

Country Programme Action Plan

2010-2014

Between the

Government of Lebanon

and the

United Nations Development Programme (UNDP) in Lebanon

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List of Acronyms

ADB	African Development Bank
AWP	Annual Work Plan
BCA	Basic Cooperation Agreement
CCA	Common Country Assessment
CEDAW	Convention on the Elimination of all forms of Discrimination Against Women
CPAP	Country Programme Action Plan
CRC	Convention on the Rights of the Child
CSO	Civil Society Organization
DMT	Disaster Management Team
EU	European Union
FAO	Food and Agriculture Organization
GEF	Global Environment Facility
GDI	Gender-related Development Index
GFATM	Global Fund to Fight HIV and AIDS, Tuberculosis and Malaria
HDI	Human Development Index
HDR	Human Development Report
HIV and AIDS	Human Immuno-deficiency Virus/Acquired Immune Deficiency Syndrome
HRBAP	Human Rights Based Approach to Programming
ICESCR	International Covenant on Economic, Social and Cultural Rights
ICPCR	International Covenant on Political and Civil Rights
ICRAF	Individual and Community Rights Forum
IFAD	International Fund Agricultural Development
ILO	International Labour Organization
MD	Millennium Declaration
MDG	Millennium Development Goal
MTDS	Medium-Term Development Strategy
NGO	Non-Governmental Organization
UN OCHA	United Nations Office for the Coordination of Humanitarian Affairs
UN OHCHR	Office of the United Nations High Commissioner for Human Rights
RC	Resident Coordinator
SBAA	Standard Basic Assistance Agreement
UNCP	United Nations Country Programme
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Education, Scientific and Cultural Organization
UNFPA	United Nations Population Fund

UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Fund for Women
UNV	United Nations Volunteers
WB	World Bank
WHO	World Health Organization

Glossary

- Annual Work Plan** AWP - This is a plan that describes the specific activities to be supported by an Agency during the year in order to achieve the results and associated outcomes and outputs specified in the UN Country Programme Action Plan (UN-CPAP). The AWP includes a timeframe, budget, and Responsible Parties in charge for completing the activities. An AWP is signed between an UN Agency and the Implementing Partner for the respective output/project. Each AWP is guided by AWP Steering Committee.
- Assurance** This is the term used to describe the process of determining whether expenditures that took place were for the purpose intended. Practically, assurance activities include scheduled audits, on-site reviews (spot checks and special audits) and programmatic assurance.
- Direct Cash Transfer** A transfer of cash directly to the Implementing Partner prior to the start of activities (cash advance) or upon completion of activities (reimbursement), for obligations and expenditures to be made by this partner in support of the activities agreed in an Annual Work Plan.
- Direct Payment** A transfer to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner.
- Disbursement** This is the actual amount paid.
- ExCom Agencies** These are the UN Agencies that are guided by an executive board with rotating country membership, meaning UNDP, UNFPA, UNICEF and WFP. The Executive Boards are subject to the Authority of the Economic and Social Council of the United Nations. The boards are responsible for providing inter-governmental support to and supervision of the activities of the Agencies, in accordance with the overall policy guidance of the General Assembly and the Economic and Social Council of the United Nations. The Boards meet three times each year.
- Expenditures** These are the total charges incurred, whether paid or unpaid.
- Implementing Partner** This is an entity that has been selected to implement the Annual Work Plan. The Implementing Partner assumes – by signing the Annual Work Plan – full responsibility and accountability for the use of the Agencies' resources and the effective management and delivery of outputs as set forth in the Annual Work Plan. Implementing Partners

should be selected based on an assessment of their technical, financial, managerial and administrative capacities that will be needed for the project.

Intermediate Outcome This 'type' of outcome, has a lower level of ambition than a 'normal' outcome. A 'normal' outcome is the intended or achieved short-term and medium-term effects of an intervention's outputs, usually requiring the collective effort of partners. Outcomes represent changes in development conditions which occur between the completion of outputs and the achievement of impact. The *Intermediate Outcome* reflects the changes in development conditions which occur between the achievement of outputs and the achievement of outcomes. As such it constitutes a contribution of partners and UN Agencies to achieve the UNCP Outcome, and works on the basis of a timeframe no longer than 5 years. This allows for meaningful monitoring and assessments on annual basis.

FACE Form Stands for *Funding Authorization and Certificate of Expenditures*; this is one unified form to be used by an Implementing Partner to request funding authorization and release, reporting of expenditures and certification of expenditures. It does not require any supporting documentation and is used by all ExCom Agencies. If various cash transfer modalities are used, than each modality requires its own FACE form.

HACT The Harmonized Approach to Cash Transfer has two key goals: 1) reforming and simplifying donor policies and procedures to encourage collaborative behaviour and, 2) progressive alignment with partner countries' priorities, systems and procedures. The key indicators are: a) use of country systems, strengthen capacity by avoiding parallel implementation structures, c) use of common arrangements and procedures. For the ExCom Agencies implies a shift from control systems, to risk mitigation (e.g. through assurance activities)

Macro Assessment A review of existing assessments of the national public financial system management system undertaken by multilateral or bilateral development partners in the past five years. This review covers areas of the national budget development and execution process; functioning of the public sector accounting and internal control mechanisms; audit and oversight; and financial recording system and staff qualifications. It takes place once per programme cycle and involves a fully open and transparent process. There is no 'pass' or 'fail', but the assessment identifies areas of strength and areas for improvement.

