



### PARTNERS



GENDER MARKER



### CONTACTS

### LEAD MINISTRY

Ministry of Social Affairs (MoSA) and Ministry of Economy and Trade(MoET) Hiba Douaihy hibadou.mosa@gmail.com Rafif Berro rberro@economy.gov.lb COORDINATING AGENCY UNDP Gloria De Marchi

gloria.de-marchi@undp.org

## LIVELIHOODS SECTOR

## SECTOR OUTCOMES

### Outcome #1



Stimulate local economic development and market systems to create income generating opportunities and employment.

### Indicators

Total number of decent jobs created/maintained (30 % created and 70% maintained).

Number of targeted Lebanese MSMEs and cooperatives that report increased performance and expanded market access as a result of programme activities.

### Outcome #2

Improve workforce employability.

### Indicators

Number of job seekers placed into jobs (at least 50% women).

Number of targeted vulnerable persons engaged in home-based income generation (at least 50% women).

### Outcome #3



\$17.5 m

\$7 m

\$

\$

Strengthen policy development and enabling environment for job creation.

### Indicators

Number of policies, regulations and strategies amended and/or proposed approved by the Government.

Doing Business (World Bank) index ranking.

## POPULATION BREAKDOWN

POPULATION COHORT	PEOPLE IN NEED	PEOPLE TARGETED	51% 🛉 19% Female 🛉 1 Male
hebanese	98,910	28,315	14,441 13,874
A Displaced Syrians	64,019	18,974	9,677 9,297
Alestinian Refugees	2,473	712	363 349
Palestinian Refugees from Lebanon	5,781	1,661	847 814

### Situation analysis and context

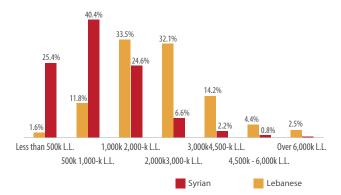
Livelihoods in Lebanon were severely affected by the demographic and economic shocks brought by the Syria crisis, which impacted key drivers of growth in such sectors as construction, real estate, industry, services and tourism.i Consequently, Lebanon's real Gross Domestic Product (GDP) growth fell from an average of 8 per cent during the period 2007-2010 to an average of 1.5 per cent during the period 2012-2018.<sup>1,ii</sup> At the end of 2015, the crisis had cost the Lebanese economy an estimated US\$18.15 billion due to the economic slowdown, loss in fiscal revenues and additional pressures on public services and the already depleted infrastructure.<sup>2,iii</sup> While imports continue to rise significantly, exports have decreased in the past years<sup>3</sup> due to the loss of overland transport routes which all passed through Syria, and the closure of the Jordan-Syria border in 2014. Alternative options by air or sea remain expensive.<sup>iv</sup> The price of importing raw materials also rose, driving an increase in industrial production costs and a reduction in the competitiveness of Lebanese firms.<sup>4,v</sup> Finally, farmers are often unable to reap the full benefits of their harvests, with income, labour and markets all adversely affected by the border closures.<sup>5,vi</sup> The economic recovery and development of Lebanon are also fundamentally hindered by structural problems such as the high fiscal deficit (around 7 per cent of GDP) and high level of public debt (149 per cent).6

This downturn exacerbated an already challenging economic situation for the most vulnerable within host communities and displaced persons from Syria, particularly affecting people with specific needs such as the disabled, female heads of households and the elderly. Despite high levels of human development and tertiary education, between 27 and 30 per cent of people in Lebanon were living below the national poverty line before the crisis.<sup>7,vii</sup> Unemployment and high levels of informal labour were also a serious issue pre-crisis, with the World Bank calculating that the Lebanese economy would need to create six times as many jobs to simply absorb regular market entrants.<sup>8</sup> The macroeconomic ramifications of the crisis were projected as severe, having pushed at least an additional 170,000 Lebanese into poverty and deepening poverty where it already

(7) The National Poverty Line is \$3.84/person/day.

existed.<sup>9,viii</sup> According to recent analysis, poverty levels for displaced Syrians are now highest in the Bekaa, Baalbek Hermel and Akkar,<sup>10,ix</sup> areas that have also registered the highest level of tensions and competition over jobs with the Lebanese community. Indeed, the increase of the workforce due to the presence of displaced Syrians has increased competition for low-skilled jobs, identified as a key driver of inter-community tensions,<sup>11</sup> although 2018 registered a slight increase in percentage of individuals reporting 'positive' or 'very positive' quality of interactions between refugees and host communities.<sup>12</sup> However, it is worth mentioning that quality of relations depends on frequency of intercommunal contacts, with Syrians usually reporting better relations than members of the host community. According to the Vision for Stabilization and Development in Lebanon, 90 per cent of Lebanese youth perceived an economic or symbolic threat from the Syrian displaced population present in Lebanon.<sup>x</sup> Reducing tensions and violence between host and displaced communities should be prioritized to create a better environment for businesses and services, including livelihoods services, to thrive.

#### Average monthly household income



For the poorest Lebanese, access to employment remains extremely difficult. The renewed database<sup>13</sup> of the National Poverty Targeting Programme (NPTP) will enhance identification of those in primary need of support. In addition to the social programmes provided by the National Poverty Targeting Programme, livelihood support remains crucial to help these households access income opportunities to lift vulnerable Lebanese out of poverty. Until this happens, the major consequence will be job shortages which are consistently and clearly mentioned, not only as the primary need of all groups, but also as the main source of tension between

<sup>(1)</sup> In 2015 GDP was at 1.3 per cent. In 2017 real GDP growth was estimated at 2 per cent, unchanged from 2016 (1.8 per cent). In 2018 projections of annual growth continue to be around 2 per cent over the medium term.

<sup>(2)</sup> Government of Lebanon (2017), A Vision for Stabilization and Development in Lebanon, the cumulative cost to Lebanon for the period 2011-2015 in terms of lowering the GDP growth rate, is US\$18.15 billion, and the fiscal impact, in terms of lower revenues, is estimated at US\$4.2 billion during 2012-2015.

<sup>(3)</sup> For the period January-August 2018, the trade balance recorded a U\$11.7 billion in deficit. This constitutes a 4.8 per cent increase relative to the same period last year where the trade balance recorded a deficit of \$11.2 billion (Source: Customs and the Ministry of Finance).

<sup>(4)</sup> In 2011 (pre-crisis), Lebanon ranked 93 out 139 (66.9 per cent) against 105 out of 137 in 2017-2018.

<sup>(5)</sup> Agriculture accounts for 10 per cent of Lebanon's workforce, with a high concentration in rural, poorer areas.

<sup>(6)</sup> Source: Ministry of Finance

<sup>(8)</sup> The informality rate was estimated at 50 per cent by the World Bank 2010 MILES report, p.19.

<sup>(9)</sup> According to UNDP multipurpose household survey (2008), 28.5 per cent of the Lebanese population lived below the poverty line pre-crisis, representing over one million individuals.
(10) El Hermel and Baalbek showed the highest prevalence, with nearly the totality of the population living with less than 53.84 per day (97 per cent and 94 per cent respectively), followed by West Bekaa (89 per cent), Rachaya (88 per cent), Zahle and Akkar (82 per cent).
(11) The key findings of the ARK Perception Survey- Wave 4 show that 61 per cent of those interviewed, both Lebanese (62 per cent) and Syrians (48 per cent) consider competition for low-skilled jobs as the main source of inter-community tensions.

<sup>(12)</sup> ARK Perception Survey-Wave 4, (2018), 32 per cent of individuals have reported positive' or 'very positive' quality of interactions between refugee and host community compared to 30 per cent of May 2017.

<sup>(13)</sup> The National Poverty Targeting Programme list has almost been finalized by the Ministry of Social Affairs, September 2018.

communities, regardless of gender or age group.<sup>14,xi</sup> New livelihoods opportunities are needed to prevent the escalation of economic grievances, which are a powerful driver of conflict and instability. This is particularly true for young people given the link between underemployment, the sense of despair they report and propensity to violence.<sup>xii</sup> For vulnerable Lebanese and displaced Syrians, the economic situation remains desperate.

