

الشؤون الادارية - الشؤون الادارية - مصلحة الشؤون الادارية - قلم وارد الوزير و المدير العام

رقم الملف و/ 201/

المصدر برنامج الامم المتحدة الانمائي

الموضوع Signature of the project document Gender responsive national budgeting and private investing for SDG2-ZERO HUNGER

التاريخ 14/01/2022

المستدعي CELINE MOHROUD PRESIDENT REPRESENTATIVE

اسم الموظف في القلم امال حافظة

رقم المصدر

رقم واسم الموظف

رقم واسم المكلف

يحال الى سعالي الوزير

للتسهيل بالاصلاح /

عن مدير المالية العام

عوي الخوري

١٤ كانون الثاني ٢٠٢٢

يحال الى

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٢٦ كانون الثاني ٢٠٢٢

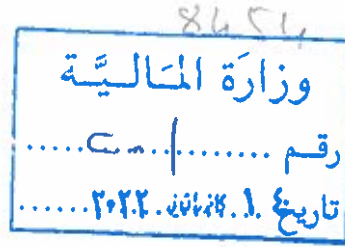
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جانب برنامج الامم المتحدة الانمائي ،  
بعد توقيع سعالي وزير المالية /

٢٦ كانون الثاني ٢٠٢٢

عز الدين العاصم

خوري الخوري



12 January 2022

Excellency,

**Subject:** Signature of the project document *Gender Responsive National Budgeting and Private Investing for SDG2-Zero Hunger*

It was a pleasure to meet with you on January 10, 2022, and to discuss UNDP ongoing support to the Ministry of Finance. As discussed, we enclose for your approval and signature the revised project document for the Joint programme on "*Gender Responsive National Budgeting and Private Investing for SDG2-Zero Hunger*".

The Joint UNDP, FAO, and UN Women programme has requested a 12-month extension till 30 June 2023, in order to achieve the desired outcomes of the programme which are of an utmost importance for Lebanon's economic recovery path.

We look forward to a fruitful collaboration with the Ministry of Finance for the timely implementation of this important and timely programme.

Please accept, Excellency, the assurances of my highest considerations.

Celine Moyroud  
Resident Representative

H.E. Dr. Youssef Khalil  
Minister of Finance  
Beirut, Lebanon

## A. COVER PAGE

1. **Fund Name:** Joint SDG Fund
2. **MPTFO Project Reference Number** (*leave blank / automatically populated in Atlas*)
3. **Joint programme title** *Gender Responsive National Budgeting and Private Investing for SDG2-Zero Hunger*
4. **Short title** *Budgeting and Investing for SDG2*
5. **Country and region** Lebanon, Arab States
6. **Resident Coordinator** (*Najat Rochdi, [rochdi@un.org](mailto:rochdi@un.org)* )
7. **UN Joint programme focal point** *Rony Gedeon, RCO, [rony.gedeon@one.un.org](mailto:rony.gedeon@one.un.org)*
8. **Government Joint Programme focal point** Ministry of Finance

### 9. Short description:

The Gender Responsive National Budgeting and Private Investing for SDG2-Zero Hunger Joint Programme seeks to ensure that the Lebanese central government, donor partners, international financial institutions and the private sector invest adequately, transparency and in an accountable way in the sectors related to SDG2-zero hunger including agriculture, food security and nutrition to generate employment and income generating opportunities for vulnerable men and women living in the poorest Governorates of Lebanon at the periphery and in the long-term preventing further erosion of agriculture, forestry, livestock and fishing sectors which at aggregate level have been shrinking since the beginning of the Syrian Crisis from 3.9 percent of GDP in 2011 to 3.2 percent in 2018.

**10. Keywords:** *SDG Budgeting, SDG2-zero hunger, SDG5-gender equality, Public Financial Management, Gender and Agriculture.*

### 11. Overview of budget

<b>Joint SDG Fund contribution</b>	<b>USD 924,131.00</b>
Co-funding PUNOs	USD 116,000
<b>TOTAL</b>	<b>USD 1,040,131.00</b>

1/FAO: Provision of Technical Expertise: UDS36,000.

2/UNDP: UNDP Country Office senior economist who will provide support and direction to the implementation of this joint implementation: USD50,000.

3/UNWOMEN: The Country Office gender expert who will provide technical support and guidance on gender mainstreaming in this project: USD30,000.

**12. Timeframe:**

Start date	End date	Duration (in months)
<u>1 October 2020</u>	<u>30 June 2022 (to be extended till 30 June 2023)</u>	<u>33 Months (including extension)</u>

**13. Gender Marker:**

*Overall Score of 2 based on Gender Matrix*

**14. Participating UN Organizations (PUNO) and Partners:****14.1 PUNO**

- Convening agency: UNDP  
Celine Moyroud, Resident Representative,  
[Celine.moyroud@undp.org](mailto:Celine.moyroud@undp.org)  
Arab African International Bank Bldg,  
Riad El Solh Street,  
Nejmeh, Beirut 2011 5211  
Lebanon  
P.O.Box: 11-3216, beirut, Lebanon  
Telephone: + 961-1-962500  
Fax: + 961-1-962491  
UNDP, Beirut, Lebanon
- Other PUNO: FAO, UNWOMEN

**14.2 Partners**

- National authorities: Ministry of Agriculture, Ministry of Finance.
- Private sector: Chamber of Commerce, Industry and Agriculture, Association of Banking in Lebanon, Association of Lebanese Industrialists.
- Farmers Cooperatives, Organizations of Women working in Agriculture.
- International Financial Institutions: World Bank, IFC, IMF and Cedre Conference Partners
- Other partners: Central Bank of Lebanon, Kafalat Financing Programme.

*Please find below a table detailing contact names and details for partners.*

## Section 14.2 Partners Name and Contact Details.

Institution Name	Contact Person	Email
<b>Central Government Agencies</b>		
Ministry of Agriculture	Mr. Louis Lahoud (Director General)	<a href="mailto:llahoud@agriculture.gov.lb">llahoud@agriculture.gov.lb</a>
Ministry of Agriculture	Ms. Wafa Dikah Hamze (Senior Advisor)	<a href="mailto:wdikah@gmail.com">wdikah@gmail.com</a>
Ministry of Agriculture (Gender focal point)	Ms. Roula Achi	<a href="mailto:RALachi@agriculture.gov.lb">RALachi@agriculture.gov.lb</a>
Ministry Of Agriculture (NOWARA)	Ms. May Mezher	<a href="mailto:Mmezher@agriculture.gov.lb">Mmezher@agriculture.gov.lb</a>
Ministry of Finance	Ms. Fatima Cheikh	<a href="mailto:Fatima.cheikh@finance.gov.lb">Fatima.cheikh@finance.gov.lb</a>
National Commission for Lebanese Women	Ms. Claudine Aoun Roukoz	claudineaoun@gmail.com
Presidency of Council of Ministers/Ministry of Finance	Ms. Ola Sidani (SDG focal point)	osidani@pcm.gov.lb
<b>Other Public Institutions and Quasi State Agencies</b>		
Council for Development and Reconstruction (CDR)	Ms. Nancy Aouad (Expert Environment and Agriculture)	<a href="mailto:nawad@cdr.gov.lb">nawad@cdr.gov.lb</a>
Kafalat Program	Mr. Khater Abi Habib	khater@kafalat.com.lb;
Investment Development Authority of Lebanon (IDAL)	Mr. Mazen Souaid (Director General)	mazen.soueid@idal.com.lb; invest@idal.com.lb
<b>Private Sector</b>		
Association of Lebanese Industrialists	Mr. George Nasrawi (Vice President and Dean of Food Industries in Lebanon)	sonaco@alrabih.com.lb
Bank Audi	Ms. Hasmig Khoury	Hasmig.khoury@bankaudi.com.lb
Chamber Commerce, Industry and Agriculture	Mr. Rabih Sabra (Director General)	dg-office@ccib.org.lb
Chamber Commerce, Industry and Agriculture	Mr. Elie Massoud (Head of Agriculture & Agro Industries Department)	agriculture@ccib.org.lb
Chamber Commerce, Industry and Agriculture	Ms. Hana Nehmé Haidar	hr@ccib.org.lb
Syndicate of Lebanese Food Industries	Mr. Ahmad Hoteit (President)	slfi@slfi.org.lb; hoteit@cyberia.net.lb
<b>Cooperatives</b>		
Directorate General of Cooperatives	Ms. Gloria Abou Zeid (Director)	<a href="mailto:dgcooperatives@hotmail.com">dgcooperatives@hotmail.com</a>
<b>CSOs working on Agriculture and/or Gender</b>		

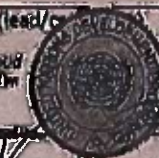



Al Mjamou'a:	Ms. Alia Farhat (NFS Manager)	<a href="mailto:alia@almaimoua.org">alia@almaimoua.org</a>
Ardi Ardak - National Food Security Initiative		<a href="mailto:christine@viviticoaching.com">christine@viviticoaching.com</a>
CRTDA		<a href="mailto:info@crt-da.org.lb">info@crt-da.org.lb</a>
Lebanese League for Women in Business (LLWB)	Ms. Zeina Mhaidly	<a href="mailto:zeina.mhaidly@llwb.org">zeina.mhaidly@llwb.org</a>
Mercy Corps	Mr. George Antoun (Country Director)	<a href="mailto:gantoun@mercy corps.org">gantoun@mercy corps.org</a>
NOWARA (in the Ministry of Agriculture)	Ms. Wafa Dikah Hamze (Senior Advisor)	<a href="mailto:wdikah@gmail.com">wdikah@gmail.com</a>
NOWARA (in the Ministry of Agriculture)	Ms. May Mezher	<a href="mailto:mmezher@agriculture.gov.lb">mmezher@agriculture.gov.lb</a>
YMCA		<a href="mailto:ymca@ymca-leb.org.lb">ymca@ymca-leb.org.lb</a>
<b>International Organizations</b>		
IFC	Ms. Yasmin Mohamed	<a href="mailto:ymohamed1@ifc.org">ymohamed1@ifc.org</a>
IMF	Ms. Najla Nakhle	<a href="mailto:nnakhle@imf.org">nnakhle@imf.org</a>
World Bank	Mr Laurent Debroux	<a href="mailto:ldebroux@worldbank.org">ldebroux@worldbank.org</a>
World Bank	Ms. Fatma El Zahraa Aglan, WB Agricultural Specialist	<a href="mailto:faglan@worldbank.org">faglan@worldbank.org</a>

**SIGNATURE PAGE**

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**SIGNATURE PAGE**

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Resident Coordinator Date and Signature	DocSigned by:	National Coordinating Authority
<b>Participating UN Organization (lead)</b> Name of PONO: UNDP Name of Representative: Celina Royroud Date: 22-04-2021 Signature and seal		Name of Institution: Ministry of Finance  Name of representative: Date: Signature and seal:
<b>Participating UN Organization</b> Name of PONO: UNWOMEN Name of Representative: Rachel Doukakis Date: Dec 23, 2021 Signature and seal		
<b>Participating UN Organization</b> Name of PONO: FAO Name of Representative: Ebtessam Cirak Date: 23/12/2021 Signature and seal		

**1. Call for Concept Notes: SDG Financing (2/2019) - Component 1**

**2. Programme Outcome [pre-selected]**

- Additional financing leveraged to accelerate SDG achievement (Joint SDG Fund Outcome 2)

**3. UNDAF Outcomes and Outputs (same as Results Framework)**

*Core priority 2: Lebanon enjoys domestic stability and practices effective governance*

- *Outcome 2.1: Government's ability to improve the performance of institutions and promote participation and accountability increased.*

*Core priority 3: Lebanon reduces poverty and promotes sustainable development while addressing immediate needs in a human rights/gender sensitive manner.*

- *Outcome 3.1. Productive sectors strengthened to promote inclusive growth and local development especially in most disadvantaged areas*
- 

**4. SDG Targets directly addressed by the Joint Programme**

3.1 List of goals and targets

**1. SDG Goal 2- End hunger, achieve food security and improved nutrition and promote sustainable agriculture.**

- **1.a. Target 2a** -Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, least developed countries.

- **1.b SDG Indicator 2.A.1:**  
*The Agriculture Orientation Index (AOI) for Government Expenditures.*



2. **SDG 16-Promote Peaceful and inclusive societies for sustainable development, provide justice for all and build effective, accountable and inclusive institutions at all levels.**

*2a. Target 16.6-Develop effective, accountable and transparent institutions at all levels measured through indicator 16.6.1 or Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar).*

**2b. Proposed Indicator for SDG2 Sector under Target 16.6:**

*SDG 16.6 which aims to assess effectiveness, accountability and inclusiveness of institutions at all levels could be measured at aggregate level (as described in sub-section 2a. above) or at different sector levels as mentioned in the explanation of target 16.6.*

*In this proposal, target 16.6 will be, therefore, tailored to assess the "institutional effectiveness, accountability and inclusiveness" for SDG2 related sectors as follows: Actual Execution of Budget Allocated to SDG2 Objectives (b) divided by Budget Originally Allocated to SDG2 Objectives (a) or (b)/(a) using Ministry of Finance data.*

**3.2 Expected SDG impact**

**Direct SDG Impact:**

*Public and private investments in productive sectors and particularly those related to SDG2 (e.g. agriculture, food security, nutrition) reach adequate levels following a shift in the budgeting and investing culture within government and among donors, IFIs and private sector circles. This should translate among other things in the consolidation of the Agriculture Orientation Index and more credible allocations to SDG2 sectors (i.e. allocations that get executed). It would also encourage donors, IFIs to review their portfolio to strengthen the SDG2 allocation and private sector to finance and/or invest in SDG2 related projects.*

**5. Relevant objective(s) from the national SDG framework**

*Not Applicable as Lebanon has not adopted a national SDG framework yet. The Government of Lebanon only produced a first national voluntary report in 2018.*

**6. Brief overview of the Theory of Change of the Joint programme**

*Since 2011, SDG2 related sectors such as agriculture, forestry, livestock and fishing have witnessed significant shrinking at aggregate level from 3.9 percent to GDP to 3.2 percent of GDP. Although GDP statistics by governorates are not available, proxy indicators (e.g. agriculture lands, industrial maps, employment statistics etc.), it is suggested that SDG2 related sectors are vital for peripheral governorates in Lebanon such as Akkar, Baalbak-Hermel, Beqaa, Nabatiyeh, South Lebanon and North Lebanon where the poverty rate is significantly higher than the national average specially among women.*

