



# First Consultative Group Meeting

---

31 March 2021

# 3RF Financing Strategy & Estimated Needs

*A two phased financing strategy to support recovery and reconstruction*

***Building on humanitarian response, there is a critical need to provide urgent support to people in need and catalyze critical reforms***

## **Phase 1**

- International (donor) financing is indispensable to kick-start recovery and provide space for reforms
- Flexible financing will be prioritized to deliver people-centered recovery
- LFF as a central pooled financing mechanism for 3RF implementation

## **Phase 2**

- Financing for public-sector led reconstruction support will depend on functioning government and reform progress
- There will be an increasingly important role for blended finance / private sector led projects (e.g. high-value infrastructure – port)

## **Estimated Total 3RF Financing Needs**

<b>3RF Track</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Total</b>
<b>Recovery</b>	426,320,000	165,550,000	<b>591,870,000</b>
<b>Reform and Reconstruction</b>	895,195,500	1,106,623,112	<b>2,001,818,612</b>

# 3RF Recovery track – Available Financing

## Track 1: Socio-Economic Recovery

3RF Pillar	Needs	Donor financing	% funded
Governance Pillar Sub-total	4,750,000	4,762,590	100%
Economic Recovery Pillar Sub-total	105,450,000	36,118,897	34%
Social Protection, Inclusion & Culture Pillar Sub-total	174,800,000	64,365,767	37%
Services & Infrastructure Pillar Sub- total	306,870,000	95,197,406	31%
<b>TOTAL RECOVERY TRACK</b>	<b>591,870,000</b>	<b>200,444,661</b>	<b>34%</b>

# 3RF Financing Priorities and Gaps

- Financing for track 1 priorities:
  - **Pillar 1:** priority needs financed – governance reform not a matter of \$\$
  - **Pillar 2:** focus on cash for work, livelihoods and business recovery (LFF), limited support planned on financial / insurance sector & business enabling reform (but does not require significant financing)
  - **Pillar 3:** focus on social protection and social inclusion; large gap on cultural heritage and cultural industry
  - **Pillar 4:** recovery needs for basic services (health, education, water) in blast zone seem well covered; support planned on housing, urban infrastructure and environment but housing/municipal services/urgent port rehabilitation underfunded.
- Track 2: Financing for some track 2 priorities available on nation-wide programs for health and social protection (e.g. ESSN)
- LFF share of total (reported) recovery track financing approximately 30% and in some sectors potentially the main financing source



# Lebanon Financing Facility – Overview and Initial Priorities

*LFF will focus on immediate recovery needs, promote inclusive ways of working with civil society and prepare the ground for reform and reconstruction.*



**Focus Area 1: Socioeconomic & Business Recovery**



**Focus Area 2: Supporting Reform and Preparing for Reconstruction**



**Focus Area 3: Coordination, Monitoring, Accountability, Oversight**

**LFF Immediate Priority: Targeting poor and vulnerable communities and businesses affected by the explosion in the greater Beirut area.**

**Initial priorities and pipeline projects under discussion:**

- **Building Beirut Businesses Back Better (B5)**
- Beirut Social Recovery for the most vulnerable (GBV, psychosocial support, care for the elderly)
- Beirut Housing Reconstruction and Cultural Heritage and Creative Industries Recovery
- Environmental Recovery and Waste Management

LFF also aims to provide limited / targeted support to strengthen accountability institutions & support 3RF oversight and citizen engagement

# LFF - Key features and operating principles

- LFF as platform for improved coordination and coherence of international support to 3RF
- Focus on 3RF principles: gender equality & inclusion; strong involvement of civil society and citizens (via 3RF-level citizen feedback mechanism)
- Implementation by various non-governmental channels



United Nations



World Bank Group



NGO/CSOs



Private Sector

- Strong fiduciary monitoring and oversight in all interventions, incl. civil society oversight via IOB
- Dedicated support to promote accountability and transparency
- GoL engagement via Partnership Council and at sector / program level

# LFF – Status of Donor Pledges

Donor	Indicative pledge
Denmark	\$6.2M
European Union	\$24M (two tranches) – tbc
Canada	\$14M (two tranches) – tbc
France	\$5M
Germany	\$12M – tbc
Croatia	\$0.1M
<b>Total estimated income</b>	<b>\$61.3M</b>

**LFF will grow gradually - availability of funds depends on timely donor contributions**

**LFF Available Income as of March 2021: US\$ 6.2M**

Projected Income by June 2021: 45.3M

Projected Income by December 2021: 57.3M

Projected Income by June 2022: 61.3M

**LFF Fundraising Target: \$100M-  
\$200M**