



## LIVELIHOODS

**Lead Ministry/Co-Lead:** Ministry of Social Affairs (MoSA)/ Ministry of Economy and Trade (MoET)

**Coordinating Agencies:** UNDP

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PEOPLE IN NEED



555,369

PEOPLE TARGETED



134,607

REQUIREMENTS (US\$)



143.3 million

# OF PARTNERS



30

GENDER MARKER

2a



## SECTOR OUTCOMES

### OUTCOME:

Vulnerable groups, especially youth and women, access to income and employment is improved\*.

*\* The livelihoods strategy will be complying with the Lebanese laws and regulations*



\$143.3 m

### INDICATORS

# of new jobs created in the MSME sector (targeted enterprises)

# of Value Chains valorized and/or being upgraded

# of targeted villages benefiting from improved infrastructure and environmental assets

# of targeted vulnerable persons employed through public infrastructure and environmental assets improvement

% of targeted job seekers who are placed into jobs (after support by employment service centers/or skills training)



## PRIORITY INTERVENTIONS

- 1: Provide (start-up) grants (cash/in-kind) coupled with incubation services/training/retraining for Micro, Small and Medium Enterprises.
- 2: Implement integrated Value Chain programmes.
- 3: Rehabilitate of public infrastructure/ environmental assets through labour intensive modalities.
- 4: Support the activities (including access to market information; career guidance; counseling; job matching; etc) and strengthen the capacity of employment services centers and livelihoods centres.
- 5: Support the Ministry of Labour in improving decent work conditions and countering child labour.
- 6: Support the Ministry of Economy and Trade in the implementation of the new Small and Medium Enterprise strategy.



## 1. Situational analysis and context

Livelihoods in Lebanon have been severely impacted by the demographic and economic shocks brought by the Syrian conflict, notably impacting key growth drivers such as construction and other investment, as well as the tourism and service sectors<sup>i</sup>. The overall volume of exports has been impacted by the deterioration of Lebanon's overland export routes which all cross Syria. Transportation and insurance costs have increased, while alternative options by air or sea remain much more expensive. Costs are reportedly also higher for importing raw materials, resulting in an increase of production costs and thereby adversely affecting the competitiveness of Lebanese firms. Farmers are often unable to export their harvest in a timely manner, in addition to seeing their usual sources of income and labour, as well as markets, negatively impacted by the closure of the border<sup>ii</sup>.

For the most vulnerable population, the crisis has exacerbated an economic situation that was already difficult, characterized by high unemployment and a high level of informality. The more disadvantaged regions of Lebanon, where displaced Syrians have now concentrated, already had lower labour market participation and higher unemployment rates before the crisis. Unemployment pre-crisis was high and often long-term, with unemployment among women twice as high as among men<sup>iii</sup>. The youth unemployment rate (34 percent) was already alarmingly high before the crisis even by regional standards<sup>iv</sup>, resulting in increased rates of migration among young Lebanese. For those who work, a large proportion has been working informally in insecure working conditions<sup>v</sup>. Finally, while poverty in Lebanon was primarily concentrated in small pockets in the suburbs of large towns, poverty in rural areas remained particularly acute<sup>vi</sup>.

All these challenges have been exacerbated by the crisis, with an estimated doubling of the number of unemployed in Lebanon, and a 10 percent increase in the informality rate<sup>vii</sup>. No official updated unemployment figures are available<sup>1</sup>, but assessments confirm that the crisis has significantly raised unemployment in Lebanon<sup>2, viii</sup>.

As a consequence, unemployment tops the needs of vulnerable groups throughout Lebanon, across gender, location and population cohorts. Ninety percent of host community members living in the most vulnerable areas report that unemployment increased in the past six months<sup>ix</sup>, and a majority of host community members reported a decrease in income over the past 24 months. A sign that Lebanese host communities are struggling to cope with the changes in livelihoods is the fact that debt is now prevalent among households, largely due to inflation and the lack of job opportunities<sup>3, x</sup>.

Similarly, for displaced Syrians, access to livelihoods and income has drastically diminished over the past year. This is a result of the cumulative effect of a prolonged presence leading to the depletion of assets and a decrease in humanitarian assistance, as well as of the effect of new regulations on residency renewal. In one year, the proportion of displaced Syrians relying on food assistance<sup>4</sup> as their primary source of income increased by 14 percentage points to reach 54 percent. Seventy percent of displaced Syrians are now below the poverty line, an increase of 20 percentage points in one year, and 50 percent do not have the necessary income to afford the survival minimum expenditure basket. This is particularly dramatic in Bekaa, Akkar and North governorates, where these proportions reach 70 to 80 percent<sup>xi</sup>.