Recent estimates report that the national unemployment rate is around 25 per cent, with 37 per cent for youth under 35 years of age, and 18 per cent for women.<sup>15</sup> Moreover, according to UNDP's 2008 multipurpose household survey, around 28.5 per cent of the population (around 1 million individuals) were living below the poverty line of \$4/day. Furthermore, surveys conducted in Lebanon between 2010 and 2013,16 have seen almost 30 per cent of Lebanese labelling themselves as poor. Poverty levels are higher in households with children with poverty at around 24 per cent in households with no children, as opposed to 88 per cent in households with more than four children. The World Bank estimates that due to the Syria crisis, some 200,000 Lebanese have been pushed into poverty (adding to the 1 million before the crisis) and that some 250,000-300,000 have become unemployed.<sup>17</sup>

Overall, 69 per cent of displaced Syrians live beneath the national poverty line with 51 per cent of displaced Syrians unable to afford the survival minimum expenditure basket.xiii Although these figures show a slight improvement compared to previous years,<sup>18</sup> there has been an increase in the debt per capita (\$250 compared to \$211) since 2017. It should be noted that the high level of direct humanitarian assistance in the form of cash transfers over the last few years <sup>19</sup> helped stabilize the situation of displaced Syrians but has been insufficient in reversing the deterioration in their overall livelihood situation. This is confirmed by the fact that nearly all (90 per cent) of displaced households have adopted food related negative coping strategies.<sup>xiv</sup> The situation of displaced Syrians is particularly acute in Akkar, Baalbek and Bekaa governorates, where four out of five are unable to meet their survival needs.<sup>xv</sup>

Recent estimates suggest that the Syrian labour force in Lebanon constitutes an estimated 334,919 people,<sup>20</sup> of which about 60 per cent are employed.<sup>xvi</sup> However, two thirds of those considered employed<sup>21</sup> worked less than 15 days per month, suggesting high rates of underemployment. Furthermore, the labour force participation rate of Syrian females is very low at about 16 per cent. Overall, 68 per cent of households have at least one working member in charge of providing for their entire family. The situation remains critical for female headed households, 55 per cent of which do not have a working member, contributing toward further reliance on negative coping strategies.<sup>22</sup> Displaced Syrians who have found work congregate primarily in sectors that have traditionally used Syrian labour, such as agriculture (24 per cent) and construction (27 per cent). In addition, a minimum of 70 per cent of small and medium enterprises (SMEs) in Bekaa, North and Mount Lebanon, have reported employing non-Lebanese nationals in seven different sectors extending beyond the three sectors that displaced Syrians are allowed to work as per the annual decision by the Ministry of Labor.<sup>23</sup>Livelihoods data shows that displaced Syrians are primarily engaged in temporary work (70 per cent) and that the average monthly earning is below \$200 for an average of 14 days of work per household, less than half of the minimum survival needs (SMEB) for a household of five.24,xvii

refugees Lebanon Palestinian from Among unemployment also rose sharply to 23 per cent in 2015, while unemployment in this community<sup>xviii</sup> was comparable to the Lebanese rate of eight per cent at the start of the Syria crisis. The challenges facing young people are even higher: 74 per cent of adolescents among the Palestinian refugees from Lebanon live in poverty, and five per cent in extreme poverty. Unemployment among Palestinian refugees from Syria stands at a staggering 52.5 per cent (rising to 68.1 per cent for female members of the community). As a result, 89 per cent of Palestinian refugees from Syria are living in poverty, nine per cent in extreme poverty, and are unable to meet essential food requirements.xix

Bearing in mind the different types of vulnerabilities registered across the country, it has become a priority for the sector to start filling existing gaps by tailoring and readapting livelihoods interventions. Lack of legal documentation for example, while reducing freedom of movement, hampers Syrians' participation in livelihoods interventions. In addition, informality and the lack of legal residency for displaced Syrians<sup>25</sup> have increased risks of exploitation in the workplace (lower pay, longer hours, exploitation by sponsors and more hazardous conditions),<sup>xx</sup> and reduced the possibility of legal recourse, which in turn creates a downward spiral impacting decent work. This is particularly the case for displaced Syrian women and youth equally, who are

<sup>(14)</sup> The Impact Evaluation Report of the Lebanon Host Communities Support Programmes (2016) clearly shows that negative stories from host communities related to displaced Syrians are now clearly concentrated around livelihoods and employment, particularly for youth, which was not the case in previous years.

<sup>(15)</sup> Arab Weekly Digest, Interview with Minister of Labor, Beirut (2017).

<sup>(16)</sup> World Values Survey, The Arab Barometer, and the Survey on Financial Capability.

<sup>(17)</sup> Total number of unemployed.

<sup>(18) 76</sup> per cent of Syrians living below the national poverty line and 58 per cent unable to afford the survival minimum expenditure basket, Vulnerability Assessment of Syrian Refugees in Lebanon (VASyR) 2017:

<sup>(19)</sup> Overall, 61,000 Syrian households have been receiving multi-purpose cash assistance on a monthly basis since the beginning of 2018.

<sup>(20)</sup> This estimate includes Syrians registered with UNHCR as well as those not registered with UNHCR.

<sup>(21)</sup> The International Labour Organization's definition of employment is; number of working-age individuals (15+ years old) who have worked during the past seven days for at least one hour.

<sup>(22)</sup> The Livelihoods sector is coordinating closely with the Protection sector to address inequalities and/or protection threats and prioritize people with specific needs, sexual gender-based violence victims, as well as female head of households and youth in Livelihoods interventions. For more details refer to the cross-sectorial linkages section.

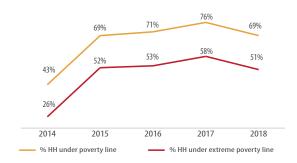
<sup>(23)</sup> Skills Gap Analysis for Improved Livelihood Sustainability in Lebanon, Leaders Consortium, 2017.

<sup>(24)</sup> Minimum survival needs estimated to be \$435 for a household of five members

<sup>(25)</sup> The effect of regulations on residency renewals has not showed tangible and concrete results yet. Percentage of individuals with legal residency remained steady (27 per cent) compared to 2017 (26 per cent), following the waiver of \$200 residency renewal fees announced by the General Security Office in March 2017. Moreover, only 18 per cent of displaced Syrian households have legal residency for all their members according to VASyR 2018, against 58 per cent in 2014.

often new to the labour market and therefore even more vulnerable to exploitation as they try to provide for their families: for example, income from work for women is typically half of that earned by men for the same number of days.<sup>xxi</sup> In addition to the pre-existing informality in the labour market prior to the crisis and its negative impact on Lebanese, high informality of displaced Syrians in the workplace has also created unfair competition to the legal Lebanese workforce, leading to increased poverty amongst vulnerable Lebanese and social tensions. A key illustration of this overall degradation in working conditions is the increase in child labour: nearly 17 per cent of Syrians below 16 are working, while child labour for Lebanese children has increased from two per cent pre-crisis to over six per cent.xxii In this respect, female headed households are more vulnerable as they are 62 per cent more likely to engage their children in work.xxiii

### Economic vulnerability of Syrian households (VASyR)



Furthermore, persons with disabilities are often excluded from programmes while women still have limited access to non-traditional forms of employment. These factors have negatively impacted an already challenging situation, requiring the Livelihoods sector to address these issues while pursuing efforts to generate new employment opportunities.

To make progress in job creation, support for Lebanese micro, small and medium enterprises (MSMEs) that suffered from the wider economic downturn underlined above, is paramount. Micro, small and medium enterprises constitute 95 per cent of firms in Lebanon<sup>26</sup> and employ over 50 per cent of the workforce, in particular with 30 per cent of the employed population being self-employed.<sup>27,xxiv</sup> Nevertheless, micro, small and medium enterprises continue to be hampered by a range of factors including access to start-up or expansion capital, inadequate labour market information or skill gaps, and limited opportunities for added value and vertical integration.xxv,xxvi In addition, technical and managerial gaps (notably among middle managers) negatively impact business planning, customer service, branding/marketing and financial management.xxvii Weak regulations and enforcement limit micro, small

and medium enterprises' productivity, as do factors such as the size of the domestic market, limited access to financial services (especially for informal and women-led businesses), stringent foreign market access conditions and high rates of migration among young professionals.<sup>28</sup> This degradation in the general enabling environment is also illustrated by Lebanon's decrease in ranking, from 126 to 133 (out of 190 countries) in the World Bank Doing Business indicators over the last year. XXVIII As a consequence, job creation by new firms is less than would be expected when compared to other regions. <sup>xxix</sup> Informality remains an overarching challenge for micro, small and medium enterprises' productivity and performance,<sup>29</sup> as it limits access to financial and non-financial services from the banking system. The highest levels of informal employment are found in the agriculture sector (92.4 per cent in 2009 according to Central Administration of Statistics estimates) followed by construction and transport (80.7 per cent and 71.7 per cent respectively) and finally trade (58.1 per cent).<sup>30</sup>

Nonetheless, there are a number of promising trends. Lebanon ranks 80th in the Human Development Index<sup>31</sup> and ranks high in the Global Entrepreneurship Monitor with regards to social and cultural attitudes to entrepreneurship (5th) and entrepreneurship education (6th), but falls behind on physical infrastructure (66th) and government policies supporting the entrepreneurial ecosystem (47th).xxx Tourism is starting to recover: the number of visitors rose by 10 per cent in 2017 and hotel occupancies registered the highest rate since 2010. xxxiFurthermore, analysis conducted independently by both the World Bank and UNDP, documented the potential for micro, small and medium enterprises to develop further in information and communities technology, where there have been successful start-ups, as well as in the agro-food, construction, industry and manufacturing sectors which have all been identified as catalysts for job creation.xxxii Pharmaceutical capacities and exports have also increased significantly since 2010.

<sup>xxxiii</sup> Agro-industry value-chains, the cornerstone of the country's industrial economy, represent 18.2 per cent of the total economic activities in Lebanon. Increasing the capability of the industrial sector to respond to market

(30) ILO (2015), Towards decent work in Lebanon: Issues and challenges in light of the Syrian refugee crisis.

 $<sup>\</sup>ensuremath{\left( 26\right) }$  Lebanon's Small-to-medium enterprises Strategy by the Ministry of Economy and Trade.