*While we do acknowledge the difficulty of affecting the economic structure in the short-term, it is however, urgent for the State, donors, IFIs and the private sector to ensure that public and private investments reach adequate levels that match the needs.*

*Such a transformation requires a change in budgeting and investment culture in Lebanon. We propose to initiate such a change as follows:*

- 1. Evidence-based and results-oriented budget decision making through mainstreaming SDG2 concerns throughout the budget formulation process in a gender responsive way.*
- 2. Strengthened Transparency, Accountability and Oversight for effective gender responsive SDG2 public investment implementation through the development of systematic monitoring and evaluation processes and instruments and the establishment of the required governance mechanisms.*
- 3. Mechanisms established for International Public Finance and Private Sector Finance Leveraging.*

## **7. Trans-boundary and/or regional issues**

*The risks of introduction and spread of animal and plant pests and diseases have been dramatically exacerbated by the increased movement of people, plants, animals and their products, and by the influence of climate change. Transboundary plant, animal pests and diseases have considerably and negatively affected agricultural production, and could cause serious damage and economic losses, resulting in severe impact on producers' income and livelihoods, resilience, food security and nutrition, national economies and international trade. Coupled with influx of displaced Syrians, the host communities face exacerbated challenges in a very dire economic crisis.*

*In addition to the challenges above, vulnerable communities now face a major threat to their livelihoods and their food and nutrition security following the Covid-19 pandemic and the general mobilization that had to be decreed by the government and the associated confinement measures announced to contain the propagation of the virus.*

## C. JOINT PROGRAMME DESCRIPTION

### 1. Baseline and Situation Analysis

#### 1.1 Problem statement (max 2 pages)

Since the end of the civil war in 1990, Lebanon has relied on banking, tourism, and a large diaspora to attract foreign direct investment, remittances and non-resident deposits in foreign exchange to the country, mostly in US dollars. The post-civil war economic model started to unravel in 2011 when the balance of payments turned permanently negative<sup>1</sup> due to a series of geopolitical (the Syrian Crisis), financial (e.g. as a result long-term oil price decline starting 2014) and political (e.g. changes in major Arab Gulf countries) shocks to the country, and ruptured at the end of 2019 when a dual exchange rate surfaced<sup>2</sup> and informal capital controls were introduced by commercial banks<sup>3</sup> – spurring a “deep economic crisis” in the words of UN Special Coordinator for Lebanon, Jan Kubis<sup>4</sup>.

As recognized in the Ministerial Declaration of the newly formed Council of Ministers<sup>5</sup>, “Lebanon is currently facing asphyxiating and fateful economic, financial, social, livelihood and environmental crises, unemployment that is growing beyond control, extreme poverty, collapsing infrastructure, threats to essential services and people’s health, salaries, housing and livelihoods”.

The imbricated economic, monetary and financial crises that Lebanon is currently witnessing have translated into a rapid deterioration of public finances<sup>6</sup> through the shrinking public revenues<sup>7</sup> and tremendous pressures on the central government to cut or delay primary expenditures. Given the political economy factors that prevent the reduction of key recurrent expenditures, including interest payments, salaries and wages and transfers to the Electricité du Liban, which together account for more than three quarters of total expenditures<sup>8</sup>, in the short to medium term, the government is expected to continue cutting discretionary spending and compressing the remaining portion of the budget in the next two years in order to control the deficit and spiraling public debt<sup>9</sup>.

<sup>1</sup> With the noticeable exception of 2016 following the financial engineering implemented by the Central Bank: <https://www.lcps-lebanon.org/agendaArticle.php?id=91>

<sup>2</sup> As implicitly recognized by the Central Bank policy of ensuring foreign currency at official rate to certain important imports such as energy, wheat and medications/medical supplies only.

<sup>3</sup> Following a press release by the Association of Banks in Lebanon in 17 November 2019: <http://www.aldic.net/capital-control-measures/>

<sup>4</sup> <https://reliefweb.int/report/lebanon/interview-un-special-coordinator-lebanon-jan-kubis-sky-news-11-february-2020>

<sup>5</sup> Please refer to the Ministerial Declaration:

<http://www.pcm.gov.lb/Library/Images/Hok76Ministers/w76n.pdf> (In Arabic).

<sup>6</sup> The latest projections of the Article IV IMF missions published in October 2019 estimate that the deficit will reach 11.5 percent of GDP in 2020 and 15.3 percent in 2024, up from 9.8 percent in 2019:

<sup>7</sup> The Ministry of Finance has only published figures up to October 2019, showing a 5.5 percent year-on-year decrease in total government revenues: <http://www.finance.gov.lb/en-us/Finance/EDS/FP/2019/Oct%202019ar.pdf>.

However, the Minister of Finance declared in December 2019 that since revenue collections in the last quarter of the year dropped by 40 percent from the previous quarter as national protests brought public institutions to a halt compelling the Ministry to revise the figures for Budget 2020:

<https://www.dailystar.com.lb/Business/Local/2019/Dec-12/497247-khalli-reports-40-pct-qovt-revenue-decline-due-to-crises.ashx>.

<sup>8</sup> <http://www.finance.gov.lb/en-us/Finance/RepPub/DRIMOF/PFR/Public%20Finance%20Monitor/Monthly%20PFM%20Report%20-%20October%202019.pdf>

<sup>9</sup> The latest projections of the Article IV IMF missions (October 2019) estimate that the debt to GDP will reach 162 percent of GDP in 2020 and 185 percent in 2024, up from 155 percent in 2019.

Along with anticipated private financing difficulties associated with the ongoing liquidity crisis, such austerity measures are expected to lead to deep economic losses<sup>10</sup> that will be felt on a national scale, but more so within deprived peripheral governorates that depend on the central government's support and transfers for the provision of public services, eventually falling the hardest on households whose livelihoods are dependent on seasonal sectors, particularly agriculture.

Around 20 to 25 percent of the active population has some activity in agriculture on a full time or part time basis, including seasonal family labor. In the poorest regions of the country such as in Akkar, Dinnyeh, the northern Bekaa and the South, agriculture-related activities account for up to 80 percent of the local GDP. Over 20 percent of heads of households engaged in the sector are highly vulnerable. Women farmers constitute some 9 percent of the total farmers. Involved mainly in the production of dairy products, food preserves and subsistence farming, they are marked by an increased incidence of poverty.

Even before the escalation of economic and financial crisis, most of the agricultural sector was financially struggling due to high costs of production and low valued output. High cost of production resulting from high costs of variable inputs (seeds, fertilizers, plant protection materials, etc.), but also high costs of land rental, high energy costs linked to spotty supply of electricity which has to be substituted by fuel-run generators, etc.

Following the restriction on hard currency informally introduced by the Lebanese Association of Banks, importing companies of all sorts, including agriculture, could not access the hard currency they need to fulfil their import needs anymore. Only fuel, wheat, and medical products have benefitted from a special importing regime in which the Central Bank has guaranteed 85 percent of hard currency needs at the official rate of 1 507 LBP per USD<sup>11</sup>, while the remaining 15 percent has to be purchased on the parallel market using the daily and very volatile rate.

Austerity is also likely to disproportionately impact women as smaller enterprises try to cope with new economic realities, women are likely to be the first laid off by employers as their participation in paid work is commonly viewed as 'secondary' to that of men, and as public and private service providers in the education and healthcare sectors, where which make up the largest shares of women's economic participation, lose government support. This is within a context where Lebanon already falls 145 out of a total of 153 countries on the Global Gender Gap Report 2020. Moreover, low-income female headed households and older women - refugees, migrants and Lebanese - who are already amongst the most vulnerable, will likely be disproportionately affected due to roll back on the few social welfare and care services that had been in place. Migrant domestic workers, who are predominately female, are also at risk of heightened exploitation and violence, due to the "Kafala" sponsorship system - which ties the legal residency of the worker to the contractual relationship with the employer, with reports of wages being withheld or reduced as the crisis continues.

In this context, the "United Nations Position Paper on Social Protection in Lebanon" developed in February 2020<sup>12</sup> is making key suggestions to "maintain access to affordable basic services" such as Social Development Centers, Primary Health Centers, public schools as well as more

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10 Government through public spending has been with the "External" one the two main sources of the financing of the exogenous demand growth in the economy in the 1997-2010 period (with the noticeable exceptions of 2005 and 2006 characterized by high political volatility and war). Since 2011, the exogenous demand growth has been supported by the self-financing of enterprises followed by government spending. For more information, please refer to Kasparian Robert, "The Drivers of Growth in Lebanon's Economy from 1997 to 2017."

<sup>11</sup> Intermediate BDL Circular Number 530 dated 30 September 2019.

<sup>12</sup> It is not available online yet.

specific programs such as free drugs for acute conditions for all children, free vaccinations and possible expansion to other vulnerable groups such as pregnant and lactating women, those with disabilities and elderly.

The advocacy for the continuity of government policies and spending that are essential for the social protection response to the economic crisis should be, however, complemented with advocacy for increased support to key productive sectors that are essential to the preservation of jobs and livelihoods in particular in peripheral governorates characterized by under-developed manufacturing sector, relatively higher dependence on agriculture,<sup>13</sup> remittances from urban migrants and high vulnerability to the impact of the Covid-19 pandemic.

The proposal below aims, therefore, to develop a set of interventions involving both public and private sectors to maximize investments in SDGs.

On the public sector side, the interventions will help the Government of Lebanon prioritize and mobilize through its national budgeting process formulation, execution and monitoring and evaluation process productive spending and investment in order to initiate the economy restructuring process announced in the Ministerial Declaration. This will take into consideration criteria on economic, social, gender benefits and contribution to selected high priority SDGs criteria or **"budgeting for SDGs"**.

Strategic allocation of scarce and dwindling public resources through "budgeting for SDGs" that are prioritized as opposed to across the board, indiscriminate spending cuts is essential to keep Lebanon on track for meeting the Sustainable Development Goals. These strategic allocations must be in line with the Ministerial Declaration, the Capital Investment Program (CIP)<sup>14</sup>, all relevant sector plans such as the new National Agriculture Strategy 2021-2025 under preparation and Gender Equality Strategy such as the National Strategy for Women in Lebanon 2011-2021<sup>15</sup>.

On the private sector side, the intervention seeks to leverage the work done with the government in SDG policy-making, objectives setting and budgeting to incentivize the private sector but also donor partners and International Financial Institutions to align their investment decisions with the SDGs and particularly SDG2-zero hunger.

The following proposal shall therefore aim at "Budgeting and Investing for SDGs" and in particular SDG2-zero hunger while taking into account gender equality imperatives under SDG5.

## **1.2 SDGs and targets (max 2 pages)**

The Ministerial Declaration of the new Council of Ministers and its accompanying measures aim at helping the country transition from a "rentier economy to a productive one" and identify

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<sup>13</sup> In 2007 The Household Living Conditions Survey, 10.6 percent of workers in the peripheral Governorates were in Agriculture as opposed to only 0.8 percent in Beirut and Mount Lebanon.

<sup>14</sup> The CIP makes the linkages between productive sectors and the infrastructural needs of the country: <http://www.pcm.gov.lb/Admin/DynamicFile.aspx?PHName=Document&PageID=11231&published=1>

<sup>15</sup> The Strategy can be found at: <https://nclw.gov.lb/en/womens-strategy/> The gender mainstreaming work proposed at the junction of SDG2 and budgeting will be fully in line with the objectives of the National Strategy for Women in Lebanon and its Strategic Goal: "Promoting the participation of women in the economic sector", "Fourth Objective: Providing incentives to enhance women's participation in the economy" and Intervention: "Working to urge the different ministries and public and financial institutions to integrate gender and women's issues in their budgets and economic programs."

agriculture, manufacturing and knowledge economy as the three sustainable sectors expected to add value and contribute significantly to national growth.

Lebanon's national objective of moving towards a productive economy based on agriculture, manufacturing and knowledge economy is aligned with SDG 8 on "decent work and economic growth". It also converges with more specific SDGs such as **SDG 2 on "zero hunger"** and its focus on doubling the agricultural productivity and incomes of vulnerable food through sustainable agricultural practices by 2030 and **SDG 5 on "gender equality"**, given the large percentage of women working informally in the agricultural and agro-food sectors and the objectives of target 5.5 which calls for ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

In addition to the Ministerial Declaration, the Ministry of Agriculture's National Agriculture Recovery Strategy 2021-2025 that is currently prepared with the support of FAO offers robust anchorage, at sectoral level, for the selection of SDG2 as focus for a national level SDG budgeting.

The priority of the SDG2-zero hunger related sectors is also highlighted in the Capital Investment Program of the Government and its focus on irrigation and access to markets infrastructure. As for SDG5 on gender equality, it is pursued through the National Strategy for Women in Lebanon (2011-2021) that was prepared by the National Commission for Lebanese Women.

#### **Opportunities for Systemic Change**

The proposed "Budgeting and Investing for SDG2" intervention is an opportunity for bringing systemic change through strengthening governance systems at different levels to increase public and private investment in SDGs and therefore opportunities for revenue generation:

1. Making Public Financial Management (PFM) systems responsive to SDG2 objectives in order to strengthen the linkages between national development and sector plans in which they are embedded on one hand and the national budget on the other and increase therefore the likelihood of their financing from both domestic and international sources through the implementation of an SDG2 Public Expenditure Review and Systematic Advisory Support to be provided at Government Level (e.g. Ministry of Finance, Ministry of Agriculture etc.)
2. Supporting the Ministry of Agriculture and key sector ministries (MoET, MoSA, MoF, IDAL etc.) implementing SDG2 programs assess options for gender equality and women empowerment concerns in the programs that are submitted for funding through the national budget process and therefore strengthen linkages between SDG2 and SDG5.
3. Enabling private sector investment in SDG2 through the creation of inclusive spaces for dialogue between government and relevant stakeholders including Bilateral Donors, IFIs, Civil Society and Private Sector to support resource mobilization for "SDG2-zero hunger".
4. Developing monitoring and evaluation instruments for public and private investments in SDG2-zero hunger and their gender responsiveness. This would include both internal and external reporting, the formal adoption of targets, development and calculation of indicators to measure progress towards targets regularly.
5. The establishment of governance mechanisms within the State (e.g. inter-ministerial committees, sessions in parliamentary committees) and in partnership with private sector (e.g. special sessions held within the regular forum/dialogue held etc.)