Micro Assessment	These assessments review the strengths and weaknesses of the financial management systems, including internal controls, of Implementing Partners in a transparent and open way. Each assessment concludes with a statement of the overall risk related to cash transfers to a particular Implementing Partner. This in turn allows UN Agencies to determine relevant assurance activities and appropriate cash transfer modalities. The assessments are undertaken in close collaboration with the partner and are completed latest before the Annual Work Plan is signed. The assessment is done once per programme cycle (although significant shifts in the operating environment may prompt an additional assessment).
Outcome	The intended or achieved short-term and medium-term effects of an intervention's outputs, usually requiring the collective effort of partners. Outcomes represent changes in development conditions which occur between the completion of outputs and the achievement of impact.
Output	The products and services which result from the completion of activities within a development intervention.
Responsible Party	Implementing Partners can enter into an agreement with Responsible Parties, so as to allow these organisations to assist with the successful delivery of the expected outputs as defined in the Annual Work Plan. The Implementing Partner must sign a MoU for this purpose with these Responsible Parties, so as to specify and agree upon programmatic, financial and reporting obligations. A Responsible Party is usually in charge for a specific Activity within the AWP.
Scheduled Audit	This is an audit aimed to assess the existence and functioning of an Implementing Partner's internal controls for the receipt, recording, and disbursement of cash and the fairness of a sample of expenditures reported in all Funding Authorization and Certificates of Expenditures issued by the Implementing Partner to Agencies during the period under audit. For each Implementing Partner subject to scheduled audits, the frequency and total number of audits conducted during the UNCP Action Plan period is determined by the country representatives of Agencies based on the initial financial capacity assessment, any on-site reviews of the Implementing Partner's financial records, programmatic assurance activities and any Agency-specific requirements.
Special Audit	An audit undertaken by an audit firm to review a possible or confirmed significant weakness in the Implementing Partner's internal controls over cash transfers. It is implemented as soon as practical after the

weakness is identified. Unless warranted by specific circumstances, these audits will follow the scope and procedures established for the scheduled audits.

Spot-check

A review of a limited scope undertaken by the Agencies, which should usually include a review of a sample of the receipt of funds and expenditures incurred by the Implementing Partner. This is complemented by programmatic assurance activities.

Framework

The Government of Lebanon and the United Nations Development Programme (UNDP) are in mutual agreement to the content of this document and their responsibilities in the implementation of the country programme.

Furthering the Government and the UN's mutual agreement and cooperation for the realization of the Millennium Declaration and Millennium Development Goals and their commitment to several UN Summits, Conferences and Conventions, including the Universal Declaration of Human Rights, the Convention on the Elimination of All forms of Discrimination Against Women, (CEDAW), United Nations Convention on Biodiversity, the UN General Assembly Special Session on HIV and AIDS, the World Summit on Sustainable Development, World Conference for Disaster Reduction;

Building upon the experience gained and progress made during the implementation of the previous Country Programme 2002-2006, extended annually since to include 2009, and by entering into a new period of cooperation from 2010 to 2014,

Declare that these responsibilities will be fulfilled in a spirit of close cooperation and have agreed as follows:

Part I Basis of Relationship

1.1 WHEREAS the Government of Lebanon (hereinafter referred to as "the Government") and the United Nations Development Programme (hereinafter referred to as UNDP) have entered into a basic agreement to govern UNDP's assistance to the country (Standard Basic Assistance Agreement (SBAA), which was signed by both parties on February 10, 1986. Based on Article I, paragraph 2 of the SBAA, UNDP's assistance to the Government shall be made available to the Government and shall be furnished and received in accordance with the relevant and applicable resolutions and decisions of the competent UNDP organs, and subject to the availability of the necessary funds to the UNDP.

1.2 In particular, decision 2005/1 of 28 January 2005 of UNDP's Executive Board approved the new Financial Regulations and Rules and along with them the new definitions of 'execution' and 'implementation' enabling UNDP to fully implement the new Common Country Programming Procedures resulting from the UN Development Group (UNDG) simplification and harmonization initiative. In light of this decision this CPAP together with an Annual Work Plan (AWP) (which shall form part of this CPAP, and is incorporated herein by reference) concluded hereunder constitute together a project document as referred to in the SBAA.

Part II Situational Analysis

- 2.1 The Ta'ef agreement of 1989 signaled the end of a 15-year civil war. A flurry of infrastructure rehabilitation and accelerated economic activity took place, leading to significant growth in the gross domestic product. Since 2005, however, growth has slowed and government debt risen to its present level of 180 per cent of gross domestic product. Politically, Lebanon has in the last ten years experienced tremendous changes with regard to the role of regional actors. Israel withdrew its forces from southern Lebanon in 2000, and Syria formally withdrew in 2005 following the assassination of the Lebanese Prime Minister. Nonetheless, as outlined in the common country assessment, 2007, Lebanon is in a state of domestic political stalemate in a volatile region and regularly experiences armed conflict.
- 2.2 Despite the challenges, poverty, education and health indicators have improved marginally in most regions. But the number of people living below the poverty line has increased in the past decade. According to the Lebanon 'MDG report 2008', in terms of poverty, those living below the 'upper' poverty line (estimated at \$4 per capita per day) stands at 28.5 per cent. Of these, 8 per cent are extremely poor and live below the lower poverty line, estimated at \$2.4 per capita per day, and cannot meet their basic needs. Regional disparities in this middle-income country are high.
- 2.3 Though progress on the Millennium Development Goals relating to poverty (1), and the environment (7) remains elusive, Lebanon expects to achieve many of its targets. Much will depend on whether the country can capitalize on its vibrant private sector and significant remittances (28 per cent of gross domestic product) for which peace and stability are essential. Below is a further outlining of the key MDG Goals pursued by UNDP Lebanon as part of the CPD.
- 2.4 On poverty, Lebanon suffers from a lack of significant data, though recent efforts by UNDP and the World Bank, amongst others, have provided survey results that have helped pinpoint pockets of poverty. Northern Lebanon has the lowest national per capita expenditure, and exhibits the largest inequality compared to other governorates. Compared to Beirut, where overall poverty is only 5.18%, overall poverty in the North Governorate is at a comparatively staggering 52%. Regional disparities have thus been identified as a clear and explicit priority by UNDP and the UNCT in the UNDAF. Much of what can positively affect poverty levels is governance-related, be it the development of a national Social Action Plan or local development results to improve the delivery of essential services at the municipal level. UNDP is supporting both of these through the Ministry of Social Affairs, the Prime Minister's Office, the Ministry of the Interior, and the Central Administration for Statistics to not only improve services but also to advocate for increased national attention to the most severe pockets of poverty.
- 2.5 As for the Environment, the 2008 MDG-R suggests that while many new environmental initiatives have been taken, Lebanon continues to contend with a number of significant environmental issues, such as those caused by the 2006 war with Israel and the increasing number of forest fires. While Lebanon is still behind in achieving this goal, the sheer