While it is very difficult to get precise data on Syrian employment, the latest extrapolations estimate that the active displaced Syrian labour force in Lebanon is about 240,000 individuals, out of which 80,000 are not working, doubling the number of unemployed in Lebanon. For those who do work, they congregate primarily in services (36 percent) and sectors that have traditionally used Syrian labour, i.e. agriculture (28 percent) and construction (12 percent)<sup>5, xii</sup>. Displaced Syrians rely almost exclusively on temporary and informal work, earning a monthly income of less than US\$300 on average, well below the minimum wage of US\$450 per month (with great regional disparities, and much less for women who often work part time)<sup>xiii</sup>. Half the displaced Syrian youth are unemployed, including 86 percent of young displaced Syrian women<sup>xiv</sup>. This puts the most vulnerable displaced Syrians at risk of engaging in negative coping mechanisms (95 percent have borrowed money, 77 percent have reduced food consumption and 16 percent withdrawn children from schools)<sup>xv</sup>. In addition, livelihoods partners are observing a significantly higher prevalence of child labour, including for young children and in its worst forms, notably because of hazardous conditions.

The situation is even more desperate for Palestine refugees: the unemployment rate among Palestine Refugees from Lebanon reached a historical peak of 23.2 percent in 2015<sup>xvi</sup>. While the rate was comparable to the Lebanese rate of 8 percent both in 2010 and 2012, this significant increase can be attributed to the influx of Syrian and Palestine Refugees from Syria (PRS) workers into the Lebanese labour market. This figure conceals notable gender disparity, where the female rate registers 32.4 percent, while that of males is 20.8 percent. The unemployment rate among PRS reaches a staggering 52.5 percent. The rate increases to 68.1 percent for females compared to 48.5 percent for males. Ninety-five percent of PRS depend on humanitarian assistance for subsistence<sup>xvii</sup>.

(1) The Central Administration for Statistics adopts ILO's strict definition of unemployment in its 2011 issue on the Labour Market in Lebanon: "persons are classified as being unemployed if they were aged between 15 and 64 years; were not working during the reference period (the week before the survey); but were actively seeking and available to take up work."

(2) While initial forecasts estimated that the overall unemployment rate would reach 20 percent by the end of 2014, this needs to be revised since this figure was based on a projection of 1.7 million displaced Syrians in Lebanon in 2014 in the World Bank report Economic and Social Impact of the Syrian Conflict of 2013.

(3) FAO, REACH, and MoA, Food Security and Livelihoods Assessment of Lebanese host

communities, 2015: More than half of interviewed Lebanese households reported having incurred debt in the last 24 months.

(4) This was reduced to 50 percent of the planned amount to US\$13.5 per person per month, and recently went back to US\$21.60.

(5) Syrian nationals in Lebanon are allowed to work in the fields of agriculture, construction, and cleaning, if they obtain a work permit, as per the decree 197 issued by the Ministry of Labour in December 2014.



In addition to placing the most vulnerable individuals at risks, the mass influx of displaced Syrians also has wider consequences on the structure of Lebanese labour market. The general rise in informality and the increasing competition for job opportunities is resulting in a degradation of working conditions, particularly in the North and Bekaa governorates<sup>xviii</sup>.

While there is little evidence that the increase of Syrian informal businesses led to a displacement of Lebanese firms, it has increased competition of Micro, Small and Medium Enterprises (MSMEs - the main job creators in Lebanon) with informal businesses<sup>xix</sup>. This also plays into a wider systemic weakness of limited law enforcement and control of businesses and of the workforce. The additional difficulties and the generally stagnating economy is further hindering the creation of jobs by MSMEs. Recent studies have shown that new and fast-growing Small and Medium Enterprises (SMEs) are particularly important for job creation in Lebanon<sup>xx</sup>, but that employment growth among young firms in Lebanon is below potential when compared to other regions<sup>xxi</sup>. This is why MSMEs will be the main target of the 2016 sector plan, through both targeted support and as part of value chain interventions. Within the 30 challenges identified by the Ministry of Economy and Trade SME strategy, the crisis has particularly exacerbated access to financial services. Skill mismatch between the education system and the requirements of the labour market remains a key obstacle for the generation of jobs in the MSME sector<sup>7</sup>.