### **Measurable SDG Targets:**

#### **Policy Change:**

**SDG Goal 2-** End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

**Target 2a** -Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, least developed countries.

#### **SDG Indicator 2.A.1**

The Agriculture Orientation Index (AOI) for Government Expenditures<sup>16</sup> "is defined as the Agriculture Share of Government Expenditures, divided by the Agriculture Share of GDP, where Agriculture refers to the agriculture, forestry, fishing and hunting sector. The measure is a currency-free index, calculated as the ratio of these two shares. This indicator will measure progress towards SDG Target 2.a."<sup>17</sup>

As part of its SDG2 budgeting support, the joint programme will estimate the AOI for Lebanon based on the latest data available from the Ministry of Finance (MoF) and the Central Administration of Statistics (CAS) and come up with an initial baseline. It will also work with the Ministry of Finance, Ministry of Agriculture and Central Administration for Statistics to support the development of a methodology that will define SDG2 expenditures precisely and therefore allow for the setting of a national target and the measurement and publishing of the AOI on a regular basis to help i. guide and inform the strategic and annual budgeting process and contribute to progress towards SDG 2.

#### **Gender-Responsiveness**

While the SDG indicator itself is not gender-responsive, the joint programme, will also be estimating a gender responsive sub-indicator of the AOI which will be the percentage of agriculture share of government expenditures that is gender responsive.

#### **Data Availability**

Whenever, CAS national accounts have not been finalized, IMF projections for GDP will be used as published in the World Economic Outlook or the latest Article IV Mission Report.

#### **Systemic Change:**

**SDG 16**-Promote Peaceful and inclusive societies for sustainable development, provide justice for all and build effective, accountable and inclusive institutions at all levels.

**Target 16.6**-Develop effective, accountable and transparent institutions at all levels measured through indicator 16.6.1 or Primary government expenditures as a proportion of original approved budget, **by sector** (or by budget codes or similar)<sup>18</sup>.

<sup>16</sup> <https://sustainabledevelopment.un.org/sdg2>.

<sup>17</sup> <http://www.fao.org/sustainable-development-goals/indicators/2a1/en/>.

<sup>18</sup> <https://sustainabledevelopment.un.org/sdg16>.

**Proposed Indicator for SDG2 Sector under Target 16.6:** Actual Execution of Budget Allocated to SDG2 Objectives (b) divided by Budget Originally Allocated to SDG2 Objectives (a) or (b)/(a) using Ministry of Finance data.

### **Contributions to Other SDGs through Interlinkages among the SDGs**

There has always been a strong link between agriculture and poverty in Lebanon. Among major economic sectors, agriculture has the highest rate of poverty and over 20 percent of heads of households engaged in the sector were found to be very poor with the North governorate among the hardest hit areas with one in four agriculture workers likely to be poor<sup>19</sup>. Supporting progress towards SDG2 through better national budgeting formulation and execution practices would play an important role in pro-poor growth and contribute therefore to both:

- i. SDG Goal 1-Eradicate Poverty in All Its Forms Everywhere and particularly target 1.1.1. aiming at reducing the "proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)"<sup>20</sup>.
- ii. SDG Goal 8- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- i. SDG 5 on "gender equality", target 5.5 which calls for ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life. Progress against this will be measured through the World Bank supported Mashreq Gender Facility established to promote and measure women's economic empowerment. The Lebanon branch is housed by the National Commission for Lebanese Women, funded through the World Bank (with technical assistance from the World Bank).

There is, however, currently no systematic data published allowing to measure progress on SDG 1 and SDG8.

### **1.3 Stakeholder mapping and target groups (max 2 pages)**

Any form of SDG budgeting and investing intervention requires at its core whole of government approach that would involve lead agencies (Ministry of Finance, Economy and Trade), sectoral ministries in charge of the relevant SDGs, autonomous state agencies. Such intervention should not include however, oversight state actors who often play a key role in the budget approval (Parliament) and execution/evaluation process (Court of Audit).

It will also include donor partners and international financial institutions and specially those involved in the CEDRE conference<sup>21</sup> such as France, Germany, Italy, Kuwait, the Netherlands, Turkey, UK , the US and the EU and IFIs such as Arab DB, EBRD, EIB, Kuwaiti Fund, IDB and The World Bank etc.

<sup>19</sup> Please Refer to UNDP Report on Poverty, Growth and Income Distribution In Lebanon:

<https://www.lb.undp.org/content/lebanon/en/home/library/poverty/poverty--growth-and-income-distribution-in-lebanon-.html>

<sup>20</sup> <https://sustainabledevelopment.un.org/sdg1>.

<sup>21</sup> [https://www.diplomatie.gouv.fr/IMG/pdf/cedre\\_statement-en\\_final\\_ang\\_cle8179fb.pdf](https://www.diplomatie.gouv.fr/IMG/pdf/cedre_statement-en_final_ang_cle8179fb.pdf)



Given the high importance of private sector partners, the stakeholders involved will also include the relevant regional Chambers of Commerce, Industry and Agriculture (CCIA), Organizations Representing Farmers, Association for Lebanese Industrialists (ALI) and also the Association of Banks in Lebanon (ABL).

### **State Stakeholders:**

#### **Central Government:**

**Central Administration of Statistics (CAS)**<sup>22</sup>: is the administration in charge of collecting, processing, producing and disseminating social and economic statistics at the national level and to provide all users with evidence-based information for decision making. They are also in charge of the technical supervision of statistics produced by other ministries and public administrations as well as improving methods and harmonizing statistics.

**Ministry of Finance (MoF)**: is the public administration that leads and coordinates the formulation of the national budget and ensures that it is in line with the Government national policy objectives and Agenda 2030. It is also the agency that will have to prioritize during the budget year which objective(s) will get funding as per the evolving resource constraints. Given the shrinking revenue envelope Lebanon is facing, the Ministry of Finance will be needing support to develop SDG budgeting systematic processes and objective tools to make allocation decision on robust economic, social and SDG relevance criteria.

**Ministry of Agriculture (MoA)**: The Ministry of Agriculture is responsible for the formulation of the strategic framework for the agricultural sector and develops practical policies and programs to promote this sector and develops legal and legislative frameworks and the infrastructure to facilitate the operations of investment, production and marketing.

**Ministry of Economy and Trade (MoET)**<sup>23</sup>: is concerned as a policy-making agency and an implementing agency. As a policy-making agency, it has developed at the request of the Government, a comprehensive "Lebanon Economic Vision" in 2018 which covers SDG2 through its "sector diagnostics and deep-dives"<sup>24</sup> on the agricultural sector. As an implementing agency, MoET, is directly concerned through the Office for Cereals and Beetroot which plays a key role in providing subsidies to wheat farmers, ensuring food security and regulating/subsidizing bread price. As such, it is very much concerned with SDG2 budgeting processes and particularly the budget formulation for SDG2.

**Ministry of Industry (MoI)** : The MOI through its role in creating the industrial legislative bases and frames; protecting the national industrial production from dumping; searching opportunities for industrial production and promoting the small and medium enterprises and small and medium industries (SMEs, SMIs) is particularly relevant for agro-food and agro-industries. In that regard, the MoI has prepared with UNIDO the agro-industry roadmap.

**Ministry of Foreign Affairs**: In addition to political and diaspora affairs, the Ministry of Foreign Affairs is in charge of Lebanon's economic and social affairs overseas in coordination with the Ministries of Finance, Economy and Trade, Public Works and Transport, Industry, IDAL and Agriculture. The Ministry gathers information for review and analysis and finding new markets for Lebanese products.

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<sup>22</sup> <http://www.cas.gov.lb/>

<sup>23</sup> For more details: <http://www.economy.gov.lb/>

<sup>24</sup> <https://www.economy.gov.lb/media/11893/20181022-1228full-report-en.pdf>

Ministry of Social Affairs (MoSA): As the social policy lead in Lebanon, the executor of social projects implemented by the State, the provider of public subsidies and support to existing and new social projects and the administration in charge of emergency and relief, MoSA is primarily concerned with SDG2 and in particular the food and nutrition aspects of it.

**National Commission for Lebanese Women (NCLW), and the Mashreq Gender Facility (MGF):** provides technical assistance to the Mashreq countries to enhance women's economic empowerment and opportunities as a catalyst towards more inclusive, sustainable, and peaceful societies, where economic growth benefits all. Through collaboration with the private sector, civil society organizations and development partners, the Facility (financed by the Government of Canada and Norway, through the World Bank, and sitting in the NCLW) supports government-led efforts, country-level priorities and activities that which strengthen the enabling environment for relevant stakeholders to effectively identify and address constraints to women's economic participation; and improve women's access to economic opportunities.

**National Observatory for Women in Agriculture and Rural Areas (NOWARA):** Although not legally set up yet, the Ministry of Agriculture includes a National Observatory for Women in Agriculture and Rural Areas with a director who is also the adviser to the Minister and who is willing to strengthen the gender work done within the Ministry.

#### **Autonomous State and Quasi State Agencies:**

**Banque du Liban (Central Bank of Lebanon-BDL)<sup>25</sup>:** through the circulars it issues, the Central Bank has been playing an important role in the increase of commercial bank funding to SDG2 related sectors as well as their access to credit subsidized through the national budget. More recently, it is playing a key role in food security by indirectly subsidizing the price of wheat and flour imports through its foreign exchange reserves at 85 percent. A significant cost that does not appear in the national budget. While, the BDL is not directly part of the SDG2 budgeting process, their involvement would bring invaluable insights to the proposed SDG PER and systematic policy advisory interventions.

**Investment Development Authority of Lebanon (IDAL):** is the national investment promotion agency that aims at promoting Lebanon as a key investment destination. It supports certain SDG2 related sectors both through the provision of investors with a range of incentives and business support services and the active promotion and marketing of SDG2 related exports through programs such as Agri-Plus and Agro-Map<sup>26</sup>. As an agency funded directly from the national budget and playing a key role in encouraging private investments in SDG2 related sectors, IDAL should be involved in the proposed SDG2 budgeting intervention.

**Regie Libanaise de Tabacs et Tombacs (RLTT):** established in 1935, is a public enterprise under the tutelage of the Ministry of Finance in charge of the tobacco sector. The regie supports and subsidizes around 25,000 tobacco farmers. It is a net contributor to the Lebanese Treasury.

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<sup>25</sup> For more details, please refer to: <https://www.bdl.gov.lb/>.

<sup>26</sup> For more details, please refer to: <https://investinlebanon.gov.lb/>.

**Kafalat**<sup>27</sup>: is a financial company with public concern that assists SMEs in prioritized sectors such as SDG2 related ones to access commercial bank funding by providing loan guarantees based on business plans / feasibility studies that show the viability of the proposed business activity. The guarantee enables the borrower to provide the bank with a collateral, which makes the provision of the loan safer for the bank. Kafalat has a dedicated window to agriculture known as "Kafalat-Agriculture". While they are not part of the budgeting process at all, Kafalat involvement in the SDG2 PER process would bring invaluable insights to the proposed interventions.

#### **Oversight State Actors:**

**The Parliament**<sup>28</sup>: in the past years, the Finance and Budget Committee has been playing a very proactive role in the monitoring of public expenditures. This monitoring was, however, exercised from a wasteful-spending elimination lens. The SDG2 budgeting intervention shall be an occasion to introduce to them and the Committee looking at SDG2 policy issues, the importance of SDG2 budgeting to help them better exercise their oversight role and recommendations to the Government and General Assembly.

**Court of Audit (CoA)**: In Lebanon, the Court of Audit plays both an ex-ante and ex-post control role. This means that any planned spending at Ministerial level has to be approved by the CoA prior to its execution to ensure that it is compliant with all rules and regulation. The COA is therefore an important partner to engage to understand better the efficiency and effectiveness of national spending on SDG2 objectives and how it can be improved.

**Economic and Social Council (ECOSOC)**: grounded in the National Accord document of Taif and formally established in 1999 as an establishment, ECOSOC tasks are defined as follows<sup>29</sup>:

- It provides its opinions (consultative), over dossiers submitted by the Prime Minister (P.M.) to the Council.
- It provides opinion over dossiers deemed crucial by the Council. There remains to say, that S.E.C. Opinions are not regarded as binding in any way on the Cabinet. Opinions are merely consultative i.e. while representing a consensus between professional and civil references which comprise S.E.C. general assembly, projects represent to a large extent a faithful image of the community.
- Prompting inter dialogue, cooperation and coordination between various Economic, Social and vocational Sectors, S.E.C. comprises 71 members representing all sectors, associations, syndicates, vocational and expatriate institutions.

#### **Non-State Actors:**

**Chambers of Commerce, Industry and Agriculture (CCIAs)**<sup>30</sup>: they represent the interests of the private sector, contribute to the formulation of economic policies and to the elaboration of legislation that impacts business activity, develop partnership and dialogue between the business sector and the government, and provides a broad array of services to enterprises. Among their main activities on agriculture: i. Lobbying role to protect interests

<sup>27</sup> For more details, please refer to: <http://kafalat.com.lb/>.

<sup>28</sup> For more details, please refer to: <https://www.lp.gov.lb/>.

<sup>29</sup> For more details, please refer to: <https://www.ces.gov.lb/institution/en>.

<sup>30</sup> For more details, please refer to: <https://www.cclb.org.lb/>.

of the agricultural sector in terms of policies, laws and trade agreements, ii. contributing to negotiations pertaining to agriculture sector in terms of trade agreements between Lebanon and partner countries, iii. participating in local and international agricultural exhibitions and supporting Lebanese farmers and agro companies financially and technically to take part in these events and iv. collaborating with governmental and international institutions in planning and implementing agricultural development programs.

**Association of Lebanese Industrialists (ALI):** established in 1942, it is the main national association of manufacturing companies operating in Lebanon including those involved in food products. It deals with both economic and social issues concerning business and advocates a policy of balanced industrial development for all Lebanese regions.

**The Association of Banks in Lebanon (ABL)**<sup>31</sup>: founded in 1959 aims at highlighting the fundamental role of banks in upholding the national economy, through catering for an important share of the necessary financing needs to promote growth among other objectives.

#### **Other Key Actors:**

**International Monetary Fund:** is supporting the Government of Lebanon to explore and undertake gender-based budgeting, with contributions from UN Women.