<sup>(27)</sup> Micro, small and medium enterprises represent more than 90 per cent of registered firms.

<sup>(28)</sup> Five challenges are considered cross-cutting across the micro, small and medium enterprises ecosystem in the Ministry of Economy and Trade Lebanon Small-to-medium enterprises strategy: (1) the growth barrier, especially for small-to-medium enterprises 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. The World Bank in its Human capital project stated that 44 per cent of Lebanese graduates emigrates in search of job opportunities; http://www.worldbank.org/en/publication/human-capital

<sup>(29)</sup> Almost half of the micro, small and medium enterprises surveyed are not commercially registered (this figure excludes those which are not legally required to register). However, micro, small and medium enterprises tend to legalize their status and register commercially as they become older and grow. In addition, female-run micro, small and medium enterprises indicate a higher level of non-requirement for registration. Enterprises have different registration levels according to the sector of activity as well, where higher registration levels are observed in the industrial sector. The degree of commercial registration is also linked to the size of micro, small and medium enterprises, where there is a higher tendency for registration as the size of the enterprise becomes bigger" – source: http://erf.org.eg/ publications/micro-and-small-enterprises-in-lebanon/

<sup>(31)</sup> UNDP (2017), *Humanitarian Development Index 2017*, the index ranks human development based on three criteria: (A) Living a long and healthy life (B) Having access to knowledge, and; (C) Having a decent life.

demand through technical support, quality production, and innovation will therefore play a critical role in creating jobs, especially in rural areas.

Construction, environment and agriculture (agriculture contributes to 4.7 per cent of total GDP and represents roughly 10 per cent of the workforce)<sup>xxxiv</sup> are the only economic sectors in which displaced Syrians are legally allowed to work in Lebanon. The environment sector encompasses promising industries such as waste recycling and green and renewable energies, which, according to the Ministry of Energy and Water, could create 45,000 jobs in the Renewable Energy Industry up until 2020.<sup>xxxv</sup> Agriculture is also generally considered to be amongst the promising economic sectors for Lebanon.<sup>32</sup> An economic review of agricultural labour<sup>xxxvi</sup>shows that with additional investments in agriculture, and in the limiting case in which all fallow lands and ten per cent of abandoned lands are used for cultivation, approximately 14,000 additional full time positions could be created for family members (mainly Lebanese) and about 4,200 full time positions for non-family labourers (largely Syrian). This assumes that market demand for agricultural products would be addressed simultaneously.

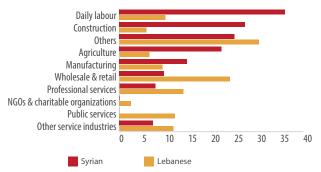
On the supply side, a major challenge to economic growth and job creation stems from a 'skills gap' in the Lebanese marketplace.xxxvii Despite high levels of tertiary education, Lebanese companies continue to highlight the lack of skilled labour in country. Information collected through information management tools,33 along with feedback from implementing agencies, confirm a significant mismatch between demand and supply. Soft skills play an equally important role in positive employment outcomes and should also be included in training programmes (especially for the most vulnerable).xxxviii Indeed, often beneficiaries lack the technical and soft skills to join a workplace, making it essential to provide job-readiness training for youth to be competitive on the labour market: in particular, greater emphasis has to be placed on training initiatives aiming to develop a more elaborate set of skills, increasing the likelihood of job placement. It is also necessary to tweak or redesign<sup>34</sup> training curricula adapting them to market needs as well as to the different beneficiaries' capacities to avoid exclusion of the most vulnerable and build bridges with the private sector,<sup>35</sup> all in coordination with the Higher Council for Technical and Vocational

(33) Based on ActivityInfo Reporting 2017-2018 and surveys launched during 2018.
(34) In some cases, redesign of vocational trainings is needed. Particularly, when speaking of public vocational training centres where curricula are outdated and need to readapt to the new technologies and demand in the market. Lots of work needs to be done in this area, especially on skills that were not required in the past/for innovative technologies.

Educational Trainings (TVET).<sup>36</sup> A national labour market assessment would be useful in identifying major gaps, adjusting programmes together with local monitoring of employers' needs (possibly at the municipal level) for better responsiveness either through supplying labour or capital. Finally, the sector needs to focus more on comprehensive initiatives that link vocational trainings to micro, small and medium enterprise support to value chain development. Though enhancing these linkages is essential to foster job creation, these initiatives must be done with a decent work lens: in particular, the sector will ensure the enforcement of recommendations on decent working conditions currently being developed.

While the overall response to the Syria crisis has had some positive impact on the Lebanese economy, it has not balanced the economic nor investment losses.<sup>xxxix</sup> In this context, the Livelihoods sector has been unable to significantly mitigate the situation described above, and more needs to be done on job creation, both temporary and long term. Strengthening the capacity of the sector to efficiently respond to market needs has become a priority for the sector. Partners must scale up support to micro, small and medium enterprises, enabling them to produce competitive goods and services, allowing them to become suppliers for bigger companies. This would provide the opportunity to leverage local market by replacing current imports<sup>37</sup> with local production, while ensuring quality and competitiveness of products.

#### Sector employment



Since these interventions require time to show results and, as outlined above, the daily situation remains critical for both vulnerable Lebanese and displaced Syrians, it is important to continue providing funds to implement labour intensive projects that create temporary jobs for vulnerable people but are also of value for the long-term recovery and development of affected municipalities.<sup>38</sup>

Over 142,000 direct beneficiaries and 2,682 small businesses were reached since 2015. Nevertheless, the limited number of jobs created and people able (36) The Higher Council for technical and vocational educational trainings was newly reactivated and met on 8 October 2018. It involves a number of ministries and Governmental bodies with its supreme council constituting of: The Minister of Education, the Director-General for Technical and Vocational Education, the President of the Centre of Educational for Research and Development, the Director General of the National Employment Office, the Director General of the Ministry of Industry, the Director General of the Ministry of Public Health, the President of the Industrialists Association, the President of Chamber of Commerce and Industry: Beirut and Mount Lebanon, the President of the Private Hospitals Syndicate, the Director of Technical Industrial Institute, and the Director General of members of the Higher Council for Vocational and Technical Education in the Ministry of Higher Education".

(37) Import is around \$12 billion while exports are at around \$2 billion per year.

(38) Labour intensive projects are designed based on municipalities' needs.

<sup>(32)</sup> Lebanon Economic Vision by McKinsey & Co.

<sup>(35)</sup> Seven curricula have been updated with the support of the Leaders Consortium in sewing and tailoring, steel fixing, air conditioning, medical secretary, concrete carpentry, industrial electrical machine and agro-food processing.

to access the market (nearly 4,625 jobs generated/ maintained from 2015, over 25,000 beneficiaries of temporary employment programmes from 2015 and 4,974 beneficiaries of skills training accessing work/ income opportunities from 2017) prove the urgency to link vocational trainings to job opportunities, while focusing on market demand. Yet, despite the attention given to economic opportunities and jobs at the London Conference in 2016, Brussels conferences in 2017 and 2018, and steps taken by the Government of Lebanon in line with its Vision for Stabilization and Development, notably through the amendment of the 'pledge-notto-work' into a 'pledge to abide by Lebanese laws and regulation' as of September 2018, Livelihoods remains one of the most underfunded sectors of the LCRP.<sup>xl</sup>

The promising commitments of the Government of Lebanon presented at the Economic Conference for Development through Reforms with the Private sector <sup>39</sup> as well as the Capital Investment Plan,<sup>40</sup> which resulted in a positive response while supporting the Government in the implementation of the reforms<sup>41</sup> should have an impact on Lebanon's macroeconomic stability, and consequently contribute in enabling the environment for job creation.<sup>xli</sup>

### Overall sector strategy

The overall objective of the Livelihoods strategy is to shift from the alleviation of the socio-economic shock of the Syria crisis on the most vulnerable, especially youth and women, towards long term recovery and stabilization by improving access to income and employment. The sector aims to support the creation and preservation of 5,777 long term jobs (70 per cent of which will be maintained and 30 per cent created) and around 7,530 short-term employment opportunities in 2019 while upholding decent work conditions. These results would almost double the number of employment opportunities generated annually by the Lebanese economy pre-crisis,<sup>42</sup> and contribute to the overall number of jobs created indirectly by international

response investments in other sectors.<sup>43</sup> To achieve the above, multiyear funding is needed to facilitate the transition from pure humanitarian aid into stabilization and recovery programmes. These investments would also be linked to the overall macro-economic drivers of the economic and employment situation in the country, such as Economic Conference for Development through Reforms with the Private Sector, World Bank investments, USAID programmes and others.

The theory of change underpinning the overall livelihoods strategy is that if the sector simultaneously provides balanced support to the supply and demand side of labour, as well as the general enabling environment for job creation while providing shorter term economic opportunities and working on improving decent work conditions, then livelihoods of vulnerable groups, especially youth and women, will be improved. The sector's theory of change primarily contributes to Strategic Objective 4 of the LCRP "Reinforce Lebanon's economic, social and environmental stability" by supporting job creation and income generating opportunities, workforce employability and enabling environment to transition vulnerable individuals towards self-reliance, which in turn is expected to increase the country's stability and resilience to social and economic shocks. By improving municipal infrastructure through labour-intensive work, the sector contributes in supporting economic development through longerterm benefits.44 Furthermore, the sector's theory of change also contributes to Strategic Objective 3 of the LCRP which supports service provision through national systems and finally, it serves Strategic Objective 1 of the LCRP, "Ensure protection of vulnerable population" by raising awareness and providing policy development support on decent work.