Recent assessments notably show that on the supply side, youth are particularly keen on both career guidance and developing the following technical skills to improve their chances to access employment: IT, handicrafts, program management, agriculture, construction, welding, hairdressing, painting and car mechanics<sup>xxii</sup>.

More generally, from a stabilization perspective, job shortages and unemployment are consistently and clearly mentioned in perception surveys as the top source of tension between communities<sup>xxiii</sup>. The current situation is therefore a threat not only to vulnerable individuals falling into poverty and resorting to negative coping mechanisms, but also to stability in general (as one of the main drivers of conflict). This is particularly the case considering the extreme vulnerability and sense of despair among young people, and initial findings pointing to a link between underemployment and radicalization<sup>xxiv</sup>.

While the overall response to the international crisis is having some positive impact on the Lebanese economy

(6) MSMEs represent more than 90 percent of registered firms, employ 50 percent of the working population, but contribute only 27 percent of total revenues, well beyond their potential.

(7) Five challenges are considered cross-cutting across the MSME ecosystem in the Ministry of Economy and Trade SME strategy: (1) the growth barrier, especially for SMEs which are unable to break through the next stages of growth; (2) a lingering old economy delaying the transition to the knowledge economy; (3) a changing business environment; (4) economic uncertainty and cash stressing due to the slowing of business cycles combined with inadequate financing measures; and (5) uncoordinated institutional framework leading to limited concerted efforts.

at the micro level<sup>xxv</sup>, it is not balancing the economic and investment loss generated by the crisis. In this context, the livelihoods sector has been unable to significantly mitigate the situation described above. The sector strategy for 2015 aimed at both expanding and scaling up a range of livelihoods interventions, putting a particular focus on job creation in the most vulnerable areas through support to MSMEs, cooperatives, development of key value chains, and working with national institutions and ministries to set up the necessary framework and conditions for job creation and economic recovery. None of this has happened to scale, primarily due to a lack of funding. Livelihoods was the most underfunded sector, with only 13 percent of the sector appeal secured. In particular, very few longer-term programmes aimed at supporting the capacity of national systems and markets to create jobs or income have started. As a consequence, the sector has only reached 5 percent of its targets, an alarming indicator given the scale of needs. Gaps remain enormous for all priority interventions of the sector, and some of the most vulnerable areas, such as Wadi Khaled, Tripoli and Saïda, have remained largely untouched by partners<sup>xxvi</sup>. Nevertheless, in numerous areas, partners have considerably strengthened their existing programmes over the course of 2015 – skills trainings are better linked to market demands, involvement of vulnerable Lebanese is improving through better links with local institutions, targeting for women and youth has increased with specific programmes, and support to MSMEs, cooperatives, and local economic development actors has started – although on a small scale.

## 2. Overall sector strategy<sup>8</sup>

The livelihoods sector will aim at addressing the needs of vulnerable groups to access income and employment through a comprehensive set of interventions which emphasize capacity development at national, regional and local levels. The sector will work on fostering local economic development in the most vulnerable areas, where poverty and unemployment are concentrated, and where the local capacity and conditions need support to create jobs. The sector will do so by targeting key institutions and ministries, private sector actors and MSMEs and entrepreneurs, and vulnerable individuals.

The sector interventions will support the strategy implementation of key ministries, in particular the Government of Lebanon Stabilization Roadmap, the Ministry of Economy and Trade SME strategy, and the Ministry of Agriculture 2015-19 Strategy, as well as of other relevant line ministries and public institutions, particularly the Ministries of Labour and Industry as well as the Council for Development and Reconstruction. All interventions will be in line with the applicable legal frameworks on labour and employment, and with the Government policy paper on

(8) The livelihoods strategy will be in full compliance with the Lebanese laws and regulations



### Syrian Displacement to Lebanon.

More specifically, the strategy of the livelihoods sector for 2016 is guided by the interministerial consultation process on livelihoods that the Ministry of Social Affairs led throughout 2015. This consultation process proved crucial in reframing the interventions of the sector for 2016. The outcome of this process is leading to a shift of the livelihoods sector strategy towards more focus on local economic development, which should prepare the ground for longer-term interventions and a strategy for the upcoming 2017-2020 plan. This means that the sector shifts away from providing short-term income-generating opportunities to vulnerable individuals towards creating more employment opportunities through local investments in labour-intensive sectors, in compliance with Lebanese laws and regulations.