## **2. Programme Strategy**

### **2.1. Overall strategy (max 2 pages)**

The UN has accumulated through its programmes and agencies over the years a rich and diverse experience in various forms of SDG budgeting (e.g. FAO on SDG2, WHO on SDG3, UNWOMEN on SDG5, UNICEF across SDGs, UNDP on SDG13 etc.) that embraces the full spectrum of sectoral and cross-cutting policy challenges to SDG budgeting allowing us to be a key partner on systemic reforms aiming at transforming country's budgets and their underlying PFM systems into an effective channel for delivering SDG public finance. With primary expenditures reaching an estimated 21.6 percent of GDP for 2018, aligning Lebanon's national budget with the SDGs remains one of the most effective strategies to deliver Agenda 2030 at scale<sup>32</sup>.

In Lebanon, the UN has already started support on SDG budgeting through two initiatives from UNICEF<sup>33</sup>. The first initiative has been providing preliminary training to key ministries on child- and gender responsive budgeting, paving the way for more in-depth capacity building programs within line ministries as well as new budgeting approaches that result in more efficient and effective public financial management. The second project aims to improve

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<sup>31</sup> For more details, please refer to: <https://www.abl.org.lb/>.

<sup>32</sup> Ministry of Finance fiscal performance for 2018 and IMF Article IV latest estimate for the nominal GDP of 2018.

<sup>33</sup> For more details, please refer to Annex 1.

PFM transparency and government accountability with respect to citizens by offering clear and accessible information on government processes and fiscal outcomes. Both projects represent solid lessons learnt opportunities that will inform the joint proposal will build its intervention,

However, the Lebanese national budget is still formulated and presented in the form of articles that follow a traditional input-based form<sup>34</sup>. As recognized in the budgeting literature, input-based budgeting makes it difficult to formulate and execute budget in a more strategic perspective based on program objectives<sup>35</sup>. These difficulties get even stronger when countries decide to budget for SDGs proactively to align their national budgets with their SDG objectives<sup>36</sup>. Moreover, in countries such as Lebanon where there are no centralized National Development Plans that could be easily aligned with the SDG from a top-down perspective or program-based budgeting that can be linked easily to the SDGs.

Our strategy, therefore, adopts a more bottom-up and incremental approach and starts first of all by accompanying the Ministry of Finance and selected key sector ministries to understand and operationalize the SDG dimension/relevance of the national budget allocations using high priority SDGs such as SDG2 on Zero Hunger and SDG5 on gender equality.

Such an understanding would lay the ground for a proactive budget formulation and execution exercise that would help the government recognize and prioritize the policies and programmes that contribute most to revenue generation and growth in line with selected SDGs and their economic, social and gender equity objectives.

As such, the SDG budgeting advocacy process led by the United Nations would be articulated around two phases: The first phase would revolve around the implementation of an SDG Public Expenditure Review (SDG PER) which will focus on SDG2-zero hunger in close partnership the Ministry of Finance (MoF) and concerned Ministries such as the Ministry of Agriculture (MoA), the Ministry of Economy and Trade, the Ministry of Industry and stakeholders identified in section 1.3. This will be linked to the IMF-led gender responsive budgeting work being undertaken with the Ministry of Agriculture.

While anchored on SDG2-zero hunger, the PER will identify any existing linkage (or absence of) with SDG5 in all relevant policy, institutional, planning and budgeting entry points that offer possibilities for such analysis.

To build on the momentum created by the SDG2 PER, and accelerate on the delivery of the concerned SDGs, the validation of its recommendations will be followed by a second phase of Systematic Policy Advisory Support on SDG2 budgeting (again, linked to the ongoing SDG 5 budgeting) through a presence in the Ministry of Finance and the Ministry of Agriculture in order to build the capacity of the government in bringing an SDG2 lens into the budgeting formulation and execution process and guarantee the sustainability of results.

To guarantee the sustainability of the interventions, the experts will be working from within the relevant directorates (e.g. budget, Treasury etc.) and working in pairs with civil service colleagues to ensure gradual, regular and mutual transfer of knowledge and competencies

<sup>34</sup> Please refer to Legislative Decree 14969 dated 30 December 1963 also known as the Public Accounting Law.

<sup>35</sup> See for example, OECD: <http://www.oecd.org/governance/budgeting/44526575.pdf>

<sup>36</sup> <https://blog-pfm.imf.org/pfmblog/2016/08/how-to-link-sdgs-to-the-budget.html>.

and regular updates would be presented to both the Director General and the Minister as applicable for feedback and guidance.

The project would last two years. By the end of the project, the budgeting culture within the MoF and MoA should have changed to allow the systematic integration of SDG2-SDG5 concerns at key stages of the budget cycle including formulation, approval, monitoring and evaluation and therefore the preservation and of AOI score in an austerity context.

Such a change will also impact the budgeting culture of the donor partners and IFIs which will review their Lebanese portfolio to ensure it adequately reflects the needs of Lebanon with respect to SDG2 and SDG5. The role of the UN would be also catalytic in gathering the attention and bringing together through a joint mechanism (e.g. public-private forum etc.) national and international stakeholders including government, civil society (e.g. organizations working on agriculture, budget transparency and gender equality), bilateral donors, international financial institutions, academics/universities and private sector actors around the urgency of investing in SDG2 and SDG5 to promote the country's economic and social development.

The formal identification of strategic entry points for SDG mainstreaming and the development of successful SDG mainstreaming instruments both at MoF and MoA that demonstrate the value added of SDG budgeting will facilitate the scale-up of the SDG budgeting reform to include other high priority SDGs and their driving line ministries provided there is continuous strong leadership from the MoF.

As part of an exit strategy, the support will envisage a progressive transfer of competences and responsibilities for monitoring to the relevant ministries involved through formal mechanisms such as Ministerial Decisions or Circulars to institutionalize the transfer and mandate the specific directorates with the preparation of the required data, analysis and reports. The UN will also explore with the Institute of Finance<sup>37</sup> which is known for its thought leadership in public sector/PFM reforms and capacity building mandate the role, it might play going forward in terms of developing SDG mainstreaming instruments and training public officials with the technical support of relevant UN agencies and programme.

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<sup>37</sup> <http://www.institutesfinances.gov.lb/>

## 2.2 Theory of Change (max 2 pages+graphic)

The programme is based on the theory that preventing further shrinkages in SDG2 related sectors<sup>38</sup> given their vulnerability to price fluctuation and the on-going economic and financial crisis and therefore deterioration in the livelihoods of some of the most vulnerable groups in Lebanon requires the mobilization of financing for (gender responsive) SDG2 programs combining, domestic, international, public and private financing sources.

The mobilization of additional financing for (gender responsive) SDG2 programs requires an integrated strategy using mainstreaming instruments, capacity building and strategic partnerships that aims at introducing a shift in the budgeting and financing processes and/or decision-making of the key relevant stakeholders including government, donors, private sector and CSOs.

As explained in the baseline and strategy section, government spending, even more so in years of crisis, is often a major driver of the Lebanese economy (before commercial lending for example) and the primary expenditures represent a significant 20.3 percent of GDP<sup>39</sup>.

The national budget, in our Theory of Change (TOC) should not, however, be understood only as the legal document and the set of related laws, systems and processes<sup>40</sup> through which revenues are collected and allocations for gender-responsive SDG2 programs are executed.

It is also the major policy instrument through which the State engages the private sector through the fiscal incentives it provides or the co-funding it brings for private-public partnership, the quality of its management is a source of trust for donors and International Finance Institutions (IFIs) which can help attracts additional Overseas Development Assistance (ODA). Most importantly, it is an institutional space whose effectiveness depend on the quality of the oversight, accountability and transparency ecosystem (i.e. culture and practices) surrounding it.

Therefore, the TOC, aiming at preserving the SDG2 related sectors in the context of economic and financial downturns, will be built around three interlinked streams which are based on the gender responsive SDG2 baseline which will be obtained through the analysis of the existing PFM landscape, mapping and analysis of the SDG2 policy framework, and review of existing SDG2 programmes using existing strategies' and policies. These streams are:

### 1. Evidence-based and results-oriented budget decision making through (Gender Responsive) SDG2 mainstreaming stream.

Currently, this is often hindered by a strict line-item budgeting approach anchored in legislation, traditional budgeting practices mostly focused on inputs and their costs that have been followed for years, weak linkages between sector planning and budgeting capacity limitations both within the sector ministries and the Ministry of Finance in terms of formulating and reviewing budgets that are more output and

<sup>38</sup> In 2010, prior to the beginning of the economic and financial crisis, SDG2 related sectors contributed 3.9 percent of GDP. This has declined to 3.2 percent in 2018.

<sup>39</sup> The latest projections of the Article IV IMF missions (October 2019):

<sup>40</sup> This is the traditional, legalistic concept of the budget as often defined in public accounting laws including Lebanon's Public Accounting Law (Legislative Decree 14969/1963).



result oriented and justified. Moreover, budgeting reforms have often been designed in siloed ways, focusing either on the Ministry of Finance or a sector ministry. Moreover, concepts of program and output-based budgeting are often presented in classroom training to budgeting officials in Lebanon, while actual changes requires follow-up policy advocacy, systematic mainstreaming both on Ministry of Finance and sector ministry side and on-the job technical support.

Assuming the following premises:

- i. the interest and commitment of key ministries mapped in the stakeholders' section: MoF, MoA, MoET, MoI, NLCW and MoSA at both ministerial and senior management level in SDG2,
- ii. the willingness to adopt a new approach with respect to the constraints of line-item budgeting and,
- iii. Assignment of the human resources in the targeted Directorates of the Ministries.
- iv. Economic and financial crisis management priorities not preventing allocation of attention by MoF to the importance of SDG budgeting reforms in the medium term.

And adopting a strategy of advocacy centered on the implementation of a Gender responsive SDG public expenditure review which will serve both through the process it will create and its recommendations as an initial platform to engage key public, quasi-public and private actors.

We expect therefore, through the various analysis developed throughout this programme, to bring together the demand and supply sides of public finance around a systematic and coordinated policymaking and budget systems strengthening agenda that will introduce an integrated set of instruments such as the development and implementation of SDG mainstreaming strategy into PFM systems taking into account limitations of line-item budgeting in Lebanon's context, development of SDG2 program inventory, gender analysis of SDG2 all aiming at making the budget processes and the budgeting culture responsive to SDG2 and leading to concrete shifts in budgetary decisions as reflected in more strategic allocations towards programs that meet SDG2 alignment criteria or even higher level of allocations if the revenue envelope allows.

## **2. Strengthened Transparency, Accountability and Oversight for effective gender responsive SDG2 public investment implementation stream.**

Stream 2 faces with stream 1 several common obstacles. In other words, transparency, participation, accountability and oversight practices are mostly focused around input and cost-efficiency considerations due to legal requirements, traditional practices that persist as a result of bureaucratic inertia and capacity constraints.

In addition, in Lebanon's context transparency, participation, accountability and oversight practices are weak and often focused on legal compliance by the Court of Audit. In 2017, the Open Budget Survey of the International Budget Partnership<sup>41</sup> granted Lebanon a grade of 3/100 on transparency, 0 on public participation and 11 on budget oversight, classifying Lebanon among the 27 countries that present scant

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<sup>41</sup> For more Information, please refer to: <https://www.internationalbudget.org/open-budget-survey/results-by-country/country-info/?country=lb>.



or no information. Moreover, SDG2 cuts across the mandates of many ministries and state institutions and requires a joint response.

Finally, there is currently no inter-governmental space to present, and discuss the whole of government performance on SDG2 objectives brainstorm and develop the government response to the challenges the SDG2 sectors are facing in the Lebanese context. This is a significant barrier to the development of SDG2 sectors as credible allocations for gender-responsive SDG2 programs and visibility of achievements are crucial for the national budget to generate trust with donors, IFIs and non-state partners including private sector and incentivize them to invest more (please refer to stream 3).

Assuming the following premises:

- i. The Ministry of Finance and sector ministries understand the importance of transparency and accountability around government public investment on SDG2 to build trust with donors, IFIs and private sector and incentivize them to invest more in SDG2.
- ii. Parliamentary and Court of Audits are interested and willing to strengthen their oversight role on SDG2 related public investments.
- iii. Donors, IFIs and private sector are willing to engage with the government around SDG2.
- iv. Economic and Social Council is ready to facilitate the dialogue between all stakeholders.

And in order to help the Government of Lebanon actively monitor, evaluate and report on the adequacy of SDG2 objectives” and to build trust and display commitments to SDG2 and therefore optimize likelihood of leveraging additional financing from donors, IFIs and private sector, **“Evidence-based and results-oriented budget decision making** has to be complemented by a second stream aiming at the establishment of systematic and inclusive SDG2 monitoring process and governance through the involvement of all government and state oversight actors.

This will require the implementation of the following activities:

- i. Development of a methodology allowing the Treasury Directorate to ensure that execution for SDG2 is in line with was forecasted in the national budget using FMIS on a regular basis without waiting for the closing of accounts who usually come too late to guide policy making.
- ii. Designing a Gender Responsive SDG2 templates for budget preparation and execution to be used by the government to publish the data and the analysis explaining any deviation between execution and allocation in a user and reader friendly format. This activity will also include training Treasury Directorate staff and develop guidelines to analyze the data.
- iii. Establishment of an inter-governmental committee co-chaired by MoA and MoF and bringing together MoET, MoI, MoSA, IDAL, MoFA and other government partners involved to discuss and monitor the progress allowing regular identification of any significant problems in execution and its causes (e.g. absorption, original weakness in the formulation of the budget, severe treasury practice etc.), and make the necessary policy recommendations to the government.
- iv. Present the progress and actions taken by the Government on gender responsive SDG2 to donors, IFIs, and private sector through mechanism established under stream 3.

- v. In addition, a soft attempt at raising the awareness of Parliament will be made to bring their attention of relevant committees such as the Finance and Budget Committee on Gender Responsive SDG2 programs in the budget and their execution.