number of initiatives which have been put in place with UNDP's support, ranging from carbon trading, renewable energy sources, and environmental awareness, means that the response to environmental needs is moving at full pace.

2.6 Regarding gender, according to the NHDR 2009, the gender situation has improved in the last sixteen years and the GEM for Lebanon today stands at 0.350. Female participation in the political process has improved slightly, though the results of the 2009 parliamentary elections are discouraging, decreasing the number of women from six to four. Control over economic resources has also improved significantly in part due to larger female participation in the work force and higher rates of female enrolment in education. The female illiteracy rate (as a percentage of the population aged 15 and over) fell from 27 per cent in 1990 to 17.8 per cent in 2003, and there is no gender inequality in access to primary education. Important issues remain, however, in particular with regard to personal status laws (marriage, inheritance, custody) and the nationality law, both areas covered by the CEDAW, which Lebanon signed with reservations. Furthermore, women earn three times less than their male peers, and the disparity increases with higher responsibility. UNDP Lebanon will be adding extra emphasis to the gender imperative, and has developed a separate Gender Strategy to complement the 2010-2014 CPD and CPAP.

Part III Past Cooperation and Lessons Learned

The previous Country Programme for Lebanon 2002-2006 (DP/CCF/LEB/2) outlined three objectives: a) Institution-building and support to policy and decision-making, b) empowerment at the local level (local development and reconstruction), and c) cross-cutting themes (advocacy and the promotion of a national development dialogue, gender, youth, and the environment). An outline of the results achieved in each of these areas is provided below.

During the 2002-2006 Country Programme, Lebanon experienced a number of dramatic events that impacted significantly on UNDP's priorities and programming. The assassination of Prime Minister Hariri in 2005, the July War with Israel in 2006, the armed conflict in the *Nahr-el-Bared* Palestinian camp in 2007, and the May clashes of 2008 were all watershed moments in Lebanon, following each of which UNDP needed to reorient its activities to provide the requisite support, largely through immediate recovery and reconstruction, but also integration of these recovery activities with longer term development planning. Given the political uncertainties that reigned, the Lebanon country programme has been extended twice, until 2009, after which the new UNDAF and CPD 2010-2014 will take over. Key UN partners in the process in the UNDAF include UNESCO, UNICEF, UNFPA, ILO, UNHCHR, FAO, UNSCOL, and UNRWA.

While the original 2002-2006 Country Programme contained the three objectives mentioned above, the various crises and the responses that were required from UNDP Lebanon as a

result meant that programming necessarily took place at an increasingly faster pace, with the office having delivered \$12m in 2005, and \$37m by 2008. The Country Programme was not systematically updated in light of the frequent lack of a government counterpart to endorse the changes, and the uncertain postponement of many of the anticipated results in light of the interruptions caused by the crises.

Thus, to maintain some consistency, an attempt was made to match a few of the key results from the actual 10 key outcomes that were entered into the RBM (Results-Based Management) system with the objectives as mentioned in the frequently extended 2002-2009 Country Programme, focusing on lessons learned. However, the outcome areas are the clearest guide to key results.

Three evaluations were conducted in the Programme period, namely in the areas of CPR and Peacebuilding (2007) (Outcome), Energy & Environment (2007) (Outcome), and Governance (2004) (Multi-project).

Achievements: Country Programme 2002-2006 (extended to 2009)

A. Institution-building and support to policy and decision-making

The principal aim of UNDP under this objective is to advance the advisory governance programme to enhance the national capacities for strategic planning and decision-making. The UNDP Governance Programme is strategically co-located inside the Prime Minister's Office, key ministries, parliament and other public institutions.

This positioning has allowed UNDP to play a greater and much-needed role in policy dialogue with ministers, and has enhanced the role of civil society in the shaping of public policy. UNDP's approach has been to identify and lead specific programme areas within each project given the extensive, widespread and expansive nature of issues addressed by each project, from human rights to gender mainstreaming to working with youth.

During the programme period, UNDP published a number of far-reaching recommendations relating to national development policy making in the form of the National Human Development Reports. "Towards a Citizens State" is the fourth National Human Development Report (NHDR) for Lebanon, launched in 2009. ". The report addresses citizenship from three principal perspectives. UNDP also contributed to the success of that national parliamentary elections, which took place in 2009. UNDP Lebanon provided technical assistance to the Ministry of Interior in supporting free, fair and transparent elections. Several changes were made in the electoral procedures, including redrawing the electoral districts, holding the elections in all districts on the same day and using National ID cards instead of special voter cards. These changes were the outcome of the new Electoral Law that was enacted in October 2008 in the framework of the reconciliation process following the Doha agreement.