The Livelihoods sector also contributes to the economic opportunities and jobs component of the Capital Investment Plan (CIP) Vision for Stabilization and Development that the Government of Lebanon presented during the Economic Conference for Development through Reforms with the Private Sector in Brussels in 2018. In this vision, the Government of Lebanon emphasized the need to: "(i) meet the need of an expanded population and economy; (ii) generate meaningful employment opportunities for a large and growing youth population and for displaced persons; and (iii) stimulate long-term and sustainable economic growth."45 The Livelihoods strategy will contribute to creating or maintaining temporary, seasonal and fulltime employment opportunities through support to municipalities and local economic development, the industrial sector, productive infrastructure, and micro, small and medium enterprises. This will be complemented by other job creation efforts to promote

<sup>(39)</sup> At the Economic Conference for Development through Reforms with the Private Sector, in April 2018, the Government of Lebanon presented its "Vision for stabilization, growth and employment". The vision is based on four pillars: (1) increasing the level of public and private investment; (2) ensuring economic and financial stability through fiscal adjustment; (3) undertaking essential sectoral reforms and cross-sectoral reforms, including fighting corruption, modernization of the public sector and public finance management; (4) developing a strategy for the reinforcement and diversification of Lebanon's productive sectors and the realization of its export potential. Moreover, participants emphasised the need to increase investment and expenditure in social sectors, including health and education, to improve resilience.

 $<sup>\</sup>left( 40\right) \,$  The Capital Investment Plan is mainly focused on infrastructure development and rehabilitation.

<sup>(41)</sup> Regarding structural reforms, the Government of Lebanon stressed that fighting corruption, strengthening governance and accountability, including public finance management, modernising procurement rules, reforming customs and improving public investment management are of utmost importance. Lebanese authorities will continue to strengthen their anti-money laundering efforts and to take steps to counter the financing of terrorism in line with international standards. Regarding sectoral reforms, the Government of Lebanon commits to tariff reform alongside increased power generation in the electricity sector; in the water management field, to implementing the new Water Code; and in the field of waste management to implementing the new strategy, based on decentralization. (42) The World Bank estimated that the economy was creating 3,400 jobs pre-crisis – see the 2015 Systematic Country Diagnostic.

<sup>(43)</sup> The Livelihoods sector conducted an exercise looking at jobs indirectly created by the overall LCRP response (jobs generated through infrastructure projects contractors, teachers of second-shift schools, staff directly hired by partners, employees of WFP-contracted shops, etc.) and found that the response is creating or supporting around 22,500 jobs in 2016.

<sup>(44)</sup> E.g. by developing irrigation canals the sector contributes for higher yields and incomes.

<sup>(45)</sup> The Government of Lebanon's Capital Investment Programme, Economic Conference for Development through Reforms with the Private Sector, April 6, 2018.

large infrastructure investments through concessional loan sources, technology and innovation which all critically contribute to economic growth and inclusive sustainable development.

In order to achieve the above, the sector interventions will support the strategies and frameworks of key ministries, in particular the Government of Lebanon Stabilization Roadmap, the upcoming Inter Ministerial Livelihoods Plan, the strategy of the Ministry of Social Affairs,<sup>46</sup> the vision of the Ministry of Industry, the Ministry of Economy and Trade Lebanon Small and Medium Enterprise Strategy,<sup>47</sup> the Ministry of Agriculture 2015-19 Roadmap, the Ministry of Labor's Decent Work Country Programme 2017-2020 and the National Action Plan to Eliminate the Worst Forms of Child Labour In Lebanon by 2016.48 The sector will also support the Ministry of 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's policy paper on Syrian Displacement to Lebanon.



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 the past few years. Vulnerable groups face several market constraints in their capacity as employees, employers or consumers, including lack of information, skills, or quality products and services. The "Making Markets Work for the Poor" approach aims to change the way market systems work so they become more effective and sustainable for vulnerable Lebanese to improve their livelihoods, and ultimately benefit displaced Syrians as well, within the legal framework. The "Making Markets Work for the Poor" approach is founded on enhancing the capacity of local service providers, as well as micro, small and medium enterprises, to increase employment opportunities and ensure inclusive and sustainable economic development. It 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.49

Working on a multiyear timeframe will allow the sector to incorporate elements of the transition approach to enable some of the most vulnerable Lebanese households living in extreme-poverty to have the basic tools and enabling environment to transition towards self-reliance.<sup>xlii</sup> The approach, which combines support both in terms of consumption and livelihoods, training, coaching and savings encouragement as well as other social services, has already developed a track record of significant impact in a variety of contexts and has been adopted by Ministry of Social Affairs' National Poverty Targeting Programme with support from the Word Bank. By working towards implementing longer term interventions integrating different elements of the livelihoods strategy, livelihoods partners can make a significant and long-lasting impact on the poorest members of the host communities.

In terms of work on the demand side of the labour market, the Livelihoods sector will aim at supporting the private sector in creating/maintaining jobs, both through value chain development and micro, small and medium enterprise support, while creating linkages between the two interventions. While recognizing that sustained job creation can only be achieved by the private sector,<sup>50</sup> rather than by international partners, the Livelihoods strategy is built on the premise that businesses need support to boost their development and their employment generation capacity, especially in the most vulnerable areas. The Livelihoods sector organized a Roundtable on "How to build linkages with the Private Sector within the scope of the LCRP" in 2018 to take stock of partners' current engagement with the business community in Lebanon and come up with recommendations on how to enhance linkages with the private sector. One of the main recommendations formulated during this event was the need to identify selection criteria of small and medium enterprises. Furthermore, the possibility to set up a dedicated platform, composed of the private sector, development partners as well as other relevant stakeholders to provide a more structured and permanent framework for collaboration between all involved stakeholders and improve job matching, was discussed. The sector will capitalize on this important work to provide guidance to partners on private sector engagement, possibly through the development of a set of technical guidelines to promote businesses' involvement throughout the programme cycle.

With regards to the general enabling and policy environment related to job creation, the sector remains committed to ensuring that it creates decent work opportunities.<sup>51,xliii</sup> The sector is developing concrete recommendations on decent work conditions (DWC) to

<sup>(46)</sup> It includes the national social protection policy, the National Poverty Targeting Programme (NPTP) and the Lebanon Host Communities Support Programme (LHSP).
(47) https://www.ie.conomy.gov.lb/media/10312/lebanon-sme-strategy-english-web.pdf
(48) https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/ publication/wcms\_229103.pdf

<sup>(49)</sup> For more information on the "Making Markets Work for the Poor" approach see: http:// beamexchange.org/en/

<sup>(50)</sup> Therefore, the increasing need to create a policy-friendly environment for businesses development.

<sup>(51)</sup> 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.'

guide partners on how to mainstream and implement decent work conditions across all interventions. Recent findings on work conditions of displaced Syrians and increases of child labour are testament of increasingly exploitative conditions in an already largely informal economy.xliv In addition to mainstreaming decent work aspects in its interventions, this will require close collaboration with the Ministry of Labor and its national and regional employment offices (NEO). The Ministry, the key administrative authority in the field of labour responsible for employment conditions, labour relations, and shaping employment policy, will be supported in developing and implementing labour policies within its mandate. This will notably require support to labour inspection capacity and systems as to ensure enforcement of labour regulations.

As the sector continues to implement increasingly larger programmes, it will also gradually aim at addressing other challenges of the wider enabling environment underlined above. Policy advice will be provided to various ministries to tackle legal and factual barriers to private sector development and increase coordination and collaboration between government, private sector and donors. While legislative reforms are expected to happen, following commitments made at the Economic Conference for Development through Reforms with the Private Sector, there are many technical issues that the sector can contribute to addressing such as the lack of an Action Plan for Vocational Trainings. The sector will continue to provide guidance on vocational trainings, consulting the relevant ministries, until the National Action Plan can be developed. In addition, the sector will continue to collect data to evaluate impact on small and medium enterprise support. Furthermore, along with the objective of supporting vulnerable Lebanese in opening businesses, the sector will further explore areas related to access to capital and inclusive loans.

The LCRP 2019 will also place a specific focus on supporting the development of industrial zones that will provide industrial businesses with reliable service conditions and tackle industrial land access and zoning and allow for a high geographical concentration of economic activities. Increased opportunities for multistakeholder dialogue on economic opportunities and jobs, and formation of the sector Steering Committee, is also helping to build stronger ties between the sector and various ministries involved in livelihoods at the national level. This includes efforts with the chambers of industry, commerce, agriculture, and local economic development agencies and private sector to engage in constructive policy discussions on the current regulatory environment and the development of a national livelihoods plan.