These initiatives will be originally developed by the joint programme while relevant state actors in charge of various monitoring tasks will be empowered to take over

### **3. International Public Finance and Private Sector Finance Leveraging Stream.**

The third stream is characterized by the following bottlenecks:

- (i) Relatively weak and fragmented support by the government to SDG2 sectors compared to the support tourism and real estate development received given their perceived ability to attract foreign direct investments and capital inflows in foreign currency,
- (ii) Impact of government fiscal policy and monetary policy on donors, IFIs and private sector appetite to invest in SDG2 sectors, and specially, commercial banking lending to agriculture.
- (iii) Current economic and financial crisis impact on the private sector: devaluation of Lebanese Pound, discretionary capital controls, sharp contraction of lending etc.
- (iv) Absence of effective fora bringing together the public sector, donors, IFIs and the private sector around gender responsive SDG2 policy and financing objectives.

Assuming the following:

- (i) The interest and commitment of the public (BDL) and quasi-public financial sector (e.g. kafalat) to work with the central government and private sector on encouraging and incentivizing the banking sector to lend more to SDG2 sectors in coordination with the public investments and incentives provided through the national budget.
- (ii) The banking sector is willing to join the inclusive dialogue with central government, public/quasi-public financial sectors and the private sector on identifying the obstacles preventing additional lending to gender responsive SDG2 projects and measures that could help promote increased lending to private sector on gender responsive SDG2.
- (iii) Private sector representatives such as chambers of commerce, industry and agriculture, industrialists' associations, farmers cooperatives understand the importance of adopting SDG compliant strategies to help them attract co-funding from additional sources such as IFIs, international climate funds and are willing to engage the central government, public financial sector and commercial banks on identifying concrete
- (iv) Central government ready to share and engage in all transparency on its efforts to consolidate public investments donor partners, IFIs, the commercial banking sector and the private sector.

Linking closely with the activities and outputs of the first and second streams which seek to consolidate and ultimately increase public investments on gender responsive SDG2, stream 3

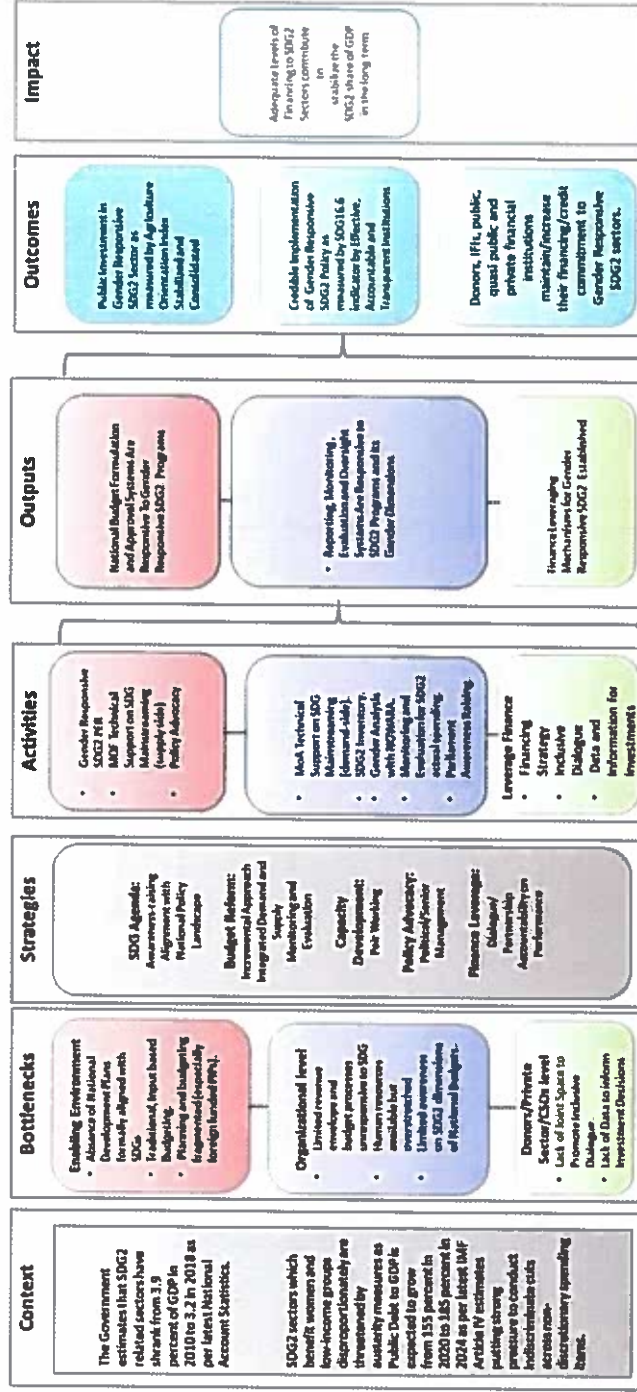
on **“International Public Finance and Private Sector Finance Leveraging”** aims to complement the adequacy financing objectives of stream 1 and stream 2.

Setting the foundations for the leveraging of additional financing from:

- a. Traditional international sources such as ODA and c-loans from IFIs,
- b. Additional and new climate finance from international climate finance,
- c. Public financial and quasi-public (e.g. Central Bank instruments, guarantees from Kafalat program) and
- d. Private banking sector.

This will be done through the establishment of:

- i. The establishment of a public-private forum to promote an inclusive and regular dialogue between all parties identified above to incentivize them to make pledges and commitments to scale up public investment, grants, concessional-lending, encourage private lending (e.g. through subsidized interest rates, exemptions on reserve requirements, provision of guarantees) for gender responsive SDG2.
- ii. The development of a financing strategy that will build on the work done in the public sector streams and the on-going dialogue through the public-private forum by assessing available and potential medium-term financing sources, identifying factors constraining their mobilization and making recommendations on how to address these.



Colors represent analytical or conceptual alignment between the types of barriers, activities and potential outputs.



### 2.3 Expected results by outcome and outputs

The joint programme has been designed to ensure public and private investments in SDG2 sectors in the short and medium term reach adequate levels based on the evidence that will emerge from the SDG2 expenditure monitoring and evaluation.

Combined with other factors such as improved access to regional markets through land routes, opening of Iraqi markets, effective role of the Ministry of Foreign Affairs through its economic unit, adequate levels of SDG2 public and private spending would eventually contribute in the long-term to the stabilization of SDG2 sectors contribution to the national economy and therefore the country's exporting , hard currency earning capacity, food security as well as its livelihood generation ability for some of the most vulnerable groups in Lebanon and a significant number of women.

The joint programme is structured around three Outcomes which are summarized and mapped against SDG Fund framework Outcomes and Outputs as follows:

**Table 1.** Mapping Result Framework and SDG Fund Outcomes and Outputs

<b>Summarized Result Framework</b>	<b>SDG Fund Framework</b>
<b>Outcome 1</b>	<b>Outcome 2:</b> Additional financing leveraged to accelerate SDG achievement
Total Budget Allocation on Gender-Responsive SDG2 Programs Stabilized and Consolidated	
<b>Output 1</b>	
National Budget Formulation and Approval Systems Are Responsive To Gender-Responsive SDG2 Programs	
<b>Outcome 2</b>	
Credible Implementation of Gender-Responsive SDG2 Policy as reflected in National Budget Commitments by Effective, Accountable and Transparent Institutions	
<b>Output 2</b>	
Reporting, Monitoring and Evaluation Systems Are Responsive to Gender Responsive SDG2 Programs	
<b>Outcome 3</b>	
International and Private Sources of Finance for Gender-Responsive SDG2 Investments Committed	
<b>Output 3</b>	<b>Output 4:</b> Integrated Financing Strategies for accelerating SDG progress implemented
Finance Leveraging Mechanisms for Gender-Responsive SDG2 Investments Established	

**Outcome 1**-Total Budget Allocation on Gender Responsive SDG2 Programs Stabilized and Consolidated and **Outcome 3**-International and Private Sources of Finance for Gender-Responsive SDG2 Committed aim both at mobilizing as much financing as possible for gender responsive SDG2 programs within the integrated national financing framework which aims at gradually breaking silos between public and private, national and international financing.

The realization of **Outcome 2**-Credible Implementation of Gender Responsive SDG2 Policy as reflected in National Budget Commitments by Effective, Accountable and Transparent Institutions is an essential prerequisite for the successful achievement of **Outcome 1** and **Outcome 3** and their sustainability. The more credible is the implementation by the government of its SDG2 commitments, the more partners could be expected to invest and the more Ministry of Agriculture is effective in its implementation, the more the Ministry of Finance will be ready to maintain spending on SDG2 in the current context of economic and financial crisis and even increase it if the "business" case is made, leading to a virtuous, self-reinforcing cycle of performance, investment and growth.

The outputs supporting the first outcome, **Output 1**-National Budget Formulation and Approval Systems Are Responsive To Gender Responsive SDG2 Programs and the second outcome, **Output 2**: Reporting, Monitoring and Evaluation Systems Are Responsive to Gender Responsive SDG2 Programs are strongly linked through the planning and budgeting cycle and the governance and PFM systems supporting the cycle. It would be very difficult to even measure improvement on **outcome 1** which would be measured by the AOI if **output 2** and its activities of reporting, monitoring, evaluation and oversight are not achieved and vice-versa, achieving **outcome 2** in terms of credible implementation of SDG2 budget if **output 1** activities that aim at building a robust budget formulation process are not in place.

Given the complex entanglements of the budget process, the identification of who is responsible for results is presented in the result framework. However, as a general rule, activities related to the supply-side of finance are led by the Ministry of Finance and will be supported firstly by UNDP, activities related to the demand-side of finance and led by the Ministry of Agriculture will be supported firstly by FAO. It should be noted that given the adopted strategy of combining supply and demand side and as explicated in the result framework, many activities will need close collaboration between Finance and Agriculture and therefore, UNDP and FAO and therefore sharing of responsibilities between partners and UN agencies.

To ensure the gender responsiveness of the intervention across outcomes, the support at Ministry of Agriculture would combine in addition to economics/budgeting support, robust gender expertise led by UNWOMEN to allow the analysis of government SDG2 programs from a gender lens and recommendations for their review/reformulation in case gaps are identified. This will work in tandem with ongoing work by the IMF to support the government of Lebanon on gender-based budgeting (GRB). Moreover, the Government of Lebanon will be able to draw on the expertise of the Global UN-WOMEN/Government of Morocco center whenever additional knowledge and lessons learnt are required.

The Ministry of Finance does have strong capacity across its directorates and many highly qualified civil servants; however, they are highly solicited, and sustainability will require institutionalization and clear formal mandating from Ministerial and/or Director General of Finance level. A clear, phased exit strategy will also be needed.

The level of awareness on gender dimensions of budgeting might be low but as mentioned the IMF is looking at introducing gender responsive budgeting and collaboration shall be sought.

**The Ministry of Agriculture capacity:** The MOA is the Lebanese government agency entrusted with the development of the agricultural sector and the implementation of the national agricultural strategies. MOA has strengths such as competent staff, a number of legislative texts regulating its work, establishment of sectoral committees which comprises representatives from public and private sector. MOA has an e-government portal, an integrated Agricultural Management Information System (AMIS) and a statistical database with a national strategy for the development of national statistics. The MOA is present in all districts and governorates through a network of regional services, and agricultural centers. However, MOA suffers from a number of weaknesses that hinders its work and reduces its efficiency. These include the inadequacy of the current organizational structure to cope with the sector development, multiple tasks and duties of departments and services particularly in the Agricultural Centers, lack of job descriptions, and insufficient and outdated rules and regulations failing to keep up with current developments. They include also a poor planning and participation in the preparation of the budget as well as rigid rules for budget spending (expenditure control and disbursement mechanism), and lack of specialized positions. In addition, there is no Monitoring and Evaluation mechanism in place for plans, programmes and projects. [MOA Strategy 2015 – 2019].

**Transboundary/Regional Issues:** risks of introduction and spread of animal and plant pests and diseases have been dramatically exacerbated by the increased movement of people, plants, animals and their products, and by the influence of climate change. Transboundary plant, animal pests and diseases have considerably and negatively affected agricultural production, and could cause serious damage and economic losses, resulting in severe impact on producers' income and livelihoods, resilience, food security and nutrition, national economies and international trade. In addition to the challenges above, vulnerable communities now face a major threat to their livelihoods and their food and nutrition security following the Covid-19 pandemic and the general mobilization that had to be decreed by the government and the associated confinement measures announced to contain the propagation of the virus.

By 2022, budget staff in the MoA should be able to prepare budget submissions that clearly highlight the benefits of the allocations requested in terms of SDG2 and SDG5 and make a strong case for preserving allocations at current real levels or increase it if macroeconomic and sectoral developments require so. Budget Directorate staff at the MoF should be able to review and advise on submitted budgets from the MoA in terms of economic, social and gender equity perspective and advise senior management on the merits of the submitted case from an SDG perspective and not only a input controlling one. Budget negotiations between MoF and MoA should be including SDG2 concerns.

The Treasury department should also be able to produce regular SDG2 budget execution reports demonstrating progress or slowing down towards both SDG2 (target 2.a and its gender sub-indicator) and SDG16 (target 16.6). It should be noticed that at this stage we do

not have an estimate of baselines for SDG2 and SDG16 and their targets as this requires the implementation of the SDG2PER and only then can targets be set with the government. The priority will be to first stabilize the indicators to prevent further decreases, consolidate them based on the SDG2 programs that should be prioritized, before we can credibly set upward targets again.

At senior management level, Director Generals within MoF and MoA should have a more robust understanding of the linkages of the budget/programs and SDG2 and SDG5 objectives allowing them to champion and advocate the preservation of spending on gender responsive SDG2 programs.

The gender-responsive SDG2 budget execution reports produced are now presented to both the intergovernmental committee on SDG2 which is now meeting regularly for discussion and recommendations on the measures to take to either accelerate progress or overcome any obstacle. A customized report would be made to the public-private forum as well.

Donors, IFIs and financial institutions would also have a clearer understanding of the relevance of SDG2 for the health of Lebanon's economy and make commitments to increase SDG2 assistance and in the case of Lebanese commercial banks maintain their lending to the sector.

Regarding what would happen in the longer term and after the project is completed, it would be tempting to expect a linear progression towards the SDG targets in the coming years after 2022. However, it is likely that the path will be less smooth given the very difficult economic adjustment years that are expected. This will require continuous vigilance through monitoring and advocacy but also adaptation and adjustments and evolving forms of technical support as the budgeting system of Lebanon evolves pushed by other fundamental PFM reforms and support the government deepen the involvement of donors, IFIs and private sector. Moreover, as time series data is gathered thanks to the expenditure reviews produced, the evidence for the relation between progress on SDG2a and SDG16 and the share of SDG2 will become clearer and should help improve mobilization for resources.