Interventions in the livelihoods sector will remain rooted in the 'Making Markets Work for the Poor (M4P)' approach, which promotes the sustainability of economic gains and was the underlying basis of most activities of the sector in 2015. Vulnerable groups face several market constraints in their capacity as employees, employers or consumers, including lack of information, skills, or quality products and services. M4P aims to change the way market systems work so they become more effective and sustainable for the vulnerable Lebanese to improve their livelihoods, and ultimately benefit displaced Syrians as well. The M4P approach is founded on enhancing the capacity of local service providers, as well as MSMEs, to increase employment opportunities and inclusive and sustainable economic development. The M4P approach also embeds the humanitarian "Do no harm" principle in limiting interventions that might distort markets, such as interventions providing support and new opportunities to a group of beneficiaries at the expense of another already established one<sup>9</sup>.

The sector will take a more indirect approach to achieving its outcome of facilitating access to income and employment: access to income and employment in vulnerable areas will be fostered through investment in institutions, private sector entities and projects leading to job creation, rather than through direct engagement of beneficiaries in income-generating activities. It is expected that this strategy will benefit all vulnerable groups in the most affected areas. Host communities and vulnerable Lebanese will be the primary target and the entry point of all livelihoods interventions, considering that employment clearly tops the needs of affected Lebanese. However, the sector will also address the needs of displaced populations, in conformity with the legal framework and the decrees of the Ministry of Labour which currently allows Syrian nationals to work in the sectors of agriculture, construction and cleaning. This will be important not only to protect against negative coping mechanisms, but also to prevent the consequences on social stability of the marginalization of a growing number of vulnerable

individuals. This is also in line with the 2014 Berlin Conference Declaration that efforts to support the local economy will ultimately benefit displaced populations<sup>xxvii</sup>.

Livelihoods partners will focus on creating the necessary conditions and environment while supporting existing systems for job creation. This will notably include continuing the current efforts to support Lebanese MSMEs and cooperatives through a combination of business trainings, in-kind and cash grants, and implementation of integrated value chain approaches. The aim will be to create more viable and sustainable production activity, improve technology utilization rates, and strengthen value-adding activities, thereby improving economic opportunities for the targeted beneficiaries. In order for this support to translate into tangible job creation and additional income opportunities for vulnerable households, the livelihoods strategy will focus on priority sectors of agriculture, construction and services. These activities need time to show results and have unfortunately attracted limited funding over the past year. However such approaches remain the only way towards sustainable development in the most impoverished areas, and more donor support for the sector will be necessary for the LCRP to fulfil its objective to keep Lebanon stable.

These core interventions around value chains and support to MSMEs/cooperatives will be complemented by fostering investments at the community level through labour-intensive development programmes such as infrastructure rehabilitation, public/municipal works and environmental protection. This new set of small to medium-scale interventions is expected to improve living conditions in vulnerable areas by addressing the local infrastructure needs, and to provide immediate employment opportunities to local populations through direct participation in these programmes which are labour-intensive in nature and require significant workforces. Additionally, maintenance schemes will be set up to ensure continuous labour demand and safeguarding of the asset value. Such projects will differ from similar rehabilitation work carried out by other sectors, as they will be selected based on their ability to create employment and income opportunities. This will be the primary criteria for the identification and selection of such projects, and partners will ensure that implementation modalities maximize use of local labour of these areas. Again, this will primarily benefit the Lebanese communities, but also indirectly the displaced populations, considering that such programmes will target sectors where Syrians and Palestinians have traditionally been employed<sup>10</sup>. It should be underlined that this change of approach will have consequences both on the timeline and cost of interventions. Replacing rapid income generation by investments in infrastructure and environmental assets will mean shifting from short-term programmes, where most of

(9) For more information on the M4P approach see: <http://beamexchange.org/en/>

(10) Such programmes could include emerging GoL initiatives to support temporary employment for displaced Syrians, for example the Ministry of Foreign Affairs' 'Subsidized Temporary Employment Projects', pending discussions on further elaboration and development of such initiatives.

the costs go to labour, to larger, longer-term programmes requiring greater investments in capital infrastructure and equipment, even on the small or medium scale. A policy decision from the GoL on livelihoods is expected to provide further guidance on these programmes.