The Livelihood sector analysed risks which could arise during the implementation of its 2019 sector response plan and undermine the quality and accountability of its interventions. Through a collective effort, the sector will address these risks through mitigation measures. A selection of key risks and mitigating measures are

#### detailed below;

Risk 1 - To increase investment in market demand and generate long term employment opportunities multiyear funding is needed. As multiyear funding is linked to donors' commitments, those are often not available. To mitigate the risk, the sector will work on implementing short term opportunities that could benefit both host communities, including municipalities, as well as displaced Syrians. Furthermore, limited timeframe funds will be used to cover the top priority needs as well as sections of the targeted value chains

Risk 2 - The Government of Lebanon will proceed in implementing reforms that lead to additional funding. Amongst the major risks associated with this assumption is a vacuum of consensus and capacity to apply such reforms. Efforts will continue to be made to sustain the Government in its human resource development capacity and modernize the system while advocating for more active involvement of ministries.

Risk 3 - When trying to stimulate local economic development and market systems to create income generating opportunities and employment, there is a risk that employers will lack the adequate knowledge and awareness needed to respect the basic working rights of adults and adolescents, including limited knowledge of child labour laws and decent working conditions and regulations for safe working standards. In turn, there is also a risk that employees lack knowledge of their basic working rights which can lead to continued poor conditions and hindered improvement of employee practices with harmful consequences for beneficiaries. The Livelihood sector will work to improve employer's technical knowledge and practices of basic working rights, including of child labour laws, and to uphold minimum safety standards for adults and adolescents in the work place.

Risk 4 - Job creation initiatives in vulnerable areas and lack of adequate coordination risk exacerbating inter or intra-community tension due to service delivery locations or types of services offered which benefit one village or community over another resulting in perceived discrimination or favouritism. In addition, projects may be delivered within a municipality which is complicit in rights-based abuses and exploitative practices.

The Livelihood sector, working in close coordination with Social Stability and Protection sectors, will try to conduct conflict analysis and coordinate at the local level with organizations before entering an area to ensure a conflict sensitive, coordinated and complementary approach. The use of tension hotspot maps (developed by Social Stability sector) in combination with 251 vulnerability maps will support prioritization of municipalities.

Risk 5 - Beneficiaries may experience exploitation and abuse as a result of their participation in livelihood interventions. Therefore, the Livelihood sector will establish guidance for sector members to outline minimum standards for ensuring confidential and anonymous complaints and redress mechanism are in place and that protection from sexual exploitation and abuse channels are activated to support women and girls continued safe access to the work place. Establishing links with legal service providers and counselling for beneficiaries participating in work-based-learning opportunities will also be explored.

The Livelihoods sector framework is structured around three outcomes reflecting priorities in terms of employment/income generating opportunities, workforce employability and institutional support.

# 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, in line with Government rules and regulations. The impact of sector interventions will be measured according to the number of jobs created or maintained as a result of sectoral interventions. All activities of the sector are grouped under three main outcomes which are aimed at the creation of employment/income generating opportunities and at enhancing workforce employability as well as policy development/institutional support.

### Outcome 1- Stimulate local economic development and market systems to create income generating opportunities and employment

Under the first outcome, the work of the sector will be structured into three outputs, all aimed at stimulating local economic development and market systems to create short and longer-term employment opportunities to protect vulnerable individuals, particularly youth and women, against risks and shocks.

### Output 1.1- Series of technical and financial support to MSMEs, start-ups and cooperatives to enable growth and decent job creation provided

Interventions aim to directly support 3,670 Lebanese nano, micro, small and medium enterprises, start-ups

and cooperatives, which in turn will contribute to the creation/maintenance of 5,777 jobs in 2019.

This will be achieved through fostering local economic development in the most vulnerable areas, where poverty and unemployment are concentrated, and where private sector actors, Lebanese nano and micro, small and medium enterprises and entrepreneurs, require support to develop new commercial linkages, expand productivity and foster job creation and innovation through technology transfer and capacity building. The sector will do so by providing packages (including business management training, access to finance, grants and technology transfers) to support the creation of new Lebanese businesses, as well as social enterprises and the expansion of existing ones. Considering the high share of micro and small enterprises that operate in survival mode, micro, small and medium enterprise support would need to ensure that both financial and non-financial support mechanisms, such as access to inclusive loan products coupled with business development services, are accessible to these types of Lebanese entrepreneurs and not only for those who have a strong potential even without support. The sector will support partners in the identification and selection of businesses that will be able to sustain the effect of the support provided beyond the timeframe of partners' programmes. In line with findings of the Lebanon small and medium enterprises strategy, as well as the recent business climate assessment, partners will support micro, small and medium enterprises with business planning, customer service, sales and marketing and financial management.xlvi

# Output 1.2 – Competitive integrated value chains strengthened and upgraded.

This aims to create/maintain an average of 1,437 jobs each year until 2020, by strengthening and upgrading 16 local and 4 national value chains. This output will be measured by the number of integrated value chain interventions completed at local and national level. Value chains interventions will require the implementation of integrated interventions targeting not only the core function of specific value chains (supply/demand, product quality, production technique), but also rules,

Population Cohort	Total Population in Need	Targeted Population	No. of Females	No. of Males	No. of Children (0-17)*	No. of Adolescents (10-17)*	No. of Youth (18- 24)
Lebanese	98,910	28,315	14,554	13,761	8,820	4,627	n/a
<b>Displaced Syrians</b>	64,019	18,974	9,791	9,183	10,170	3,415	1,973
Palestinian Refugees from Syria	2,473	712	352	261	260	114	n/a
Palestinian Refugees from Lebanon	5,781	1,661	822	633	633	306	n/a
GRAND TOTAL	171,183	49,662	25,519	23,838	19,883	8,462	1,973

### Total sector needs and targets 2019

\*As per Lebanese labour law, the legal working age is 15 and above.

#### PART II : OPERATIONAL RESPONSE PLANS - Livelihoods

Type of Institutions	Total	Targeted
Municipalities	Over 1,000	251
Central Ministries		6 Ministries (MoSA, MoET, MoL, MoInd, MoAg, MEHE)
Micro, Small and Medium Enterprises		3,670

regulations and support functions (skills and capacity, information, research and development). Interventions will start by assessing the sector and value chains to identify gaps or constraints. Such assessments include mapping and analysing needs in relation to both vertical and horizontal linkages and identifying other possible weaknesses and opportunities in the targeted value chains, as well as regional or national level constraints. Value chain interventions will include working both on improving the supply (quality, standards, production technique) and demand (access to new markets, linkages with traders) of the value chain as well as its support function (certification, export support services, skills training curricula, creation/support to cooperatives etc.). 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 in close collaboration with supported businesses and cooperatives. Emphasis will be placed on enhancing foreign market access (particularly the European Union, Gulf Cooperation Council, Eastern European countries, the Southern Common Market, Iran and Russia) and on building institutional capacity at various levels.

Based on the priority sectors identified by the Government of Lebanon,<sup>52</sup> the following value chains and economic sectors would be the most promising in terms of job creation: agriculture and agro-food (in particular dairy products and packaged meat),<sup>53</sup> manufacturing, textile, pharmaceutical, construction, carpentry, cultural tourism, hospitality, nursing, healthcare, information communication technology, media and telecom, crafts, trade, logistics, fashion, jewelry, handicrafts, green industries/renewable energies, and waste recycling.54,xlviiSupport to agriculture and agro-food, construction and waste recycling value chains will result in job opportunities for those sectors in which displaced Syrians are allowed to work.<sup>55</sup> Finally, the Livelihoods Assessment Map, updated two times per year, will be a useful tool to look at different sectors' priorities.

### Output 1.3 – Job creation in vulnerable areas fostered through labour-intensive investments in productive public infrastructure and environmental assets

All 251 cadastres identified as vulnerable are targeted with the aim of creating 7,530 short-term opportunities, 50 per cent of whom should benefit displaced Syrians

and Palestinian refugees,<sup>56</sup> and generate around 1 million working days in 2019.57 In total, 33,885 beneficiaries (both direct and indirect) will benefit from labour intensive interventions.<sup>58</sup> Interventions will include small to medium-scale infrastructure upgrades in municipalities and villages (road rehabilitation, cleaning services), the agriculture sector (irrigation canals, agricultural roads, rainwater harvesting), and environmental work and Disaster Risk Reduction (DRR) (such as solid waste sorting initiation projects, forest management, reforestation, cleaning of drainage canals and rivers for flood prevention, construction of contour walls, checking of dams, and plantation of green areas reduce flood risks). Such projects will be implemented in compliance with Lebanese laws and regulations and primarily be used as an indirect modality, channelling investments through local third parties, such as private sector contractors and municipalities responsible for project delivery and workforce management.<sup>59</sup> In addition, the sector will increase engagements with the Ministry of Labor to establish a mechanism to provide guidance and follow up on these projects as per the legal framework. These will provide temporary opportunities for the most vulnerable, including women and person with disabilities, reduce tensions by addressing the priorities of local municipalities<sup>60</sup> by delivering tangible benefits to local host communities, and stimulate economic activity by rehabilitating productive assets (such as roads, irrigation canals, water catchments and land reclamation). Furthermore, using local resourcebased technologies, such infrastructure investments, has the potential to generate considerable indirect and induced job creation.