## 2.4 Budget and value for money (max 2 pages)

### Effectiveness:

The value for money effectiveness of this SDG financing proposal and its budget is based on three pillars:

1. The choice of the budget as an anchor for systemic change required for SDGs and Agenda 2030 delivery given the actual size of primary expenditures in Lebanon: 21.6 percent of GDP allows for scaling-up horizontally (other SDGs) and vertically (SDG2 and SDG5) compared to investments in stand-alone projects on SDG2 and SDG5 within Ministry of Agriculture.
2. From an institutional strategy perspective, a whole of government approach that focuses both on the interface between central agencies and sector ministries complemented by an integrated approach focusing on the interface between domestic and international public finance and public and public and private finance. This will allow to increase the likelihood of raising additional financing by working on three fronts, domestic budget, ODA and private finance.
3. Most importantly, the choice of SDG2 and therefore agriculture and food security sectors compared to other productive sectors such as the manufacturing one as the policy entry point to SDG budgeting is likely to have a stronger impact given:
  - i. It is being more severely impacted by the on-going economic and financial crisis and therefore interventions aimed at limiting the shrinking of a productive sector is likely to have higher impact in agriculture than in manufacturing<sup>42</sup>.
  - ii. SDG2 related export sectors such as vegetable products, animal and animal products, animal or vegetable fats and oil and prepared foodstuffs represent respectively 6.6 percent, 1 percent, 1.2 percent and 17.6 percent or total of 26.4 percent of exports with a Revealed Comparative Advantage (RCA) Indicator higher to one<sup>43</sup>. In other words, Lebanon has high untapped export potential in both agriculture and the related agro-food sectors. This compares to 15.9 percent for jewelry ("pearl products"), 14.8 percent for chemical products and 12.8 percent for machinery and electrical equipment.
  - iii. The economic multiplier for agriculture (1,449) is one of the highest of all sectors in Lebanon (second only to services excluding tourism which is 1,566) and one of the few sector which when producing and exporting more benefits the economy across sectors and whose impact is not narrowly concentrated.<sup>44</sup>
  - iv. Lebanon's national budget is also more geared to support the agriculture sector than the manufacturing one for both policy making reasons and economic history reasons.

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<sup>42</sup> The SDG2 related sectors represented an average of 3.86 percent of GDP in 2010 to 3.24 percent in GDP in 2018 or a 0.63 percent of GDP decrease compared to a 0.10 percent of GDP decrease in manufacturing which passed from 7.72 percent of GDP in 2010 to 7.62 percent in 2018.

<sup>43</sup> Exports with an RCA superior to 1 represent 30 percent of total Lebanese exports for a total value of 2.7 billion in 2017. For a comprehensive analysis, please refer to: Capitalizing on Lebanon's Comparative Advantage by Sami Atallah, Nancy Ezzeddine, and Jana Mourad published by the Lebanese Center for Policy Studies in its Policy Brief of September 2019.

<sup>44</sup> See The Impacts of the Global Multiplier and Sectoral Multipliers on the Economic Activity by Robert Kasparian in the Drivers of Growth for the Lebanese Economy from 1997 to 2017.

### **Equity:**

- i. As mentioned, one could have considered to work on SDG budgeting through another priority sector for the government such as manufacturing. However, from an equity perspective and while manufacturing is present in the peripheral governorates of the country<sup>45</sup>, it remains mainly concentrated in the Governorate of Mount Lebanon and Governorate of Beirut therefore in the most developed parts of the country.
- ii. This is illustrated as follows:
- iii. The number of official Industrial Zones which "are located on coastal lands and mostly in Mount-Lebanon"<sup>46</sup>. As per the latest statistics, 46 percent are in Mount Lebanon compared to 16 percent in the Baalback-Hermel and Bekaa governorates, 23 percent in Akkar and Northern governorates and 14 percent in Nabatiyeh-South governorates<sup>47</sup>.
- iv. An analysis of factory distribution reveals an even higher concentration with 64 percent of all factories in Beirut and Mount Lebanon and only 36 percent in the peripheral governorates<sup>48</sup>.
- v. In comparison, agriculture is concentrated in the peripheral governorates and this is captured as follows:  
Cultivated lands are concentrated in Baalbeck-Hermel-Bekaa governorates, Akkar and North Lebanon governorates and Nabatiyeh-South Lebanon governorates with 43 percent, 26 percent and 21 percent, respectively. Only 10 percent of land in Mount Lebanon are cultivated. The Bekaa holds the highest number of livestock heads by agricultural holding.

### **Efficiency:**

The value for money of the inputs selected for this proposal or "budget efficiency" results from the deployment of local expertise fully embedded within the Government of Lebanon is an extremely efficient way to provide support compared to both fly-in fly-out international expertise which is not only more expensive but would require additional support costs (e.g. systematic translation etc.)

It is also more time efficient compared to local expertise provided in an intermittent way as it allows for continuous exchanges, support, identification of risks and adjustment. Embeddedness also implies that a share of the supplies/equipment/maintenance costs is shared with the Government of Lebanon which would be providing offices, pay for certain utilities etc.

The effectiveness of this arrangement ultimately requires that counterparts are mandated within the civil service to work in pair and through their on-the-job working relationship identify, develop and implement together the required solutions for the introduction of SDG2 responsive budgeting.

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<sup>45</sup> These are Akkar Governorate, Baalback-Hermel Governorate, Beqaa Governorate, Nabatiyeh Governorate, North Governorate and South Governorate.

<sup>46</sup> Strategic Plan for Development Of The Industrial Zones (2018-2030) by Ministry of Industry and Unido, September 2018:

<http://www.industry.gov.lb/getattachment/PublicationsAndStudies/Strategic-plan-for-IZ-en.pdf?lang=en-US>

<sup>47</sup> Idem.

<sup>48</sup> Idem.

### **Budget and Gender Inequality:**

Given the highly technical nature of gender and SDG2 issues, the joint programme will have a dedicated, full-time gender specialist who will be sitting at the Ministry of Agriculture and working with the Agriculture economist on assessing the gender responsiveness of the SDG2 programs in coordination with the National Observatory for Women in Agriculture and Rural Areas (NOWARA). She/he will make sure that all SDG2 budget formulation and execution mainstreaming activities and the financing strategies do take into account the gendered dimensions of SDG2. The specialist will also make sure that a gender sub-indicator is developed to complete the SDG2 indicator in the global SDG framework (Agriculture Orientation Index) which is currently not gender responsive to allow Lebanon to monitor the gender responsiveness of Lebanon's SDG2 programs.

The gender specialist will also be drawing:

- i. on the support of the gender expert sitting in the UNWOMEN country office,
- ii. coordinating with the IMF support on gender responsive budgeting and
- iii. on UNWOMEN and Government of Morocco joint center on GRB.

### **Co-financing:**

**FAO:** FAO will provide agriculture technical expertise that has been valued at USD36,000.

**UNDP:** UNDP will contribute through the senior economist of the Country Office who is being currently recruited and who will be guiding and supporting the joint programme. The expertise has been valued at USD50,000.

**UNWOMEN:** UNWOMEN will be contributing through the gender expert of the Country Office. The expertise has been valued at USD30,000.

## **2.5 Partnerships and stakeholder engagement (max 2 pages)**

The proposal aims fundamentally at initiating an SDG budgeting and resource mobilization advocacy effort that will encourage the Ministry of Finance, a key central agency to take the lead on the SDG budgeting process and work closely with a line ministry, in our case the Ministry of Agriculture, to run an SDG2 budgeting exercise as a model for potential scale-up to other SDGs prioritized by the government.

The exercise should help firmly establish the UN as a trusted partner of the Ministry of Finance and line ministries in terms of SDG budgeting and the associated policy (sectoral, cross-cutting etc.) and systems (e.g. Public Financial Management) reforms needed in the medium and long-term to achieve Agenda 2030.

At the Ministry of Finance, supported by UNDP, the presence would be focused on providing public financial management expertise that will help the Ministry identify strategic entry points in the overall public financial management process for SDG mainstreaming and develop a strategy to pilot the mainstreaming exercise for SDG2 (top-down/supply-side). This would be done in close collaboration with the Ministry of Agriculture, supported by FAO, which will receive sector specific economics and budgeting support aiming at identifying mainstreaming points from a sector level budget planning and formulation (bottom-up/demand side).

To ensure the gender responsiveness of the intervention, the support at Ministry of Agriculture, supported by UN WOMEN, would combine in addition to economics/budgeting support, robust gender expertise to allow the analysis of government SDG2 programs from a gender lens and recommendations for their review/reformulation in case gaps are identified.

This will work in tandem with ongoing work by the IMF to support the government of Lebanon on gender-based budgeting (GRB). Moreover, the Government of Lebanon will be able to draw on the expertise of the Global UN-WOMEN/Government of Morocco center whenever additional knowledge and lessons learnt are required.

During implementation, and in addition to bringing changes in the budgeting culture and practices of GoL, the PUNO will use the regular process of monitoring ministries' planning and budget (and of donors' complementary contributions) and expenditure review to support advocacy and resource mobilization opportunity.

Opportunities for resource mobilization beyond the national budget will be explored through regular public-private inclusive dialogue that will be pursued within the framework of an official forum on SDG2 and will produce a financing strategy for SDG2 that will seek to capture all the current and expected financing opportunities for SDG2 in the medium term including. The forum will seek to bring together under the chairmanship of MoA and co-chairing of MoF:

- i. Bilateral donor partners working both on SDG2 and/or Budgeting Reforms,
- ii. IFIs working both on SDG2 and/or Budgeting Reforms,
- iii. Relevant Government Agencies:
  - a. Ministry of Economy and Trade,
  - b. Ministry of Industry,
  - c. Investment Development Authority of Lebanon,
  - d. Ministry of Foreign Affairs which is very active on export promotion front through its Economic Unit and the Economic Attaches in Embassies.
  - e. National Council for Lebanese Woman

- f. Central Bank of Lebanon (BDL),
- g. Kafalat National Loan Guarantee Program,
- h. Chambers of Commerce, Industry and Agriculture,
- i. Commercial Banks involved in loan provision to Agriculture sector,
- j. Leaders in Microfinance such al-Majmoua,
- k. Representatives of Agriculture Cooperatives,
- l. Syndicates of Farmers, and other farmers associations and organizations.

and the Forum outcomes and recommendations will feed along with the regular SDG2 expenditure reports produced by the government into the SDG2 Financing Strategy.

### **3. Programme implementation**

#### **3.1 Governance and implementation arrangements (max 3 pages)**

A Joint Programme Steering Committee (JPSC), chaired by the UN Resident Coordinator, the lead agency and the other PUNOs, and the Government entities, will have the overall responsibility for strategic guidance and oversight of the programme. The JPSC will approve the JP work plan, making sure it is well set towards achieving the desired objectives. It will meet on a six-monthly basis. It will receive progress reports and future work outlook on a six-month basis. As needed, other national counterparts, representatives from the private sector or civil society as well as expert on gender equality public financial management and sector development will be invited to participate on ad-hoc basis.

The Joint Programme is the combined effort of several UN agencies, including the RCO, under the UNDP lead. FAO and UN Women will provide the needed technical expertise to ensure activities are completed and complementary to already ongoing activities, towards the defined outputs. This team, managed under a specific Programme Management Team, will work in collaborative efforts with the national stakeholders from the public and private sectors. The JP PMU will report to the UN Resident Coordinator Office project progresses and subsequently to the UNCT.

The activities and outputs of the JP will be implemented in close collaboration with the Government counterparts and will be integrated in their structures, planning and subsequently their strategies. The JP will not create a parallel structure to what already exist. As much as possible, technical expertise will be embedded into directorates and/or units existing in the organogram and not separate structures to facilitate working in pair and transfer of knowledge and competencies bidirectionally and empower civil servants. The JP will feed into the development of the Ministry of Agriculture's National Agriculture Recovery Strategy 2021-2025.

### **3.2 Monitoring, reporting, and evaluation**

*The first part is standard text – do not change. You may add text as needed.*

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. Each PUNO will provide the Convening/Lead Agent with the following narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat:

- *Annual narrative progress reports*, to be provided no later than one (1) month (31 January) after the end of the calendar year, and must include the result matrix, updated risk log, and anticipated expenditures and results for the next 12-month funding period;
- *Mid-term progress review report* to be submitted halfway through the implementation of Joint Programme<sup>49</sup>; and
- *Final consolidated narrative report*, after the completion of the joint programme, to be provided no later than two (2) months after the operational closure of the activities of the joint programme.

The Convening/Lead Agency will compile the narrative reports of PUNOs and submit a consolidated report to the Joint SDG Fund Secretariat, through the Resident Coordinator.

The Resident Coordinator will be required to monitor the implementation of the joint programme, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. As a minimum, joint programmes will prepare, and submit to the Joint SDG Fund Secretariat, 6-month monitoring updates. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat. Joint programme will allocate resources for monitoring and evaluation in the budget.

Data for all indicators of the results framework will be shared with the Fund Secretariat on a regular basis, in order to allow the Fund Secretariat to aggregate results at the global level and integrate findings into reporting on progress of the Joint SDG Fund.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting done throughout the year.

PUNOs at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

- Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and

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<sup>49</sup> This will be the basis for release of funding for the second year of implementation.

- A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

In addition, regular updates on financial delivery might need to be provided, per request of the Fund Secretariat.

After completion of a joint programme, a final, *independent and gender-responsive*<sup>50</sup> evaluation will be organized by the Resident Coordinator. The cost needs to be budgeted, and in case there are no remaining funds at the end of the joint programme, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

The joint programme will be subjected to a joint final independent evaluation. It will be managed jointly by PUNOs as per established process for independent evaluations, including the use of a joint evaluation steering group and dedicated evaluation managers not involved in the implementation of the joint programme. The evaluations will follow the United Nations Evaluation Group's (UNEG) Norms and Standards for Evaluation in the UN System, using the guidance on Joint Evaluation and relevant UNDG guidance on evaluations. The management and implementation of the joint evaluation will have due regard to the evaluation policies of PUNOs to ensure the requirements of those policies are met and the evaluation is conducted with use of appropriate guidance from PUNOs on joint evaluation. The evaluation process will be participative and will involve all relevant programme's stakeholders and partners. Evaluation results will be disseminated amongst government, development partners, civil society, and other stakeholders. A joint management response will be produced upon completion of the evaluation process and made publicly available on the evaluation platforms or similar of PUNOs.