In order to ensure that the most vulnerable benefit from the sector's interventions, livelihoods partners will continue direct support to individuals in their access to the labour market or to income. This will build on partners' multiple years of experience in providing skills training, internships and apprenticeships, career guidance, and access to employment services for all population groups. Such programmes will complement and be coordinated with formal vocational training programmes provided by the education system. This will not only help bridge the gap identified above between local market requirements and labour force skills, but also empower the most at-risk individuals, notably youth and women. The sector will capitalize on the efforts and progress of livelihoods partners to develop their outreach to the Lebanese communities, and to base their interventions on local market assessments rather than beneficiaries' requirements. For displaced Syrians engaged in such programmes, skills they will need upon potential post-conflict return will be prioritized, alongside a conflict-sensitive approach ensuring that competition with host communities is not exacerbated through such programmes.

Working with and strengthening existing systems and institutions will be key for such programmes to put into place the building blocks required for sustainable development gains. As the sector will mostly adopt an indirect approach to job access and income creation, tackling the issues of work conditions and informality will be keys to ensuring that interventions do not have a negative effect in terms of protection, and human and labour rights. This will require working in close collaboration with the Ministry of Labour and other partners on issues related to decent work<sup>11</sup>, particularly to ensure that practices such as child labour are mitigated as much as possible, but also to prevent further negative consequences of informality, such as exploitation. More generally, the Ministry and its national and regional employment offices, as the key administrative authority in the field of labour, responsible for employment conditions, labour relations, labour inspection and for shaping employment policy, will be supported so that they can become the driving force in developing and implementing labour policies within its mandate.

Last but not least, the sector will also continue its engagement with all concerned ministries to build a favourable environment for job creation, supporting the design and implementation of national and local plans and strategies, notably the SME Strategy of the Ministry of Economy and

Trade. This will include building stronger ties between the sector and various ministries involved in livelihoods, both to foster closer alignment with national plans and priorities, and to engage in constructive policy discussion on the current regulatory environment and the development of a national livelihoods plan.

### 3. Sector outcomes, outputs and indicators

The overall aim of the livelihoods sector is to provide a critical contribution to Lebanon's stability by expanding economic opportunities benefiting local economies and the most vulnerable communities and individuals. This is reflected by the fact that all activities of the sector are regrouped under one outcome, which is improved access to income and employment for vulnerable groups.

The work of the sector will have wider stabilization implications for Lebanon, as it addresses both the priority needs of host communities (access to employment) and mitigates the primary source of tension between groups (competition for jobs). The impact of sector interventions will therefore be measured according to four indicators: changes in poverty, changes in unemployment rates, changes in the level of informality, and changes in the number of localities where unemployment is the top identified need.

Under this outcome, the work of the sector will be structured under six outputs, two of which are new compared to the 2015 sector response plan. As explained above, the sector will no longer aim at providing rapid income-generating opportunities to vulnerable groups, but will shift to a focus on labour-intensive investments in vulnerable areas.

The first three outputs of the livelihoods sector will focus on fostering job creation in vulnerable areas.

#### **Output 1 - Capacity of the MSMEs sector to create jobs is improved.**

This output remains unchanged compared to the LCRP 2015. It will be measured according to the number of jobs created in supported MSMEs, and include a range of activities, such as entrepreneurial training, supporting access to financial services, provision of start-up or support grants in-kind or cash, and technology transfer. The support will target three types of structures: micro-entrepreneurs, SMEs and cooperatives.

#### **Output 2 - Competitive integrated value chains strengthened and upgraded.**

This output will be measured by the number of integrated value chain interventions completed. Interventions will start by assessing the sectors and value chains to identify gaps or constraints in them. Such assessments include mapping and analysing needs in relation to both vertical and horizontal linkages, and identifying other possible weaknesses and

(11) Decent work has been defined by the International Labour Organization and endorsed by the international community as 'productive work in conditions of freedom, equity, security and human dignity'. ILO, Towards decent work in Lebanon: Issues and Challenges in Light of the Syrian Refugee Crisis, 2015.

opportunities in the targeted value chains, as well as regional or national level constraints. Value chain support may include targeted interventions such as upgrading and strengthening the weakest links to improve the overall competitiveness of the value chain, and creating new linkages or strengthening existing ones. Particular emphasis will be placed on building institutional capacity at various levels. Value chains will be identified within sectors with potential growth, based on their need for support and their potential to generate employment opportunities for the most vulnerable, thus ensuring the needed absorption of workforce. Potential value chains in Lebanon could include agro-food, goods manufacturing, technology provision, creative sectors, tourism and others.