Although the sector prioritizes a labour-intensive approach in public works, labour-intensive interventions involving investment in non-public works can also be considered as part of the Livelihoods sector, as to create a comprehensive approach and link vocational training to value chains to support to macro, small and medium enterprises.

#### **Outcome 2- Improve workforce employability**

Under the second outcome, the support of the sector will focus on bridging the gap in the labour market through

 <sup>(52)</sup> See Investment Law #360 from 2011 which established the Investment and Development Authority of Lebanon (IDAL) – these sectors remain the IDAL's focus to date.
 (53) Proactive information sharing and coordination with Food Security partners will be maintained to ensure complementarity of interventions in agriculture.

<sup>(54)</sup> As listed and analyzed in GIZ Employment and Labour Market Analysis (ELMA), February 2016 and OXFAM Skills Gap Analysis, 2017.

<sup>(55)</sup> Mercy Corps/INTAJ Evidence papers (2017) - Evidence suggests that the potential return on investment of such interventions is high, especially in the waste management sector, with sizeable job creation opportunities.

<sup>(56)</sup> As for support to businesses, these beneficiaries will need to be integrated in the tracking system of the sector and cross-referenced with other forms of humanitarian assistance as to optimize complementarity and efficiency.

<sup>(57)</sup> a) SOP on Labour Intensive, International Labour Organization. Direct beneficiaries are working for at least 40 worker days-which may consist of several shorter placements. b) The estimated one million workman day generated is based on direct job creation (251 project X 30 jobs of at least X 40 day) and indirect job creation in the direct supply chain production in Lebanon. c)The total number of beneficiaries is the number of persons benefiting from direct job creation X 4.5 size of the household.

<sup>(58)</sup> Total number of direct beneficiaries multiplied by size of households (4.5).

<sup>(59)</sup> Procurement needs to make sure it does not feed into political or sectarian clientelist structures that empower/disempower certain groups.

<sup>(60)</sup> Notably the ones identified through the Map of Risks and Resources Process conducted by Ministry of Social Affairs and UNDP in all 251 vulnerable cadasters over the past four years.

two main outputs aimed at expanding beneficiaries' workforce employability on the labour market and at providing job seekers with career guidance, job matching and work-based learning opportunities.

# Output 2.1- Technical support to vulnerable people in marketable skills provided

On the supply-side of the labour market, Lebanon is facing an important skills gap: despite high levels of tertiary education, Lebanese companies complain about not finding the skilled labours they need.<sup>xlviii</sup> This mismatch is partly caused by the insufficient responsiveness of educational programmes to the needs of the labour market.<sup>xlix</sup> To address this issue, the Livelihoods sector will undertake programmes that will target 10,000 people in 2019, with 2,000 of them being placed into jobs within a year.

The Livelihoods sector will deliver short-term, accelerated courses aimed at quickly addressing gaps in the labour market and increasing the employability of the most vulnerable (i.e. illiterates via referral to Basic Literacy and Numeracy courses) which are typically not able to join the formal system. This will be done in conjunction with supporting the capacity of the formal technical and vocational education and training system and schools in collaboration with Education sector partners,<sup>61</sup> as well as line ministries (Labour, Education and Higher Education, Social Affairs and Agriculture). Livelihood partners will complement these efforts by addressing gaps in market demand not covered by existing education programmes. The sector is working with the Ministry of Education and Higher Education, the Technical and Vocational Education Training Directorate and the Ministry of Labor to support ongoing efforts on reforming vocational education in Lebanon through the higher council of technical and vocational education and training at the Ministry of Education and Higher Education, in partnership with the ministries of Labor and Social Affairs.<sup>62</sup> In alignment with the do-no-harm principle, LCRP livelihood partners will provide trainings based on market demands and on topics offering beneficiaries legal work opportunities.<sup>63</sup>

Beneficiaries will be periodically tracked, monitored and have their acquired skills adequately profiled. Furthermore, vocational training should be linked to work-based learning opportunities that enable them to be competitive in the labour market upon completion.

# Output 2.2- Career guidance, awareness raising sessions, job matching, and work-based learning opportunities offered to job seekers

The aim is that 20 per cent of the aforementioned caseload have access to employment in 2019. Partners are encouraged to link market-based skills trainings as well as work-based learning opportunities to support to macro, small and medium enterprises to increase the likelihoods of beneficiaries' employability.

Lessons learnt from several years of experience in providing market-based skills trainings<sup>64</sup> highlight the need to implement, as much as possible, integrated programmes, including strong life-skills support as well as work-based learning opportunities under a dual system to transition to the labour market, or at least, employment services in the form of career guidance and job-matching. These programmes will prioritize targeting new entrants to the labour market, i.e. youth, but also women (including gender-based violence survivors and heads of households), whose ability to generate income will be crucial to lift themselves and their families out of poverty. Moreover, shared learning experiences, particularly for youth, could contribute in reducing tensions and improve relations between displaced Syrians and host communities. Particularly for Syrians, such programmes will prioritize skills relevant to sectors where they can work. This will be done alongside skills leading to home-based opportunities (within the sectors specified by Ministry of Labor for Syrians) with a conflict-sensitive approach ensuring that competition with host community is not exacerbated through such programmes.

It is crucial that the activities of the Livelihoods sector are balanced between stimulating the demand and supply side of the labour market, while expanding room for demand-centred interventions. (i.e. the number of beneficiaries accessing the job market is matched by the number of jobs created or maintained, either through integrated programmes or through a balance of interventions). To harmonize the content and modalities of non-formal skills trainings, the Livelihoods sector has started to work on Recommendations and Guidelines to guide partners in the implementation of such trainings and ensure they are more market-orientated.<sup>65</sup>

# Outcome 3- Strengthen policy development and enabling environment for job creation

Under the third outcome, the sector will strengthen policy development and the enabling environment for job creation through two complementary outputs.

# Output 3.1- Decrees/regulations/awareness-raising material on decent work conditions developed and or/approved

This output will be addressed by working with the

<sup>(61)</sup> In partnership with the Prime Minister's Office, relevant Government ministries (Education and Higher Education, Labor, Agriculture, Social Affairs and ), key NGOs and private sector, UNICEF and ILO finalized the "National Strategic Framework on Technical and Vocational Education and Training in Lebanon" which identifies the strategic directions for the improvement of technical and vocational education and training systems; including enhancing managerial and educational capabilities and linkages with labour demand marker requirements.

<sup>(62)</sup> Notably UNICEF and the International Labour Organization established a joint initiative "Support of Technical and Vocational Education in Lebanon and enhancing enrolment in it". The sector will establish a platform bringing together the different ministries agencies and partners working on short-term skills training to standardize their interventions, increase linkages with private sector and market needs, and provide guidance to partners.

<sup>(63)</sup> Vocational Trainings for Syrians must be in the specified sectors, as per the Ministry of Labor Decisions.

Any other type of trainings not linked to income generation does not fall under the Livelihoods sector but other sectors such as Education and/or Protection and must be appealed for and reported on outside the Livelihoods sector.

<sup>(64)</sup> See the report of the Livelihoods Sector's Lessons Learnt Workshop on Market Based Skills Training, June 2016.

<sup>(65)</sup> The sector has developed National Recommendations on Financial Incentives for Vocational Training with the collaboration of the Ministry of Social Affairs and the Ministry of Economy and Trade. In addition, the sector is working on Guidelines for Work Based Learning (WBL) that will be discussed with relevant ministries (Social Affairs, Labour and others)

Ministry of Labor both at the policy and enforcement levels, with a focus on eliminating the worst forms of child labour, implementing the Decent Work Country Programme signed in 2018,66 and increasing labour inspection capacity. In addition, the Livelihoods sector will work with enterprises and cooperatives to improve decent work conditions (and support the formalization of businesses which should also contribute to this objective), while engaging in advocacy and awarenessraising activities focusing on minimum labour standards and regulations. Overall seven decent work regulations and awareness-raising/advocacy materials will be developed, three will focus on decent work (out of which at least one shall be approved) and four on advocacy/ awareness-raising material on labour laws, regulations and minimum standards.

# Output 3.2- Policies, strategies and plans supporting job creation, MSMEs and livelihoods developed to improve the business eco-system

This output will bolster policy and strategy level development and institutional level support by the sector to improve the enabling environment for job creation. Overall, the sector aims at developing six policies and have strategies and plans amended, formulated and/or proposed to the Government. As such, the Ministry of Economy and Trade and its network of local Chambers of Commerce will be supported in the implementation of the Lebanon Small and Medium Enterprise Strategy and the Ministry of Industry with the development of industrial zones, paving the way for long term development. This also includes conducting the necessary assessments and studies to address key sectoral data gaps while promoting harmonization of efforts. In doing so, the sector will make sure that it uses and builds the capacity of national systems such as the Central Administration of Statistics to avoid fragmentation of assessments and enable national systems to conduct major surveys regularly such as labour force surveys.