### **3.3 Accountability, financial management, and public disclosure**

*Standard text – do not change*

The Joint Programme will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for the Joint Programme through the AA. Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding with the AA.

Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Participating Organizations recovered through programme support costs will be 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

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<sup>50</sup> [How to manage a gender responsive evaluation, Evaluation handbook](#), UN Women, 2015



Funding by the Joint SDG Fund will be provided on annual basis, upon successful performance of the joint programme.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund.

PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Each PUNO will take appropriate measures to publicize the Joint SDG Fund and give due credit to the other PUNOs. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, PUNOs, the Administrative Agent, and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating Organization and partners in all external communications related to the Joint SDG Fund.

### **3.4 Legal context**

In addition to Law 23 dated 16 April 1963<sup>51</sup> whereby Parliament approved the Cooperation Agreement between Lebanon, Special United Nations Fund for Economic Development and the Food and Agriculture Organization:

Agency name: UNDP  
Agreement title: Standard Basic Framework Agreement<sup>52</sup>  
Agreement date: 10 February 1986.

Agency Name: FAO  
Agreement Title: Agreement for the Establishment of the Office for the FAO Representative in Lebanon.  
Agreement date: 25 February 1977.

Agency name: UNWOMEN  
Agreement Title: Standard Basic Framework Agreement  
Agreement Date: 10 February 1986.

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<sup>51</sup> <http://www.legallaw.uj.edu.lb/Law.aspx?lawId=8392> (in Arabic).

<sup>52</sup> <https://www.undp.org/content/dam/lebanon/docs/Operations/LegalFramework/SBBA.pdf>

## D. ANNEXES OF THE JOINT PROGRAMME TEMPLATE

### Annex 1. List of related initiatives

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
Child & Gender Friendly Budgeting Training	<ul style="list-style-type: none"> <li>- Capacity building among government partners on Child &amp; Gender Friendly Budgeting</li> <li>- Increased understanding on efficiency of spending and tools to analyze public expenditure performance</li> <li>- Increased awareness on importance of investing in children, and linkages between PFM processes and equity in child outcomes</li> </ul>	<ul style="list-style-type: none"> <li>-Lessons learnt from child and gender friendly budgeting projects in terms of SDG mainstreaming into the budgeting cycle and</li> <li>-Instruments developed to feed into the joint programme.</li> </ul>	UNICEF	MoF MoSA MEHE MoPH MoJ	UNICEF	Yokie Mokuo ymokuo@unicef.org
Technical Support for Enhancing Budget	The present project aims to support greater	Lessons learnt and instruments developed in UNICEF project	UNICEF	Institute of Finance	UNICEF	Yokie Mokuo

Transparency, Accountability and Inclusiveness in Lebanon	transparency, accountability and effectiveness of national budget processes and to raise awareness and support advocacy towards more inclusive budgets	On budget transparency, accountability and inclusiveness in Lebanon to inform the joint programme.				ymokuo@unicef.org
Gender Responsive Budgeting		Joint programme to link closely with IMF on the gender responsive budgeting principles and instruments to be introduced to maximize synergies as the joint programme will be actively looking to mainstream gender in the MoA budget.	IMF	MoF/MoA	IMF	Najla Nakhle
Support to the Ministry of Agriculture to update its strategy integrating the SDGs in its National Agricultural Planning	New Agriculture Sector Strategy 2021-2025	The joint programme to closely work with the FAO project to ensure that the planning intervention (and SDG mainstreaming) is linked to the budgeting intervention.	FAO	MOA	FAO	etienne.careme@fao.org
Fiscal Policy Advisory and Reform.	1) Economic and Fiscal Policy Advisory Services provided 2) Legal Advisory Support and Technical Assistance provided for Increased and more Efficient	The UNDP project will play a strategic role in terms of policy advocacy for the joint programme at the Ministerial level.	UNDP	MoF	Government cost sharing	Celine.moyroud@undp.org

	Multilateral Coordination 3) Tax Reforms Implemented 4) Customs Reform Implemented 5) IT support provided for Land Registry and Cadastre Reform					
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## Annex 2. Results Framework

### 2.1. Targets for Joint SDG Fund Results Framework

#### Joint SDG Fund Outcome 2: Additional financing leveraged to accelerate SDG achievement

Given the deep economic and financial crisis through which Lebanon is going both in terms of austerity measures taken by the government, capital controls and massive shrinkage in commercial banks lending (as explained in details in the baseline situation), it would be extremely unrealistic to expect the Joint Proposal to leverage funding for integrated multi-sectoral solutions both in scope and scale in the short-term from the national budget.

We are trying first to prevent cuts to SDG2 expenditures and private investments, raise and consolidate spending before additional spending can be effectively mobilized.

However, opportunities to leverage financing from donors, IFIs and private sector will be sought and determined as soon as the inclusive dialogue will be initiated (from the first year of the joint programme) and credible targets can then be set.

However, it should be highlighted that the joint proposal complements the Component 2 submission to SDG Fund on "Lebanon Agrofood Financing Accelerator - LAFA+", which maximize private resources for the selected SDGs, including SDG2. The total leverage for Component 2 would represent about USD35 million.

Moreover, in the context of COVID-19 and its implications on food and nutritional security, the proposal will seek to support the efforts at scaling-up of social assistance to address increasing poverty and vulnerability which will build on the existing social assistance programme (NPTP) and will be supported both by the World Bank and UN agencies and other immediate measures taken by the government in the form of treasury advances from budget reserves to support extremely vulnerable areas such as North Lebanon and Akkar in terms of food and nutritional security.

In the current context of economic and financial uncertainty exacerbated by covid-19 pandemic, Lebanon is going through, it is extremely difficult to make credible forecasts of financing ratios. We decided to set conservative targets for the joint programme to work with as follows.

Indicators	Targets	
	2021	2022/23
2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope <sup>53</sup>	NA	1:2
2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale <sup>54</sup>	NA	1:2

<sup>53</sup>Additional resources mobilized for other/ additional sector/s or through new sources/means

<sup>54</sup>Additional resources mobilized for the same multi-sectoral solution.

**Joint SDG Fund Output 4: Integrated financing strategies for accelerating SDG progress implemented**

*(set the targets, if relevant)*

Indicators	Targets	
	2021	2022/23
4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful)	0	1
4.2: #of integrated financing strategies that have been implemented with partners in lead <sup>55</sup>	0	1
4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational	0	1

**Joint SDG Fund Operational Performance Indicators**

*(do not change or add – this is for information only so that teams know what they will be assessed against)*

- Level of coherence of UN in implementing programme country<sup>56</sup>
- Reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other joint programmes in the country in question
- Annual % of financial delivery
- Joint programme operationally closed within original end date
- Joint programme financially closed 18 months after their operational closure
  
- Joint programme facilitated engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)
- Joint programme included addressing inequalities (QCPR) and the principle of “Leaving No One Behind”
- Joint programme featured gender results at the outcome level
- Joint programme undertook or draw upon relevant human rights analysis, and have developed or implemented a strategy to address human rights issues
- Joint programme planned for and can demonstrate positive results/effects for youth
- Joint programme considered the needs of persons with disabilities
  
- Joint programme made use of risk analysis in programme planning
- Joint programme conducted do-no-harm / due diligence and were designed to take into consideration opportunities in the areas of the environment and climate change

<sup>55</sup> This will be disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners

<sup>56</sup> Annual survey will provide qualitative information towards this indicator.



## 2.2. Joint programme Results framework

Results/Indicators	Indicator	Baseline	Target (2022)	Target (2023)	Means of Verification	Responsible Partner
<b>Outcome 1</b>						
Total Budget Allocation on Gender Responsive SDG2 Programs Stabilized and Consolidated.	SDG2.a: Agriculture Orientation Index- +Gender responsive sub-indicator	To be Measured in SDG2 PER	To be Set based on SDG2 PER Findings	To be Set based on SDG2 PER Findings	Budget Execution Reports	MoF
	(% of Public SDG2 Expenditure that is Gender Responsive)					
	-see Gender Matrix					
<b>Output 1</b>						
	<b>Indicator</b>	<b>Baseline</b>	<b>Target (2022)</b>	<b>Target (2023)</b>	<b>Means of Verification</b>	<b>Responsible Partner</b>
National Budget Formulation and Approval Systems Are Responsive to Gender Responsive SDG2 Programs and the Adequate Tools (e.g. Adjusted Budget Circular, Budget Submission Template etc.)	Qualitative Assessment of Responsiveness	0	0	1	Assessment Submitted to MoF, MoA	MoF
<b>Output 1.1</b>						
Review of All SDG2 Programs using existing strategies and policies						



Develop An inventory of food and nutrition security and sustainable agricultural projects, representing a systematic element of the evidence-based identification/validation of priorities.	Food Security and Nutrition Inventory	0	1	0	Inventory Formally Approved by MoA for Budget Prioritization	MoA
Support MoA in prioritizing programmes and initiatives and to make strong cases for budget funding using social and economic cost analysis						
<b>Output 1.2</b>						
GRB analysis in place of MOA SDG2 focused budget- <del>see</del> <b>Gender Matrix.</b>	Gender Analysis Report on SDG2 Programs and an Update	0	1	1	Gender Analysis Report Submitted to MoA, Budget Submissions Include Gender Analysis	MoA, NCLW
<b>Output 1.3</b>						
Develop a Budget Submission Template Capturing Gender Responsive SDG2 dimensions of the Requested Allocations.	Budget Submission Integrates SDG2 concerns in a gender responsive way	0	0	1	MoA Formal Budget Submission to MoF	MoA
<b>Output 1.4</b>						

Support Budget Negotiations to Ensure Gender Responsive SDG2 Dimensions Is Taken Into Consideration.	Budget Negotiation between MoA and MoF raises SDG2 aspects of requests in a Gender Responsive Way	0	0	1	Minutes of the Meeting	MoF, MoA
<b>Outcome 2</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Target (2022)</b>	<b>Target (2023)</b>	<b>Means of Verification</b>	<b>Responsible Partner</b>
Credible Implementation of Gender Responsive SDG2 Policy as reflected in National Budget Commitments by Effective, Accountable and Transparent Institutions.	Execution/	To be Measured in SDG2 PER	To be Set with Government based on SDG2 PER Findings	To be Set with Government based on SDG2 PER Findings	Budget law/proposal and Budget execution reports	MoF, MoA
	Originally Allocated (SDG16.6 per Sector-SDG2)					
<b>Output 2</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Target (2022)</b>	<b>Target (2023)</b>	<b>Means of Verification</b>	<b>Responsible Partner</b>
Reporting, Monitoring and Evaluation Systems Are Responsive to Gender Responsive SDG2 Programs.	Quality Assessment of Responsiveness	0	0	1	Assessment Submitted to MoF, MoA	MoF, MoA
<b>Output 2.1</b>						
Prepare advocacy materials to share with parliamentary committee						
Awareness Raising Events for Parliament on SDG2, SDG5 and the Budget.	Number of Awareness Events	0	1	1	Briefs Submitted to Finance and Budget Committee	MoF, MoA Parliament
<b>Output 2.2</b>						
Prepare Policy Briefs for Finance and Budget Committee on the Gender Responsive SDG2 Programs Included in the Budget.	Number of Policy Briefs	0	1	1	Briefs Submitted to Finance and Budget Committee	MoF, MoA, Parliament
<b>Output 2.3</b>						

Perform an analysis of PFM landscape using existing PFM assessments including PEFA, PIMA and other existing assessments						
Provide support in developing an institutional arrangement between MOF and MoA to prepare budgets that reflect resource allocation on SDG2/gender and that enables reporting on the related indicators						
Provide training and capacity building in programme-based budgeting, SDG budgeting, and gender-based budgeting.						
Support MoF and MoA in developing forms, templates and classifications to align budget preparation with SDG 2 a	Number of Budget Report	0	0	1	Budget Report Formally Submitted to Parliament as Part of Approval Process	MoF, MoA, Parliament
<b>Output 2.4</b>						
Develop a Methodological guide for SDG2 /gender Budget Allocation and Execution	Number of Quarterly Expenditure Review Report	0	1	1	Guides submitted to the Ministry of Finance	MoF, MoA, CAS
<b>Output 2.5</b>						
Committee chaired by MoA and co-chaired by Finance on the Monitoring of Public Spending on SDG2 and Performance.	Number of Quarterly Meetings	0	4	4	Minutes of the Meeting	MoA, MoF
<b>Outcome 3</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Target (2022)</b>	<b>Target (2023)</b>	<b>Means of Verification</b>	<b>Responsible Partner</b>
International and Private Sources of Finance for Gender SDG2 Responsive Committed.	Amount of ODA and Private Funding committed	To be Measured in SDG2 Financing Strategy	Baseline	To be Set Based on Financing Strategy	OECD, CDR, Central Bank Data	PPP between Donors Partners, IFIs and Private Sector

<b>Output 3</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Target (2022)</b>	<b>Target (2023)</b>	<b>Means of Verification</b>	<b>And Government Responsible Partner</b>
Finance Leveraging Mechanisms for Gender Responsive SDG2 Established.	Number of Mechanism Formally Established	0	0	1	Joint Ministerial Decision Setting Up Committee	PPP
<b>Output 3.1</b>						
Develop a Financing Strategy for Gender Responsive SDG2 in the Context of the National Agricultural Strategy 2021-2025.	Number of Financing Strategy	0	0	1	Financing Strategy Formally Submitted to Forum	PPP
<b>Output 3.2</b>						
A Public-Private Dialogue SDG2 Forum Co-Chaired Is Established to Mobilize SDG2 Finance Mobilization/Leveraging Options.	Number of Meetings of Forum	0	2	2	Minutes of Meetings and Recommendations	PPP