### **Output 3 - Job creation is fostered in vulnerable areas through investment in public infrastructure and environmental assets.**

This output is new, and relates to fostering job creation in vulnerable areas through public works. It will be measured through the number of vulnerable persons and localities benefitting from infrastructure improvement and the amount invested in such localities. As explained above, this will include small- to medium-scale infrastructure upgrades in municipalities and villages (road rehabilitation, cleaning

services), in the agricultural sectors (irrigation canals, agricultural roads, rainwater harvesting), and environmental work and disaster risk reduction (forestation, reforestation, cleaning of drainage, canals and rivers for flood prevention, construction of structures such as contour walls, checking of dams, and plantation of green areas in order to reduce flood risks). In addition, the private sector is an important beneficiary of these activities, as well as the government.

### **Output 4 - Workforce employability improved.**

This will support individuals' access to employment, and remains identical to last year's work. Activities include skills training, access to employment services, job matching, and apprenticeship, internship and traineeship schemes. This output will be assessed by the proportion of job seekers who are placed into jobs.

The support of the sector to policies, strategies and plans supporting jobs creation, MSMEs and livelihoods will be split into two, reflecting the growing concerns over working conditions, informality and child labour.

### **Output 5 - Decent Work conditions improved.**

This output will be addressed by working with the Ministry of Labour both at the policy and enforcement levels.

## **Total sector needs and targets:**

<b>Category</b>	<b>Total population in need (one member per poor household)</b>	<b>Targeted (primarily indirectly through support to institution, private sector) – average overall estimate 66% Lebanese, 25% Syrians, 5% PRL and 4% PRS beneficiaries.</b>
<b>Displaced Syrians</b>	210,000	33,651
<b>Palestine Refugees from Syria</b>	8,675	5,384
<b>Palestine Refugees in Lebanon</b>	36,694	6,730
<b>Vulnerable Lebanese</b>	300,00	88,842
<b>Total</b>	<b>555,369</b>	<b>134,607</b>

### **Communities**

**Cadastres** 251 vulnerable cadastres

### **Institutions**

**Municipality** 244 Municipalities located in the 251 vulnerable cadastres to benefit from infrastructure programmes.

**Central Ministries** MOSA, MoET, MoA, MoL, MEHE, Ministry of Industry, CDR

**MSMEs & Cooperatives** 1,800 Micro, Small, and Medium Enterprises and Cooperatives targeted directly (1,800, including support to micro-entrepreneurs) and indirectly (1,000 through value chains interventions – average 50 direct and indirect MSME per value chain)

### **Output 6 -Policies, strategies and plans supporting job creation, MSMEs and livelihoods are established.**

This output will bolster policy- and strategy-level and institutional support of the sector, particularly around support to the Ministry of Economy and Trade implementation of the MSME strategy. This also includes conducting the necessary assessments and studies to address key data gaps in the sector while promoting harmonization of efforts.

## **4. Identification of sector needs and targets at the individual, institutional and geographical level**

The livelihoods sector aims to facilitate access to employment and income for vulnerable groups. The population in need for the sector is therefore all those falling under the poverty line of US\$4 per person per day, and particularly the ones living in extreme poverty (US\$2.40 per person per day). It is assumed that at least one member in each poor household is in need of livelihood assistance to raise the household over the poverty line. Severely vulnerable individuals' livelihoods are presumed to be addressed through direct assistance, such as the National Poverty Targeting Programme for Lebanese and humanitarian assistance for Syrians and Palestinians. However, as none of this assistance is sufficient to bring the beneficiaries over the poverty line, or even reach the level of the Survival Minimum Expenditure Basket, livelihood activities should benefit all poor people. They will be identified and prioritized using existing vulnerability criteria (which will notably help prioritize female-headed households, households with persons with disabilities, and other severely vulnerable households), together with national systems such as the NPTP database, as well as through local information provided by Social Development Centres, municipalities, and local associations. In order to maximize its impact on stabilization and protection, the sector will prioritize youth (to keep them engaged in their community and prevent marginalization) and women (who are marginalized and as such, more affected by poverty and unemployment, and for whom additional income is crucial, notably to counteract child labour).

Livelihoods interventions are targeted using an area-based approach. Interventions such as support to MSMEs, cooperatives, value chain development or opening an employment service/livelihoods centre might happen in a particular location, but benefit the entire district, Caza or governorate. The sector will use available data on poverty and deprivation as a basis for area targeting, and then analyse the situation in this area to identify which institution/private sector entity/value chain to target. The national employment regional offices will also play a critical role in matching vulnerable individuals with opportunities generated by these programmes, and will be supported

through the second output of the sector.