A primary lesson is that while UNDP can be relied on to support capacity needs in various government ministries (from the reports: "UNDP Programme Support to Governance Reform in Lebanon: An Outcome Evaluation" (2004) and "Support to Policy Development and Implementation in the Government of Lebanon" (2005)) and will continue to do so, the portfolio needs to be diversified upstream – a change which is currently underway. The Partnership Survey of 2009, while of limited scope, found that while UNDP Lebanon was known to play a key role in this area, it was not considered to have much influence in upstream policy-making. In the next CPD, UNDP Lebanon has already begun focusing on more strategic upstream results, including support to the 2009 parliamentary elections and the national dialogue process, both of which place UNDP at the center of two of the most important events of 2009 as regards reconciliation and national stability.

B. Empowerment at the local level

UNDP's support in the area of poverty reduction focuses on policy and operational support. At the upstream level, UNDP provides advice for the development of national policies for social development and poverty reduction, in addition to building the national statistical database for poverty measurement and monitoring. At the downstream level, UNDP supports the implementation of local development/governance initiatives in the four poorest areas of the country – Southern Lebanon, the Bekaa, Akkar and Beirut Southern Suburbs.

It is anticipated that these and other analyses will guide the strategic direction for UNDP's future interventions in support of national efforts aimed at poverty reduction and minimization of regional disparities. Regarding localization of the MDGs, the first local MDG-R was launched in 2008 covering the pilot project implemented in the Shouf region. The same experience will be replicated in two new areas in Lebanon, one in Beirut Southern Suburbs and another in Bekaa. Localizing the MDGs in those two regions will be implemented during the first quarter of 2009.

UNDP pursued results at the local level through both the poverty and crisis programmes, given the significant emphasis on local empowerment and participation in response to the July 2006 War. With UNDP's support, around 200 municipalities were provided with the necessary machinery to enable them to repair roads, street lighting, public buildings, basic infrastructure and clean the water conduits. 160 villages in South Lebanon, 40 in Bekaa and 4 in Beirut Southern Suburbs benefited from the rubble removal operations initiated by UNDP after the July 2006 War.

UNDP intends to maintain the post-conflict sustainability and progress of these local livelihoods initiatives through the Art Gold Programme (established in 2006) which will remain a significant component of local economic development and empowerment in this new Country Programme.

An outcome evaluation on the conflict prevention and civil peace outcomes was conducted in 2007, which concluded that “With the exception of the overly ambitious Baalbek/Hermel project [North Lebanon], all other projects are assessed to have had a discernible effect on ameliorating living conditions, instilling confidence as well as by having provided foundational support for area-based development management and good governance practices.” However, it also concluded that “these projects have little contributed by way of informing policy, regulatory or institutional measures or adjustments, notwithstanding the rich experience that these projects have accrued.” The UNDP Lebanon office is taking this lesson seriously to ensure that there will be greater impact at the policy level from its local successes, and also to move further upstream in this thematic area. What is also clear from this assessment is that while local capacities can be developed, systematic and tangible support from the capital is a *sine qua non* for municipal budgeting and planning, and locally-owned results in general, to become a reality. While UNDP expended significant efforts with the Ministry of the Interior and Ministry of Finance to this effect, the lack of a sitting Parliament and President for much of 2008 compromised the type of high-level legislative and financial changes that are necessary to support local empowerment. This will be vigorously pursued in 2010-2014, with progress already having been achieved in the first months of 2009.

C. Cross-Cutting Issues

a. Advocacy and the Promotion of a National Development Dialogue

Advocacy and the promotion of a national development dialogue are at the heart of UNDP Lebanon’s efforts to move further upstream. A poverty profile was published for the first time in Lebanon, from which a comprehensive poverty report have been produced. The data used for the analysis of the poverty profiles was based on the Multi-Purpose Household Survey, which made specific recommendations on how to promote poverty reduction. Furthermore, an MDG-oriented Social Action Plan was developed, leading to the first steps in the development of a National Social Strategy (still under development), which will fully incorporate MDG priorities, aiming at identifying a number of important actions contributing to, inter alia, equitable social services, access to healthcare, national benefits, and more. Lebanon has also finalized its second MDG-R for 2007, published in 2009.

In part as a consequence of these analytical tools and advocacy efforts, the Paris III reforms, the speeches and agendas at the Ministries of Social Affairs and Finance, as well as the plans of the President and the Prime Minister’s offices, increasingly refer to the imperative of providing basic social services to the poor at the local level, the need to approach issues from a gender-sensitive angle, and of course the MDGs more generally.

b. Gender

A “Mapping of Gender and Development Initiatives in Lebanon” was conducted in 2006, which laid the basis for UNDP’s gender interventions. Despite new projects such as the Nationality Law for Women and other stand-alone projects with clear gender imperatives, UNDP will be emphasizing more strongly the mainstreaming of gender results across the thematic areas. Results in this area during the Country Programme period include women’s leadership training as part of support to improving national decision-making, and women’s access to markets as part of the recovery of livelihoods programme.

Since 2001 (and especially following the July 2006 war), UNDP continued to support the restoration of livelihoods throughout the country, giving a special attention to female heads of households. Around 600 women members of 15 cooperatives in the south, 10 cooperatives in Akkar, and 8 cooperatives in the Bekaa are actively involved in their work and are as income providers in their households.