### Annex 3. Gender marker matrix

<b>Indicator</b>		<b>Score</b>	<b>Findings and Explanation</b>	<b>Evidence or Means of Verification</b>
<b>Nº</b>	<b>Formulation</b>			
1.1	Context analysis integrate gender analysis	2	Context includes a rich analysis of the impact of the current crisis on women, and female led businesses.	Prodoc - paragraph's devoted to describing the situation of women's

				rights/gender equality
1.2	Gender Equality mainstreamed in proposed outputs	2	10 of the outputs reflect on gender issues, and 2 focused on delivering specific gender equality products.	Prodoc Logframe
1.3	Programme output indicators measure changes on gender equality	2	The nature of the proposal makes it challenging to develop gender responsive indicators, though more thought and work is being done in this regard:  A sub-indicator to the AOI will be designed as mentioned in the SDG indicator sections and the result framework to measure the share of gender responsive SDG2 programs.	Prodoc (SDG target section) and Prodoc Logframe
2.1	PUNO collaborate and engage with Government on gender equality and the empowerment of women	3	Partnerships planned with the National Commission for Lebanese women, and the observatory under the Ministry of Agriculture	Prodoc
2.2	PUNO collaborate and engages with women's/gender equality CSOs	1	It was discussed whether there was space for a CSO oversight mechanism. Both work with NOWARA within the MoA and the inclusive Dialogue Forum on SDG2 opens space for the involvement of CSOs working on Women Economic Empowerment.	Prodoc
3.1	Program proposes a gender-responsive budget	3	The programme is grounded in GRB and provides sufficient funding for the gender equality related work throughout the programme life cycle	Logframe (please refer to output 1.4) for GRB approach and refer to Prodoc Budget and Budget Narrative Section

				for funding of the programme.
<b>Total scoring</b>		<b>2</b>		

## Annex 4. Budget and Work Plan

### 4.1 Budget per UNSDG categories

	Joint SDG Fund (USD) +UNDP Contribution	Joint SDG Fund (USD) FAO	Joint SDG Fund (USD) UNWOMEN	Joint SDG Fund (USD)
1. Staff and other personnel 1/	164,818	276,497	84,050	525,365
2. Supplies, Commodities, Materials	9,888	4,944	4,944	19,776
3. Equipment, Vehicles, and Furniture (including Depreciation)	5,493	4,830	1,373	11,696
4. Contractual services	245,000	0	15,000	260,000
5.Travel	0	0	0	0
6. Transfers and Grants to Counterparts	0	0	0	0
7. General Operating and other Direct Costs 2/	0	46,837	0	46,837
<b>Total Direct Costs</b>	<b>425,199</b>	<b>333,108</b>	<b>105,367</b>	<b>863,674</b>
8. Indirect Support Costs (Max. 7%)	29,764	23,318	7,376	60,457
<b>TOTAL Costs</b>	<b>454,962</b>	<b>356,426</b>	<b>112,743</b>	<b>924,131</b>
<b>PUNO Contribution</b>	<b>50,000</b>	<b>36,000</b>	<b>30,000</b>	<b>116,000</b>
<b>Total Budget</b>	<b>504,962</b>	<b>392,425</b>	<b>142,743</b>	<b>1,040,131</b>

1/ Of the USD525,029 staff and other personnel budget, USD192,117 are for the procurement of consultancy services related to joint programme activities implementation but have been classified with staff and personnel as per FAO finance request. The activities and results of the UNJP for FAO are not changed.

2/ The USD47,882 allocation classified under "general operating and direct costs" is also for the procurement of contractual services related to the joint programme activities implementation but have been classified with "general operating and other direct costs" as per FAO finance request. The activities and results of the UNJP for FAO are not changed.

The request budget has two main components:

1. Technical assistance component to the Government on
  - i. public financial management,
  - ii. agriculture planning and economics,
  - iii. **gender and agriculture expertise** and
  - iv. programme assistance

for a total of USD402,912<sup>57</sup>.

2. Contractual and consultancy services to procure key studies and develop essential strategies:
  - i. SDG2 Public Expenditure Review,
  - ii. SDG Budget Mainstreaming Strategy,
  - iii. Agriculture, Food and Nutrition Inventories,
  - iv. Learning events, workshops, publications, policy briefs, printing, translation etc.
  - v. Exit Strategy.

For a total of USD500,000<sup>58</sup>.

The remaining 9.6 percent of the budget or USD96,119 will be for computers, office supplies and 7 percent GMS.

This will be complemented by co-funding in form of technical support from the PUNOs as follows:

1. Economics expertise from UNDP: USD50,000
2. Agriculture expertise from FAO: USD36,000
3. Gender expertise from UNWOMEN: USD30,000.

#### Joint Programme Management Costs

Under the guidance of UNDP senior management and in full synergy with the existing programmes of UNDP, the UNDP country office economist will be leading on the management of the joint programme.

All key joint programme management activities such as monitoring, reporting and evaluation will be decided upon and conducted by the UNDP economist in joint collaboration with relevant staff of FAO and UN Women such as representatives to help manage the programme, monitoring and evaluation officer etc. The costs of the independent evaluations at the mid-term and end of the joint programme will be covered from the budget dedicated to activities. The total cost of the independent evaluation shall not exceed USD20,000 which represents 2 percent of the total joint programme budget.

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<sup>57</sup> This figure is obtained by netting the USD192,117 FAO allocation for consultancy services from the total staff and personnel allocation of USD595,029.

<sup>58</sup> This figure is obtained by adding the contractual services budget allocation of USD260,000, the FAO consultancy services budget allocation of USD192,117 included in personnel and staff budget line and the FAO general operating and other direct costs allocation of USD47,882.



Expert support to the joint programme for communication purposes will be provided through UNDP's internal capacity. Joint programme will be able to draw on FAO and UNWOMEN internal communication capacity as needed as well. Additional budget for any communication material and/or services will be planned from within the total activities cost.

#### **4.2 Budget per SDG targets**

<b>SDG TARGETS</b>	<b>%</b>	<b>USD</b>
SDG Target 2a	45%	468,059
SDG Target 16.6	35%	364,046
Mainstreamed	20%	208,026
<b>TOTAL</b>	<b>100%</b>	<b>1,040,131</b>

SDG relevance score are not based on linking "cost of inputs" with the direct SDG to which they are related but an estimate time the programme will dedicate to each SDG. This captures better the interlinkages between SDGs and outcomes and prevents underestimating the importance of SDG16 and SDG5.

Therefore, the difference between UNWOMEN budget and SDG5 relevant budget is due to the fact that most resources invested in the programme all reviews and strategies implemented will be made gender responsive and contribute to SDG5 and not just the gender specialist and the reports she/he will prepare.

Similarly, SDG Target 16.6 relevant budget should not be understood as Outcome 2 input budget as a significant amount of staff time and reviews, strategies and interventions (classified under outcome 1) will be invested to achieve SDG Target 16.6 as well.

#### **4.3 Work plan**

<b>Outcome 1</b>	<b>Total Budget Allocation on Gender Responsive SDG2 Programs Stabilized and Consolidated</b>
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Out put	Annual target/s		List of activities	Time frame						PLANNED BUDGET			PUNO /s involved	Implementing partner /s involved	
	2022	2023		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Overall budget description	Joint SDG Fund (USD)	PUNO Contributions (USD)			Total Cost (USD)
Out put 1.1	1	1	Review of All SDG2 Programs	*						Budget covers the development of the inventory and instruments of prioritization	120,000	0	120,000	FAO	MoF, MoA, MoET, MoI
			Develop an inventory of food and nutrition security and sustainable agricultural projects		*										
			Support MoA in prioritizing programmes and initiatives and to make strong cases for budget funding using social and economic cost analysis		*	*	*	*							
Out put 1.2	1	1	Review of All SDG2 Programs in parallel to Output 1.1	*					Most analysis to be done by the Gender specialists. Budget to cover learning costs (publications etc.)	0	0	15,000	UNWOMEN	MoF, MoA, NOWARA, MoET, IDAL	
			Assess Gender Relevance of SDG2 programs		*										
			Develop Criteria for Gender Relevance Prioritization and Introduce in Budgeting Cycle		*	*	*	*							
Out put 1.3	0	1	Support Budget Submission Process in MoA			*			Staff time only.	0	0	0	UNDP, FAO, UNWOMEN	MoF, MOA	
			Support Budget Review Process in MoF				*								
Out put 1.4	1	1	Support Technical Staff/ Budget Staff at MoF and MoA in Actual Budget Negotiation Process			*	*	*	Staff time only.	0	0	0	UNDP, FAO, UNWOMEN	MoF and MoA	



			assessments including PEFA, PIMA and other existing assessments						landscape analysis						
			Provide support in developing an institutional arrangement between MOF and MoA to prepare budgets that reflect resource allocation on SDG2/gender and that enables reporting on the related indicators	*	*	*			prepare training materials and provide training on SDG2 budgeting.						
			Support MoF and MoA in developing forms, templates and classifications to align budget preparation with SDG 2 a	*	*	*									
<b>Output 2.4</b>	<b>4</b>	<b>4</b>	Develop a Methodological guide for SDG2 /gender Budget Allocation and Execution	*	*	*			Staff time and Learning Costs	30,000	0	30,000	UNDP, FAO, UNWOMEN	MoF, MoA	
<b>Output 2.5</b>	<b>4</b>	<b>4</b>	Detailed Mapping of Stakeholders	*					Staff time and Learning Costs	4,000	0	4,000	UNDP, FAO, UNWOMEN	All Government Stakeholders Mapped in Narrative	
			TOR of Committee	*											
			Organization of Committee Meetings		*	*	*	*							
			Recommendations Issued and Informing Policy Making		*	*	*	*							
<b>Outcome 3</b>			<b>International and Private Sources of Finance for Gender SDG2 Responsive Committed</b>												
<b>Output</b>	<b>Annual target/s</b>		<b>List of activities</b>	<b>Time frame</b>						<b>PLANNED BUDGET</b>				<b>PUNO/s involved</b>	<b>Implementing partner/s involved</b>
	<b>2022</b>	<b>2023</b>		<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Overall budget description</b>	<b>Joint SDG Fund (USD)</b>	<b>PUNO Contributions (USD)</b>	<b>Total Cost (USD)</b>		
<b>Output 3.1</b>	<b>0</b>	<b>1</b>	Detailed Mapping of Donors, IFIs and Private Sector	*	*					Staff Time, Workshops and Learning Costs	32,000	-	32,000	UNDP, FAO, UNWOMEN	Donors, IFIs, Private Sector As per Mapping
			Baseline of Sources of Funding Available		*	*									

			Review of Financial Policies, Regulations Incentivizing Investment in SDG2	*	*											
			Assess willingness and scope of partners to invest in SDG2 and quantify it if possible.			*	*									
			Publish a Financial Strategy			*	*	*								
<b>Out put 3.2</b>	<b>2</b>	<b>2</b>	Informal Meetings with Donors, IFIs and Private Sector	*	*											
			Terms of Reference Developed for Private-Public Forum	*	*											
			Public-Private Inclusive Dialogue Forum Established	*	*	*	*	*								
									Staff Time, Workshops and Learning Costs		20,000	-		20,000	UNDP, FAO, UNWOMEN	Donors, IFIs, Private Sector As per Mapping

## Annex 5. Risk Management Plan

In order for the JP to achieve its outcome, it will operate based on the assumption that all concerned stakeholders are willing to collaborate in a difficult context following the economic and financial crisis.

The risk management strategy is part of the JP management unit which will be responsible for managing those risks in consulting with the responsible entities. The different PUNOs of the project will have developed their own social and environmental safeguards for the mitigation of the different risks. While not defined here yet, if the JP is approved, the social and environmental standards and risks of UNDP and the social and environmental safeguards of FAO will be made available. Before that, at first, the JP will ensure the commitment of the both ministries involved in the programme, the Ministry of Finance and the Ministry of Agriculture, with participation of senior management level staff. The JP will approach the ministries with innovative ways to de-constrain budgeting and therefore to promote SDG-related budgeting. The JP will look at including ministries' technical staff in the process to ensure awareness and buy-in in the processes. The JP will also take into account the impact of the crisis on the work of ministries in order to avert diversion of staff time to other priorities but bearing in mind needed solutions to the crisis. The JP will also minimise the risk from the public, quasi-public and private financial sectors not to join dialogue on leveraging investment through potential SDG compliant strategies that could then enable additional financing sources (i.e. from international financing institutions). Engagement of public, quasi-public and private financial sectors will be done in parallel while taking into account and sequencing constraints to minimize timing risks.

The JP will have a Monitoring and Evaluation system that will comprise the social and environmental standards and risks and safeguards of the PUNOs, as well as the risk matrix below. Assumptions of the logical framework will be reviewed at the start of the project during the inception phase and measured at intervals, based on the reporting period of the project, to ensure they are still valid, modifying therefore possibly contingencies.

*Complete the Risk matrix table below*

Risks	Risk Level: (Likelihood x Impact)	Likelihood: Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare - 1	Impact: Essential - 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	Mitigating measures	Responsible Org./Person
<b>Contextual risks</b>					

Change in Government priorities	10	2	5	Endorsement by the Government would minimize drastically this risk	UNCT
Delays in implementation of government reforms	12	3	4	The Government seems dedicated to implement the reforms.  Constant Pressure from Donor Partners and Support to Lebanon Group within Cedre Conference in Particular	Advocacy from UNCT
<b>Programmatic risks</b>					
No commitment and no staff allocation from the Ministry of Finance and of the Ministry of Agriculture in the programme implementation	10	2	5	Consultations have taken place and continue collaboration/consultation to happen throughout implementation	PUNOs
No willingness from counterparts to have an innovative approach with respect to the constraints of line-item budgeting	9	3	3	Advocate on innovation(s) throughout programme implementation.  Continuous presence in Budget Directorate allowing for creative solutions to take into account constraints of	PUNOs

				Ministry of Finance  Coordination with Ministry of Agriculture to capture their constraints and solve the obstacles	
Challenges in coordination between the implementing agencies	4	2	2	The Governance structure in place with UNRC and UNCT would limit potential delays	UNCT/PUNOs
No willingness of the financial sector to leverage investment and be part of the financing strategy development process	9	3	3	Programme could adopt SDG-compliant strategies pushing the private sector to leverage additional financing	PUNOs
<b>Institutional risks</b>					
MoF time investment in SDG budgeting hampered by economic and financial crisis management priorities	9	3	3	Consultations have taken place and continue collaboration/consultation to happen throughout implementation	UNDP
<b>Fiduciary risks</b>					
Funds of the JP could be diverted to more pressure issues following current economic and monetary crisis	10	2	5	The setup of the JPSC will mitigate diversion	UNCT/JPSC