The inter-agency vulnerability map provides a good basis from which to identify areas where displaced populations are concentrated alongside vulnerable Lebanese. Both the poverty dimension and the host/displaced ratio are relevant for livelihood interventions. Taking into account the specificities of rural and urban poverty in Lebanon, partners will need to focus both on acute rural poverty that might have been exacerbated by a sudden increase of population, and on poor urban areas where the proportion of displaced might not be as significant, but the total concentration of poor is most likely to lead to instability. Additional criteria therefore need to be added to the inter-agency vulnerability map that can only provide general guidance. In particular, results from ongoing assessments highlighting the areas where unemployment is a priority need or listed as priority source of tension must be prioritized.

It should be highlighted here that the livelihoods sector is suffering from severe data limitations that hamper its targeting. While overall national estimates of key figures like poverty and unemployment are available, this is not the case for local level data, which requires partners to go through local assessments to inform programming. Other data gaps for the sector include detailed market assessments to identify intervention types, labour market assessments, information on skills training provider and finally, analysis on the needs, capacity and gaps of MSMEs. Several important studies are underway and will help the sector in refining its targeting.

The sector based its targets and budget on the 2015 appeal. Unit costs and number of beneficiaries were also based on last year's appeal. They were adjusted based on the capacity demonstrated by partners this year in terms of fundraising, targeting and implementation. The public works approach of the sector also means that intervention of the sector will benefit a smaller number of direct beneficiaries compared to 2015 rapid-income generation opportunities (given the higher costs of public works programmes), hence the decrease in the overall number of beneficiaries that can be reached within a year compared to 2015. Yet, such programmes will have an important indirect impact on targeted communities. The proportion of beneficiaries indicated below is the expected total numbers for the sector to be reached across all planned programs.

## **5. Mainstreaming of Conflict Sensitivity, Gender, Youth, people with special needs (PWSN) and Environment**

### **Conflict Sensitivity:**

Livelihoods primarily contributes to social stability by alleviating competition for jobs as a source of tension



between groups. However, every livelihoods intervention needs to be carefully crafted to be conflict sensitive. Livelihoods programmes will particularly aim at filling gaps in the labour market, with an eye to avoiding fuelling competition and tension between groups. This will require partners to undertake careful situation and market analysis before developing programmes, and to ensure that selection criteria are fair and transparent.

### **Gender, Youth, People with Specific Needs:**

Youth and women remain specific priority target groups for the sector across all activities, taking into consideration their particular vulnerability and their higher unemployment rates. While the sector has successfully ensured that they are the primary groups benefitting from skills training, increasing their access to income/employment needs to be emphasized, notably through specific business start-up and development schemes, and apprenticeship/traineeship programmes. The sector will therefore need to carefully review the type of job-creation investments it promotes so as to ensure that they benefit both youth and women. For women, livelihoods activities that can be done at home must be prioritized to be compatible with childcare.

For persons with disabilities, the sector will adopt a twin-track approach. First, specialized livelihoods programmes tailored to their needs will be developed. No such programmes currently exist in the sector, and they will need to be developed by involving specialized agencies in the work of the sector. However, the specific needs of persons with disabilities will be integrated into the work of partners promoting decent work. Second, households with a person with special needs will be prioritized in targeting, reflecting their higher dependency ratio and care-taking duties, through the existing vulnerability assessments.

### **Environment**

The sector strategy underlines a new focus on environment for the livelihoods sector, which will implement a new set of interventions aiming at preserving and maintaining vulnerable assets to foster job creation.

## **6. Inter-sectoral linkages**

**•Protection.** The livelihoods sector has established strong linkages with the child protection task force to work jointly on addressing the issue of child labour. This will mean both raising the awareness of livelihoods partners so as to prevent any risk of child labour in their own programmes through trainings on minimum child protection standards, as well as targeting vulnerable households so as to mitigate resorting to child labour as a negative coping mechanism. The livelihoods sector's support to protection issues is manifested by its fifth output on improving decent work. Deteriorating working conditions and increasing informality are major concerns, and require collaboration between the

livelihoods and protection sectors.

The sector also needs to work on referral mechanisms with SGBV partners so that women identified as particularly at-risk or vulnerable can benefit from livelihoods support.

Lastly, partners who deliver life-skills trainings will inform the livelihoods sector if such trainings have a market element.