These women prepare traditional rural food, artisan’s goods and handicrafts with the help of UNDP. UNDP helped create marketing opportunities and events, and supports women’s participation in local exhibitions, such as Souk El Tayyeb. UNDP’s programmes focused on cooperatives to introduce the concept of cooperative work and to empower women with technical and managerial skills. This has been taking place since 2001 in South Lebanon, since 2004 in the North and since 2007 in the Bekaa. This support includes networking, linkages mechanisms, financial project support and training sessions on administrative skills, quality control, selling techniques, and marketing strategies.

c. Youth

Youth in Lebanon constitutes one fifth of the population despite high emigration, and has been an important element in all UNDP programmes. Interventions in this area include Lebanese-Palestinian dialogue classes for youth as part of an integrated programme with the Lebanese American University to promote peace and reconciliation, skills training for unemployed youths, support to job creation through employment, and matching demand and supply through support to employment centers.

d. Environment

The Energy and Environment (E&E) Programme in UNDP Lebanon strengthens institutional capacity and provides policy support for more effective environmental and energy management. Policy support was provided within the energy focus area through the implementation of more than twenty energy audits in both the private and public sectors,

along with the development of a national energy demand management roadmap. Energy efficiency standards for lighting and solar water heaters were developed and adopted by the government, becoming mandatory regulations in the country. Sixty public building sites were identified for renewable energy and energy-efficient systems application and the related tendering documents for equipment were developed and launched. An outcome evaluation of the Energy & Environment portfolio conducted in 2007 concluded that “[it is] well-connected with Lebanese institutions and with the donor community and enjoys high reputation as an efficiently working organization. Based on a solid foundation of this trusted partnership, UNDP is now in a good position to complete the strategic orientation in its Energy & Environment Programme, adapt its resource mobilization strategy to new challenges and accentuate its comparative advantages over many other development partners.” The new CPD will focus the programme on renewable energy options and government capacity-building for environmental legislation based on international standards.

Part IV Proposed Programme

- 4.1 The UNDP programme for 2010-2014 focuses on four areas, namely: (a) institutional development and democratic governance; (b) social development and regional disparities; (c) environmental sustainability; and (d) crisis prevention and recovery. National reconciliation and civil peace results are important elements of the governance and socio-economic programmes. The crisis prevention and recovery programme delivers complementary results which, due to national sensitivity and urgency as well as diversity in partnerships, are most effectively pursued through a dedicated programme. UNDP prioritizes Millennium Development Goals 1, 3, 7 and 8 in its programming objectives.
- 4.2 Efforts to attain the MDGs are complemented by specific costing, preparation of a poverty profile and sectoral reports on achievement of the Goals; localization of the Goals in two regions; capacity-building for monitoring the Goals, preparation of ‘MDG reports’; and regular advocacy for the Goals. Results for gender and youth will be explicitly identified and pursued. Results include ensuring women’s access to the benefits of development and decision-making at local and national levels.
- 4.3 Private sector engagement in the development agenda of UNDP has been underutilized in previous programming cycles. UNDP is laying the foundation to strengthen its cooperation with the business community at the local level and across the Lebanese diaspora. Initiatives will focus on mobilizing the diaspora in support of development objectives through a variety of mechanisms matched to specific interests.

A. Institutional development and democratic governance (relates to UNDAF Outcome 1)

- 4.4 UNDP will focus on improving the responsiveness of government institutions and on inclusive participation to implement governance reforms. It will support the development and implementation of economic, financial and investment reform policies. UNDP will support electoral reform through technical assistance to the Ministry of Interior, and develop its capacity to manage the parliamentary elections in 2009, municipal elections in 2010, and again parliamentary elections in 2013.
- 4.5 UNDP will seek to increase accountability and transparency in state institutions by developing the capacity of the Lebanese Parliament in its legislative and oversight functions. It will support the Parliamentary Committee on Human Rights in developing a national action plan for human rights and in preparing for and following up the UPR. Anti-corruption initiatives will be consolidated with the aim of developing and implementing a national anti-corruption action plan.
- 4.6 UNDP will support the Lebanese-Palestinian Dialogue Committee, in collaboration with the United Nations Relief and Works Agency, to improve Palestinian living conditions, labour, civil and property rights, and to improve the relationship between the Lebanese and the Palestinians.

B. Social development and regional disparities (relates to UNDAF Outcome 4)

- 4.7 UNDP supports the Inter-Ministerial Committee for Social Issues in formulating, coordinating and implementing social development strategies and reform initiatives. Using data for policy analysis, social development planning will be strengthened through capacity development of the Council for Development and Reconstruction and the Central Administration of Statistics. The role of the Ministry of Social Affairs in developing policies and action plans will be strengthened to improve social services and extend gender-sensitive social safety nets to include persons with special needs.
- 4.8 UNDP will promote integrated regional development by focusing on four marginalized areas of the country, particularly in the north. This entails support to local development planning processes and increasing access to training, consultancy and financial services, in part through decentralized cooperation partnerships. UNDP will support local governance for poverty reduction by building the capacity for advocacy in local groups. Women's groups and youth

will play a particularly important role in the local planning and social mobilization process.

- 4.9 UNDP will mobilize civil society organizations and local actors to nurture a structural change based on past civil peace initiatives and community development programmes.

C. Environmental sustainability (relates to UNDAF Outcome 5)

4.10 UNDP will work for capacity development in the Ministry of Environment through dedicated policy support and project implementation, to assist the Government in meeting its obligations under international conventions. UNDP will help to mainstream environmental considerations into other line ministries, strengthening the institutional capacity of stakeholders to support sound environmental decision-making and improve the enforcement of environmental legislation.

- 4.11 UNDP will strengthen its strategic relationship with the Ministry of Agriculture and the affiliated Lebanese Agriculture Research Centre to promote sustainable land management to improve livelihoods, focusing on desertification-prone areas, usually the more impoverished regions of the country. The capacity of women's cooperatives and groups working with dryland products will be developed to expand trade and marketing opportunities.

- 4.12 Due to the global energy crisis and the threat of climate change, UNDP will support government efforts to address national environmental challenges. Through support to the Ministries of Finance, Energy and Water, and Environment, efforts will focus on a national sustainable energy strategy to promote lower energy consumption and less polluting sources of energy and mitigate the impact of climate change.

