: none"> -All procurement procedures will be directly handled by UNDP at the CO level -Multi-level monitoring systems will be applied by both UN agencies to minimize potential for corruption - UNDP has extensive experience of working in the Lebanon context and through effective management of the procurement process reduces the level of this risk to a very minimal level.