**•Food security.** The sector will maintain close ties with the food security sector as the programming for both is increasingly converging around agricultural livelihoods. Complementary approaches exist between the sectors regarding the food value chain with the common understanding that partners appeal under the sector which represents the objective of the activity they plan to implement under LCRP 2016. Although food and agricultural activities are centred in the food security sector, employment and economic development initiatives in the agriculture sector are also part of the livelihood sector. Therefore, coordination will need to be strengthened to ensure that information on agriculture livelihoods activities will be adequately shared and reported in both sectors. In particular, the sector will ensure that the Ministry of Agriculture is informed of any agricultural activity. The interaction between the two sectors is an ongoing exercise and will continue along the development of the mid-term plan 2017-2020.

**•Social stability.** The sector will work with the social stability sector on the issue of at-risk youth, to ensure that youth community engagement initiatives and livelihoods programmes are complementary, and use social stability data and analysis to ensure that partners do not fuel job competition in places where tensions are already prevalent. Similarly, livelihoods programmes in highly vulnerable urban areas will need to be implemented in close cooperation to alleviate the multiple sources of pressure in these areas.

Education. Existing natural linkages will be maintained to avoid duplication of skills programmes. Livelihoods partners will promote certified vocational skills trainings delivered by education partners to any potential beneficiary of skills programmes, targeting with livelihoods programmes those who cannot benefit from the education sector programmes.

**•Shelter and WASH.** The new area of work of the sector on infrastructure upgrading will be closely coordinated with the Shelter and WASH sectors through proactive information sharing on planned interventions. Livelihoods partners will contribute to rehabilitation work identified by shelter partners planning process, and shelter partners will inform the livelihoods sector of urban areas where livelihoods came up as a crucial need. Livelihoods partners will also make sure that such projects do not overlap with plans from the WASH sector related to infrastructure improvement by proactively sharing information at field level.

**•Basic Assistance.** Last but not least, information related to livelihoods collected by the basic assistance sector on



households' vulnerability will help livelihoods targeting. The basic assistance work to strengthen the NPTP will also benefit the livelihoods sector.

## PARTNERS PER OUTPUT:

**Livelihoods Sector Partners:** MoSA, MoET, UNHCR, GVC, AVSI, DRC, LOST, IRC, ILO, UNICEF, RI, AMEL, CLMC, CARE, ACF, OXFAM, CONCERN, NPA, IOM, UNDP, ICU, SCI, PU-AMI, UNRWA, RET, Mercy Corps, Solidarités, ACTED, CEVSI, HI, UNIDO, Makhzoumi

OUTCOME/OUTPUT	PARTNERS
<b>OUTCOME 1:</b> Vulnerable groups, especially youth and women, access to income and employment is improved*	
Output-1.1: Capacity of the MSMEs sector to create jobs is improved.	ACF, ACTED, Action Aid, AIMajmoua, CARE, CEVSI, CONCERN, DRC, ILO, IRC, Makhzoumi, Mercy Corps, NPA, OXFAM, PU-AMI, RI, SCI, UNDP, UNIDO
Output-1.2: Competitive integrated value chains (VC) strengthened and upgraded.	ACTED, AIMajmoua, CARE, CEVSI, CONCERN, DRC, ILO, Mercy Corps, OXFAM, PU-AMI, RI, UNDP
Output-1.3: Job creation is fostered in vulnerable areas through investment in public infrastructure and environmental assets.	ACF, ACTED, AIMajmoua, ARCS, AVSI, CARE, CEVSI, CONCERN, DRC, GVC, HI, ICU, ILO, IOM, IRC, Makhzoumi, PU-AMI, SCI, Solidarités, UNDP, UNICEF
Output-1.4: Workforce employability improved.	ACF, ACTED, AIMajmoua, AMEL, CARE, CEVSI, CLMC, CONCERN, DRC, GVC, HI, ILO, IOM, IRC, LOST, Makhzoumi, Mercy Corps, NPA, PU-AMI, RET, RI, SCI, UNDP, UNHCR, UNICEF, UNRWA
Output-1.5: Decent Work improved.	ACTED, AIMajmoua, CEVSI, ILO, IRC, OXFAM, PU-AMI, SCI, UNDP, UNIDO
Output-1.6: Policies, strategies and plans supporting job creation, MSMEs and livelihoods are established.	ACTED, AIMajmoua, CARE, CONCERN, HI, ILO, OXFAM, PU-AMI, RI, UNDP, UNIDO

\* The livelihoods strategy will be complying with the Lebanese laws and regulations

## ENDNOTES

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