D. Conflict prevention and recovery (relates to UNDAF Outcome 1)

- 4.13 UNDP will programme its results in crisis prevention and recovery using conflict prevention approaches to the thematic areas of the country programme document. Specific results will be developed and managed in parallel with existing programmes. Interventions will include education for conflict prevention, national collective identity, and citizenship. Peace consolidation will underpin UNDP activities in local development programmes, with an emphasis on youth. The national human development report on the State and citizenship will be used as an advocacy tool for national dialogue.

- 4.14 UNDP will support targeted interventions in the Lebanese communities near the 12 Palestinian refugee camps to improve Lebanese-Palestinian relations and the living conditions of refugees. Youth groups and women's cooperatives support reconciliation and employment in those communities.

Part V Partnership Strategy

- 5.1 A diverse and wide-ranging array of partnerships will be necessary for the achievement of the UNDAF results and the MDGs more broadly, in the period 2010-2014. The government counterpart will remain the Council for Development and Reconstruction (CDR), which facilitates partnership development at the national and local levels for UNDP and its partners. As an office in the Prime Minister's office, and as the signatory of the CPAP, it also supports the formulation and endorsement of national development results and will participate in the monitoring of UNDP-led results through the CPAP.
- 5.2 In the area of Governance, strategic partnerships will be particularly important given the political, confessional, and demographic challenges that continue to be faced by Lebanon. The Office of the President, the Prime Minister's Office, and the Ministry of the Interior and Municipalities will play leading roles as partners in the pursuit of national reconciliation, inclusive participation in the identification of national development priorities, and electoral reform. The Ministry of Economy and Trade, the State Ministry for Administrative Reform, the Ministry of Finance, the Lebanese Parliament, and the Lebanese Transparency Association are but a few of the lead partners which will be instrumental in achieving results relating to civil service reform, the restoration of fiscal discipline, public sector transparency, and the implementation of economic reforms.
- 5.3 The importance of the national social agenda has been accepted through extensive advocacy, and was included in the 2007 Paris III national reform agenda. Partnerships will be particularly important to deliver on the results outlined under UNDAF Outcome 4 -reducing regional disparities- through employment generation and stimulation of growth, especially at the local levels. The Ministry of Social Affairs is the lead partner in this endeavour, with the Ministry of the Interior and of Municipalities, as well as the Municipalities themselves, playing a lead on the support to and implementation of local development results.
- 5.4 The Energy & Environment outcomes present particularly interesting partnership opportunities for clean and efficient development, riding on the crest of today's awareness of climate change and the increasing enthusiasm of public and private entities alike to contribute to environmental solutions. On

the public institution side, the agenda needs to maintain momentum by developing strong national partnerships to design both legislative measures and national capacities to make Lebanon compliant with its international environmental commitments. The Prime Minister's Office as well as the Ministry of the Environment and Ministry of Energy and Water will be key partners in this area. On the private sector side, many opportunities have been identified with both energy suppliers and environmental advocates, a number of whom have already entered into formal partnerships with UNDP in 2009, and will become important pillars of the Energy & Environment portfolio over the next few years.

- 5.5 The Conflict Prevention & Recovery results will require a broad combination of international and national partners. The international community, just in the form of the UN, is present in the form of the UN Country Team, a peacekeeping mission (UNIFIL) and a political mission (UNSCOL). The UN integration agenda is being approached from a "Peace and Development" perspective that places development at the heart of the many dialogue and reconciliation issues at both the central and local levels. Thus, the President's and Prime Minister's Offices, and the Lebanese-Palestinian Dialogue Committee (LPDC), the local municipalities and local youth engagement and Lebanese-Palestinian dialogue entities, will be important elements along with the growing partnership with UNRWA.
- 5.6 International donors including Spain, Italy, Belgium, Japan, and the EU will continue to be key partners for UNDP in supporting Lebanon's development agenda. New and innovative partnerships will be particularly important as traditional donors are able to offer only limited funding to countries classified as of Middle Income. Thus, non-traditional donors such as the Arab States will be pursued more vigorously through the support of the Bureau for Partnerships, and by participating in and designing more regional initiatives. The private sector in Lebanon is large and vibrant, and has already become a key priority in partnership development efforts. The office has already developed a set of functions and capacities to concentrate efforts on private sector partnerships.

Part VI Programme Management

- 6.1 The programme will be nationally executed under the overall coordination of Council for Reconstruction and Development. Government ministries, NGOs, IGOs, UN agencies including UNDP will implement the programme activities. The Government Coordinating Agency and UNDP will be directly responsible for the Government's participation in each UNDP-assisted AWP. The AWPs describe the specific results to be achieved and will form the basic agreement between UNDP and each Implementing Partner on the use of resources. The reference to "Implementing Partner(s)" shall mean "Executing Agency (ies)" as used in the SBAA.