# Identification of sector needs and targets at the individual/household, 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 of those falling under the poverty line of \$3.84 per person per day, and particularly the ones living in extreme poverty (\$2.40 per person per day). The sector assumes that at least one member in each poor household requires livelihood assistance to raise the household over the poverty line. Activities related to job creation are expected to result in increased employment opportunities for vulnerable individuals close to accessing the labour market. For individuals dependent on direct humanitarian assistance, the sector aims to provide support through labour-intensive programmes, as well as empowerment activities such as a combination of market-based and life skills, with work-based learning initiatives that enable them to be competitive in the labour market. These activities can be integrated with psychosocial support sessions, particularly when beneficiaries are highly vulnerable individuals suffering from post-trauma and/or high levels of distress. While the sector generally adopts an area-based approach where individual beneficiaries will join programme through self-targeting, this will need to be complemented by specific programmes prioritizing the most vulnerable such as female-headed households, households with people with specific needs, and other severely vulnerable groups such as survivors of genderbased violence, persons with disabilities but also families at risk/engaging in child labour. National systems such as the updated National Poverty Targeting Programme database, the referral system, local information provided by social development centres, municipalities, and local associations will be crucial in this regard. To maximize its impact on stabilization and protection, the sector will prioritize youth (to keep them engaged in their communities and prevent marginalization) and women, who are marginalized and more affected by poverty, unemployment, and for whom additional income is crucial, to counteract child labour.

Moreover, the Livelihoods sector is developing guidelines on identification and criteria for livelihoods beneficiary targeting. The guidelines analyse the different livelihoods services/interventions and for each of them, provide recommendations on the best modalities and criteria to be used to identify potential beneficiaries.

Livelihoods interventions are targeted using an areabased approach. The sector will use available data on poverty and deprivation as a basis for area targeting and analyse the situation to identify which institution/private sector, entity/value chain to target. The regional offices of national employment will also play a critical role in matching vulnerable individuals with opportunities generated by these programmes and will be supported through the third outcome of the sector strategy.

The mapping of the most vulnerable cadastres (to be updated with new and updated data sources) provides a good basis 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. In addition, the sector will incorporate results from ongoing assessments highlighting the areas where unemployment is a priority need or listed as a primary source of tension. Furthermore, the sector will work with Child Protection partners to identify areas with higher prevalence of child labour, which should then be

<sup>(66)</sup> Signed between International Labour Organization, Ministry of Labor, Association of Lebanese Industrialists (ALI), and General Confederation of Lebanese Workers (GGTL), 2 May 2018.

prioritized by livelihoods programming.

It should be highlighted that the Livelihoods sector is suffering from severe data limitations that hamper targeting and require partners utilize local assessments to inform programming. Other data gaps for the sector include detailed local market assessments to identify intervention types, and a national labour market assessment. Finally, other challenges for the sector generally revolve around selection criteria for small and medium enterprises, access to finance, skill/know-how, access to markets, infrastructure and legal framework, as well as illegal competition.

## Mainstreaming of conflict sensitivity, gender, age, youth, protection and environment

Livelihoods primarily contributes to social stability by alleviating competition for jobs as a source of tension between groups. However, every livelihood intervention needs to be carefully crafted to be conflict sensitive. Livelihood programmes will particularly aim at filling gaps in the labour market, with aim of avoiding the strengthening of local clientelist networks, competition and tensions between groups. This will require partners to undertake careful situational and market analysis before developing programmes, and ensure that selection criteria are fair and transparent, and strive towards balancing skills training and job creation programmes as to avoid raising the expectations of trainees.

The Livelihoods sector's support to protection is manifested by its output on improving decent work conditions. With specific attention to vulnerable groups to improve their meaningful access to livelihoods support, the sector will also try to strengthen protection safeguards, notably by developing a harmonized complaint and feedback mechanism. Youth and women remain specific priority target groups for the sector across all activities, taking into consideration their particular vulnerability and higher unemployment rates. While the sector successfully ensured that youth and women are the primary groups benefitting from skills training, further emphasis is needed to increase their access to income/employment, notably through specific business start-up and development schemes and work-based learning programmes. The sector will therefore carefully review the type of job-creation investments it promotes as to ensure that they benefit both youth and women. For women, a particular focus will be made in providing targeted support to female headed households and gender-based violence survivors. This will mean emphasizing activities compatible with childcare, either through providing child friendly spaces in livelihoods centres, working on home-based income generation or developing mobile outreach of beneficiaries.

For people with specific needs, the sector will adopt a twin-track approach. First, partners will identify key

economic sectors in which people with disabilities could work based on previous market assessments and lessons learned. Specialized livelihood programmes tailored to their needs will be developed and expanded to ensure meaningful access to the labour market (notably through specialized trainings, equipment and devices to allow their full integration in the workforce). Such programmes currently exist but are very limited and will need to be scaled up by involving specialized agencies in the work of the sector. In parallel, the specific needs of persons with disabilities will be integrated into the work of partners promoting decent work. Finally, households with a person with specific needs will be prioritized in targeting, reflecting their higher dependency ratio and care-taking duties, through the existing vulnerability assessments. To ensure that protection is mainstreamed across livelihood programmes, partners would need to tailor their interventions ensuring that they are inclusive and secure access to everyone, particularly the vulnerable.

The Livelihoods sector will continue to support environmental protection through the implementation of labor-intensive interventions, such as reforestation projects, soil conservation activities (e.g. restoration of terraces), water conservation (e.g. shallow ponds for conserving soil moisture, re-building of stone weirs), and litter cleaning campaigns (along waterways and roadsides). These intersectoral activities are aimed at preserving and maintaining vulnerable assets to foster job creation and maintain the economic viability of rural and municipal livelihoods.

### Cross-sectoral linkages

Protection: Deteriorating working conditions and increasing informality are major concerns that require collaboration between the Livelihoods and Protection sectors. In recent years, the Livelihoods sector has developed strong linkages with the child protection task force to work jointly on addressing the issue of child labour. In 2019, this will mean raising the awareness of Livelihoods partners and supported businesses/ cooperatives to promote decent work and prevent the risk of child labour (through trainings on minimum child protection standards) while sharing best practices and lessons learned on child labour sensitive programming. Joint advocacy with employers, worker organizations, landowners, and community leaders may also be developed to ensure that children are not used as labourers. This can also be achieved by engaging jointly with the Child Labour Unit of the Ministry of Labor. Moreover, complementary efforts will be made to prevent gender-based violence within livelihoods programming by providing information and guidance to partners, notably through the dissemination of the gender-based violence guidelines.

The sector will monitor the roll-out of the referral mechanism, strengthening its linkages with protection, child protection and gender-based violence partners to ensure that people with specific needs, women identified as particularly at-risk or households with children engaged in child labour (with focus on children engaged in the worst from of child labour) can benefit from livelihoods support. The Livelihoods sector will encourage livelihood actors to secure access for referred beneficiaries to livelihoods interventions while keeping track of the percentage of protection cases with access to Livelihoods projects. To facilitate these inter-sectoral referrals, a referral glossary of the Livelihoods sector was shared with protection partners to familiarize them with the different services offered by the Livelihoods sector. Guidelines on identification of beneficiaries are currently being draft by the Livelihoods sector to facilitate implementing agencies in their targeting process.

The Protection and Livelihoods sectors will also increase coordination on soft and life skill trainings delivered to livelihoods beneficiaries. Overall, cross-sectoral linkages will be strengthened to more systematically combine the provision of technical trainings with life skills and psycho-social services to better support vulnerable members of the host and displaced communities and reduce drop-out rates. Furthermore, to build capacity of the livelihoods actors and enable them to familiarize and be active on protection related issues, the Protection sector will provide trainings to livelihoods practitioners, such as training on safe identification and referral of beneficiaries, according to their needs. Lastly, the Livelihoods and Protection sectors will work closely to ensure that livelihood beneficiaries faced with-municipal measures on movement, due to the lack of civil documentations, are informed about renewal procedures for civil documentation.

Food Security: The sector will maintain close ties with the Food Security and Agriculture sector as the programming for both increasingly converges around agricultural livelihoods. Complementary approaches exist between the sectors regarding vocational training, the food value chain, labour intensive programmes, as well as support to cooperatives and businesses. Although food assistance and agricultural activities are centered in the Food Security and Agriculture sector, some employment and economic development initiatives in the agriculture sector are part of the Livelihoods sector. Coordination will be strengthened to ensure information on results of common programmes is adequately and proactively shared with implementing partners. As such, the sectors shall conduct quarterly information reconciliation to ensure comprehensive reporting of different activities. The sectors' co-leads (as well as any other partner, as relevant) will meet regularly to harmonize the information collected. In parallel, the sector will ensure that the Ministry of Agriculture is informed of any agricultural activity. Finally, some components of the transition approach will be piloted with a small caseload of Lebanese beneficiaries (with the support of the Basic Assistance sector) and the Refugee Assistance Information System Database will be used by the Livelihoods sector to target severely vulnerable individuals who are not receiving the food assistance.

**Basic Assistance:** The transition approach will be piloted in the LCRP 2019 to support a small caseload of vulnerable Lebanese beneficiaries with the Basic Assistance sector.<sup>67</sup> The objective will be to enable highly vulnerable individuals to transition towards economic self-reliance through the provision of humanitarian assistance and livelihoods services (including consumption support, cash transfers, capacity building and income opportunities), building on the work conducted by the National Poverty Targeting Programme and the World Bank on introducing the transition approach for vulnerable Lebanese beneficiaries. Moreover, information provided by the Basic Assistance sector on their targeted beneficiaries will help the Livelihoods sector refine its target and reach severely vulnerable people who are not receiving cash assistance using the Refugee Assistance Information System Database.