- 6.2 In programme design and implementation, UNDP works closely with key partners. The country programme builds on the United Nations reform principles, especially simplification and harmonization, by operating in line with the harmonized common country programming instruments such as the UNDAF results matrix, monitoring and evaluation, and programme resources frameworks in the CPAP and the AWP. To the extent possible UNDP and partners will use the minimum documents necessary, namely the signed CPAP and AWP, to implement programmatic initiatives. However, as necessary and appropriate, project documents would be prepared using, inter alia, the relevant text from the CPAP, and AWP. UNDP will sign the project documents with partners in accordance with corporate practices and local requirements. In line with the UNDG Joint Programming Guidance Note, the scope of inter-agency cooperation is strengthened to cultivate new programme and geographical convergence.
- 6.3 The 2010-2014 CPAP will be HACT-compliant in terms of adopting new UNDP procedures and practices, and its development has been coordinated closely with UNICEF and UNFPA. It is thus expected that a lowering of transaction costs for the government and Implementing Partners will be realized through this common programme management process.
- 6.4 Given the significant number of “Country Office support to NEX” processes currently necessary to implement the current programme commitments, the HACT modalities will be phased in over time during the CPAP period as new partners and their capacities are identified through the common Stakeholder Analysis process.
- 6.5 CPAP Results management will take place through the Outcome Board, the Programme Board, and the Output/Project Boards, with members and participants outlined and agreed in the new UNDP Lebanon Results Management processes. Since 2008, new UNDP Lebanon projects are Prince2 compliant, and thus all project management procedures will be compliant with POPP guidelines.
- 6.6 The Council for Development and Reconstruction will be a key member and leader in the Outcome and Programme Boards along with the UNDP Resident Representative. The Outcome Board will ensure that stakeholders, both government, UNDP, Implementing Partners, NGOs, academia, and private sector entities as necessary, understand the progress towards development outcomes and will discuss common solutions and needs. The Programme Board will address more specific Government and UNDP implementation issues with Implementing Partners as necessary, to ensure that development processes run smoothly and that strategic development opportunities are identified and seized.
- 6.7 Joint Programmes will feature more prominently as the programme cycle for UNFPA, UNICEF and UNDP are now harmonized with common objectives clearly delineated for the first time in the UNDAF 2010-2014

- 6.8 As for the financial implementation of results with its partners, all cash transfers to an Implementing Partner are based on the Annual Work Plans agreed between the Implementing Partner and UNDP.
- 6.9 Cash transfers for activities detailed in AWP's can be made by UNDP using the following modalities:
1. Cash transferred directly to the Implementing Partner:
 - a. Prior to the start of activities (direct cash transfer), or
 - b. After activities have been completed (reimbursement);
 2. Direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner;
 3. Direct payments to vendors or third parties for obligations incurred by UN agencies in support of activities agreed with Implementing Partners.
 4. Where cash transfers are made to the Council for Development and Reconstruction (CDR), the CDR shall transfer such cash promptly to the Implementing Partner.
- 6.10 Direct cash transfers shall be requested and released for programme implementation periods not exceeding three months. Reimbursements of previously authorized expenditures shall be requested and released quarterly or after the completion of activities. The UNDP shall not be obligated to reimburse expenditure made by the Implementing Partner over and above the authorized amounts.
- 6.11 Following the completion of any activity, any balance of funds shall be reprogrammed by mutual agreement between the Implementing Partner and UNDP, or refunded.
- 6.12 Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may depend on the findings of a review of the public financial management capacity in the case of a Government Implementing Partner, and of an assessment of the financial management capacity of the non-UN Implementing Partner. A qualified consultant, such as a public accounting firm, selected by UNDP may conduct such an assessment, in which the Implementing Partner shall participate.
- 6.13 Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may be revised in the course of programme implementation based on the findings of programme monitoring, expenditure monitoring and reporting, and audits.

6.14 Resource mobilization efforts will be intensified to support the RRF and ensure sustainability of the programme. Mobilization of other resources in the form of cost sharing, trust funds, or government cash counterpart contributions will be undertaken to secure funding for the programme.

Part VII Monitoring and Evaluation

7.1 Monitoring and evaluation of the CPAP will be undertaken in line with the UNDAF results matrix and monitoring and evaluation plan. The Government and UNDP will be responsible for setting up the necessary M&E mechanisms, tools and conducting reviews, in order to ensure continuous monitoring and evaluation of the CPAP, with the view to ensuring efficient utilization of programme resources as well as accountability, transparency and integrity. The Implementing Partners will provide periodic reports on the progress, achievements and results of their projects, outlining the challenges faced in project implementation as well as resource utilization as articulated in the AWP, as may also be stipulated in agreement with a donor or other funding entity. The reporting will be in accordance with the procedures and harmonized with UN agencies to the extent possible.

7.2 The Millennium Development Goals Reports (MDGR) for Lebanon will serve as the primary means for reporting on UNDAF activities, complemented by the Annual Report and Workplan of the United Nations Resident Coordinator. A link will be established between the indicators used to measure UNDAF outputs and the contribution of these outputs to the achievement of the MDGs.

7.3 Implementing Partners agree to cooperate with UNDP for monitoring all activities supported by cash transfers and will facilitate access to relevant financial records and personnel responsible for the administration of cash provided by the UNDP. To that effect, Implementing Partners agree to the following:

1. Periodic on-site reviews and spot checks of their financial records by UNDP or its representatives,
2. Programmatic monitoring of activities following UNDP's standards and guidance for site visits and field monitoring,
3. Special or scheduled audits. UNDP, in collaboration with other UN agencies will establish an Annual Audit Plan, giving priority to audits of Implementing Partners with large amounts of cash assistance provided by UNDP, and those whose financial management capacity needs strengthening.

7.4 To facilitate assurance activities, Implementing Partners and UNDP may agree to use a programme monitoring and financial control tool allowing data sharing and analysis.

7.5 The Supreme Audit Institution (SAI) may undertake the audits of government Implementing Partners. If the SAI chooses not to undertake the audits of specific Implementing Partners to the frequency and scope required by UNDP, UNDP will commission the audits to be undertaken by private sector audit services.

7.6 Assessments and audits of non-government Implementing Partners will be conducted in accordance with the policies and procedures of UNDP.

Part VIII Commitments of UNDP

8.1 UNDP will ensure coherence between the CPAP/AWP, UNDAF results matrix and MDGs, including Monitoring & Evaluation (M&E) reporting. Through annual reviews and periodic progress reporting, responsibilities between UNDP, the Government and Implementing Partners will be emphasized.

8.2 In case of direct cash transfer or reimbursement, UNDP shall notify the Implementing Partner of the amount approved by UNDP and shall disburse funds to the Implementing Partner.

8.3 In case of direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner; or to vendors or third parties for obligations incurred by UNDP in support of activities agreed with Implementing Partners, UNDP shall proceed with the payment within.

8.4 UNDP shall not have any direct liability under the contractual arrangements concluded between the Implementing Partner and a third party vendor.

8.5 Where more than one UN agency provides cash to the same Implementing Partner, programme monitoring, financial monitoring and auditing will be undertaken jointly or coordinated with those UN agencies.

Part IX Commitments of the Government

9.1 The Government will honor its commitments in accordance with the provisions of the Standard Basic Assistance Agreement (SBAA) of February 10, 1986. The Government shall apply the provisions of the Convention on the Privileges and Immunities of the United Nations agencies to UNDP's property, funds, and assets and to its officials and consultants. In addition the Government will accord to UNDP and its officials and to

other persons performing services on behalf of UNDP, the privileges, immunities and facilities as set out in the SBAA (or other agreement in non-SBAA countries).

9.2 In the event of government cost-sharing through the CPAP, the following clauses will govern this financial modality:

- i. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the CPAP may be reduced, suspended or terminated by UNDP.
- ii. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of CPAP delivery.
- iii. UNDP shall receive and administer into its accounts the payment in accordance with the regulations, rules and directives of UNDP, along with the schedule of payments as agreed.
- iv. All financial accounts and statements shall be expressed in United States dollars.
- v. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavors to obtain the additional funds required.
- vi. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph [vi] above is not forthcoming from the Government or other sources, the assistance to be provided to the CPAP under this Agreement may be reduced, suspended or terminated by UNDP.
- vii. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures
- viii. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to

cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the contribution shall be charged a fee equal to 5%. Furthermore, as long as they are unequivocally linked to the specific project(s), all direct costs of implementation, including the costs of executing entity or Implementing Partner, will be identified in the project budget against a relevant budget line and borne by the project accordingly.

The aggregate of the amounts budgeted for the CPAP, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the CPAP under this agreement.

- ix. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.
- x. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP

9.3 Mechanisms for participatory planning, monitoring and evaluation on the progress of the country programme involving civil society and other development partners will be implemented. The Government is also committed to organize periodic programme review, planning and joint strategy meetings and where appropriate, coordination of sectoral and thematic development partners groups to facilitate the participation of donors, civil society, private sector and UN agencies. In addition, the Government will facilitate periodic monitoring visits by UNDP staff and/or designated officials for the purpose of monitoring, meeting beneficiaries, assessing the progress and evaluating the impact of the use of programme resources. The Government will make available to UNDP in a timely manner any information about policy and legislative changes occurring during the implementation of the CPAP that might have an impact in co-operation.

9.4 When an Implementing Partner will be receiving advance funds from UNDP through any of the HACT modalities mentioned in Section VI, a standard Fund Authorization and Certificate of Expenditures (FACE) report, reflecting the activity lines of the Annual Work Plan (AWP), will be used by Implementing Partners to request the release of funds, or to secure the agreement that UNDP will reimburse or directly pay for planned expenditure. The Implementing Partners will use the FACE to report on the utilization of cash received. The Implementing Partner shall identify the designated official(s) authorized to provide the account details, request and certify the use of cash. The FACE will be certified by the designated official(s) of the Implementing Partner.

- 9.5 Cash transferred to Implementing Partners should be spent for the purpose of activities as agreed in the AWP's only.
- 9.6 Cash received by the Government and national NGO Implementing Partners shall be used in accordance with established national regulations, policies and procedures consistent with international standards, in particular ensuring that cash is expended for activities as agreed in the AWP's, and ensuring that reports on the full utilization of all received cash are submitted to UNDP within six months after receipt of the funds. Where any of the national regulations, policies and procedures is not consistent with international standards, the UN agency regulations, policies and procedures will apply.
- 9.7 In the case of international NGO and IGO Implementing Partners cash received shall be used in accordance with international standards in particular ensuring that cash is expended for activities as agreed in the AWP's, and ensuring that reports on the full utilization of all received cash are submitted to UNDP within six months after receipt of the funds.
- 9.8 To facilitate scheduled and special audits, each Implementing Partner receiving cash from UNDP will provide UNDP or its representative with timely access to:
- All financial records which establish the transactional record of the cash transfers provided by UNDP;
 - All relevant documentation and personnel associated with the functioning of the Implementing Partner's internal control structure through which the cash transfers have passed.

9.9 The findings of each audit will be reported to the Implementing Partner and UNDP. Each Implementing Partner will furthermore

- Receive and review the audit report issued by the auditors.
- Provide a timely statement of the acceptance or rejection of any audit recommendation to the UNDP that provided cash (and where the SAI has been identified to conduct the audits, add: and to the SAI).
- Undertake timely actions to address the accepted audit recommendations.
- Report on the actions taken to implement accepted recommendations to the UN agencies (and where the SAI has been identified to conduct the audits, add: and to the SAI), on a quarterly basis (or as locally agreed).

Part X Other Provisions

10.1 This CPAP enters into force on the date signed by both Parties and in the case the CPAP is signed on different dates, then it shall enter into force on the date of the later signature. The CPAP shall continue in force until December 31st, 2014.

10.2 This CPAP supersedes any previously signed CPAP between the Government of Lebanon and UNDP and may be modified by mutual consent of both parties on the recommendations of the joint strategy meeting.

IN WITNESS THEREOF the undersigned, being duly authorized, have signed this Country Programme Action Plan on this day, 17 December 2009.

For the Government Lebanon:

Nabil Jisr
President
Council for Development and
Reconstruction (CDR)

Signature: _____

Name: Nabil A. El Jisr

Title: President



For the United Nations Development Programme
in Lebanon:

Marta Ruedas
Resident Representative
UNDP

Signature: _____

Name: _____

Title: _____