Social Stability: The sector is working closely with the Social Stability sector, and in some regions, organizes joint field working groups. Following the numerous labour protests that spread across Lebanon in 2017 and the findings from the recent perception surveys, which confirmed that competition over jobs remains the key driver of tensions between host and refugee communities, focus will be made on ensuring conflict sensitive programming. This entails redefining the targeting criteria of livelihoods beneficiaries, providing space through livelihood interventions for promoting positive intercommunity relations, and media promotion of successful interventions with micro, small and medium enterprises. Social stability data and analysis will be used to guide livelihoods programming to reduce tensions in areas where job competition over low skilled job is already prevalent, with a focus on critical periods when seasonal labour is limited and/or at times of national economic slowdown. Cooperation will also prioritize at-risk youth, to ensure that youth community engagement initiatives and livelihoods programmes are complementary, and mitigate risks of unmet expectations and frustration in the face of minimal livelihood opportunities. 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:** The sector strategy will maintain a strong focus on developing tailored short-term non-formal accelerated technical vocational training in line with the sectors defined by the Ministry of Labor. Education programmes that need to be closely coordinated with the Livelihoods sector are the programmes that lead to job opportunities following education/training activities. In addition, the competency-based technical vocational trainings and work-based learning opportunities will be also regulated by the ministries of Labor, Education and Higher Education, Social Affairs and other relevant ministries with support from the Livelihoods sector. To strengthen cross-sectoral linkages, the Livelihoods sector will encourage the Ministry of Education and Higher Education's increased engagement in the Livelihood

(67) Terms and conditions apply to the non-Lebanese as per the decision by the Ministry of Labor on jobs and on skills trainings linked to jobs. (when it is in coordination with the Livelihoods sector) Core Group, regarding strategic programming decisions to harmonize the content and modalities of non-formal accelerated skills training in Lebanon in line with the Ministry of Labor decisions.

Shelter, Water and Energy: The work of the sector related to infrastructure upgrading will be closely coordinated with the Shelter, Water and Energy sectors through proactive information sharing on planned interventions. Livelihoods partners will contribute to the rehabilitation work identified by the planning process of Shelter partners and Shelter partners will inform the Livelihoods sector of urban areas where livelihoods have been identified as crucial under the scope of the neighborhood approach. This work should contribute to improving the living conditions of the population residing in highly vulnerable urban areas facing steep densification. To maximize the impact of our respective interventions, the possibility of providing livelihoods trainees with employment opportunities through shelter contractors will be further explored.

Livelihoods partners will ensure that such projects do not overlap with plans from the Water and Energy sectors related to infrastructure improvements, by proactively sharing information at field level through existing coordination channels. Efforts will be also made to increase businesses' energy efficiency through technology transfer and the provision of financial and non-financial incentives in close coordination with the Energy sector to effectively reduce production costs and tap into the existing/planned low-interest loan financing<sup>68</sup> for private investment in renewable energy and energy efficient projects. Support will be provided to expand access to these incentives and the adoption of green technology for small and medium enterprises (and other potential lendees) to boost technology transfers and job creation by promoting increased investments in the energy sector. In parallel, the sector will explore the possibility of further adapting its skills training offer, such as solar photovoltaic technologies, to labour market needs in close coordination with the Ministry of Environment and Water and other relevant institutions to build on the ongoing training programmes.

More generally, efforts will be made in all sectors to track the impact of investments in infrastructure rehabilitation and construction on job creation/retention. Dedicated support and guidance will be provided on the methodology and timeframe of this exercise to ensure the quality and consistency of the information collected across sectors.



<sup>(68)</sup> Such as the "National Energy Efficiency and Renewable Energy Action" (NEEREA) which is a national financing mechanism initiated by the Central Bank of Lebanon (Banque du Liban-BDL) dedicated to the financing of green energy projects in Lebanon.

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## Sector Logframe

# Outcome 1: Stimulate local economic development and market systems to create income generating opportunities and employment

Total number of job created / maintainedNew jobs created in supported Lebanese nano, MSMEs - Businesses and cooperatives who have hired new employees since the support was provided. Jobs maintained in supported Lebanese MSMEs - For nano and micro-businesses, it can be considered that any support provided helps the nano and micro-businesses they support as well as self-employed individuals (for micro-finance support). For SMEs this should be asked as part of the follow up underlined above.Project reports from partners based on follow up individually (by phone or through visit) with all supported businesses after the support (grant, training) has been provided, 3 to 6 months after the support to the business ended.NumberQuarterly	Indicator 1	Description	Means of Verification	Unit	Frequency
For SMEs this should be asked as part of the follow up upderlined above	· · · · · · · · · · · · · · · · · · ·	Lebanese nano, MSMEs - Businesses and cooperatives who have hired new employees since the support was provided. Jobs maintained in supported Lebanese MSMEs - For nano and micro-businesses, it can be considered that any support provi maintain the jobs in this business they support as well as self-emplo	follow up individually (by phone or through visit) with all supported businesses after the support (grant, training) has been provided, 3 to 6 months after the support to the business ended. ded helps the nano and micro-business to = the #employees of the micro-businesses yed individuals (for micro-finance support).	Number	Quarterly

5005															
Baseline	Result 2018	Target 2019	Target 2020	_											
494		5,777	8.207												
Îŧi	Lebane	se		<b>∱</b> -	Displac	ed Syria	ns			ian Refu ria (PRS				ian Ref banon	
Baseline	Result 2018	Target 2019	Target 2020	Baseline	Result 2018	Target 2019	Target 2020	Baseline	Result 2018	Target 2019	Target 2020	Baseline	Result 2018	Target 2019	Target 2020
N/A		4,372	6,011	N/A		1,225	1,877	N/A		55	94	N/A		125	225

Indicator 2	Description	Means of Verification	Unit	Frequency
Number of supported Lebanese MSMEs and cooperatives that report increased performance and expanded market access (new clients, contracts, market access) as a result of programme activities	Supported Lebanese MSMEs and cooperatives who report increasing profitability / production / expanded market access (new contracts, clients, market) 6 months after receiving support		Number	Bi-yearly

### Lebanese Businesses

N/A

Baseline	Result	Target	Target
	2018	2019	2020
N/A		2,899	2,564

N/A 1,400 2,100

### Outcome 2: Improve workforce employability

N/A

N/A

500

Indicat	or 1			Description			Mea	Means of Verification					Unit	Frequency
	s (at leas	b seekers placed Job seekers placed into east 50% jobs (at least 50% women)				partners report in activity info					Number of people	Monthly		
hain Lebanese K→ Displaced Syrians					ns	<b>ŤŇ</b> ŧ i	Palestin from Sy	ian Refu ria (PRS	ugees )	<b>×</b> -	Palestini from Lei	an Refugees banon (PRL)		
Baseline	Result 2018	Target 2019	Target 2020	Baseline	Result 2018		Target 2020	Baseline	Result 2018	Target 2019	Target 2020	Baseline	Result 2018	TargetTarget20192020

N/A

N/A

30

N/A

45

N/A

105

70

750

1,400 2,100

N/A

105

70

Indicator 2	Description	Means of Verification	Unit	Frequency
Number of targeted vulnerable persons engaged in home-based income generation (at least 50% women)	Individuals using the skills gained in trainings for activities at home	partners report in activity info	Number of peop	
🎋 👬 Lebanese	Displaced Syrians	Palestinian Refugees from Syria (PRS)	Palestin from Le	ian Refugees banon (PRL)
Baseline Result Target Targer 2018 2019 2020	Bacolino	arget Result Target Target 2020 Baseline 2018 2019 2020	Result Baseline 2018	Target Target 2019 2020

### Outcome 3: Strengthen policy development and enabling environment for job creation

500

750

N/A

30

45

N/A

Indicator 1	Description			Means of Verification			Unit	Frequency
Number of policies, regulations and strategies amended and/or proposed approved by the Government	Decree, regul and strategy support liveli creation, MSM business eco	in place hoods, j MEs or	to ob	Official Gazettes & Official d GoL and partners report	ocumen	t from	Decrees, policies, strategies, plans	Quarterly
Result 2018 7	5		13 polici advocac (includin awarene	Target 2019 es / regulations / strategies / y/awareness raising materials g 3 related to decent work, 4 to ss raising/advocacy, and 6 o the enabling environment)	N/A	13 policies / advocacy/av (including 3 awareness ra	Target 2020 regulations / : wareness raisir related to dec aising/advoca e enabling en	ng materials rent work, 4 to cy, and 6

Indicator 2	Description	Means of Verification	Unit	Frequency
Increase in ranking of Doing Business (World Bank)	Doing Business provides objective measures of business regulations (and their enforcement) and enables investors and entrepreneurs to assess the quality of a country's business environment	World Bank Doing business ranking	Score / ranking	Annually

	Result		Target		Target
Baseline	2018	Baseline	2019	Baseline	2020
rank 126		N/A	Gradual increase in ranking to pre-crisis level (122th)	N/A	Gradual increase in ranking to pre-crisis level (120th)

N/A