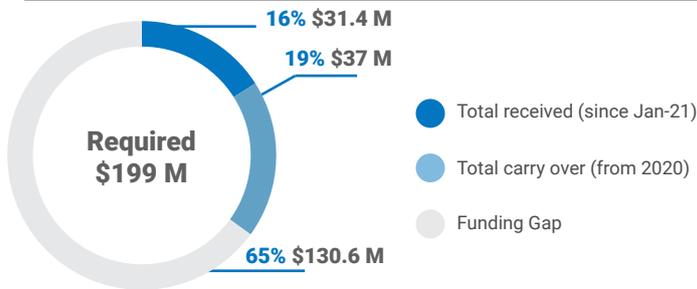




The 2nd quarter dashboard summarizes the progress made by partners involved in the Lebanon Crisis Response Plan and highlights trends affecting people in need. The Livelihoods Sector in Lebanon is working to: OUTCOME 1) Stimulate local economic growth and market systems to foster income-generating opportunities and decent and safe employment; OUTCOME 2) Improve workforce employability; OUTCOME 3) Strengthen policy development and enabling environment for job creation.

2021 Sector funding status

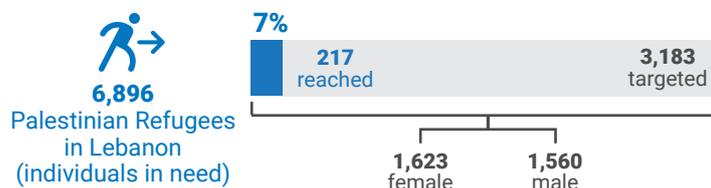
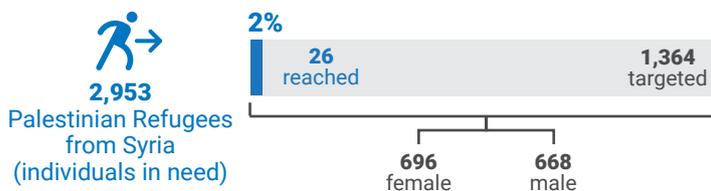
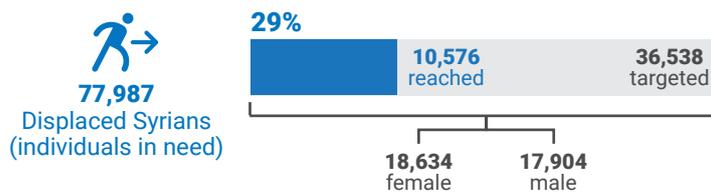
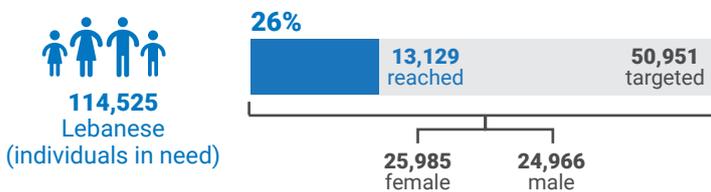
As of 30 June



2021 Population reached

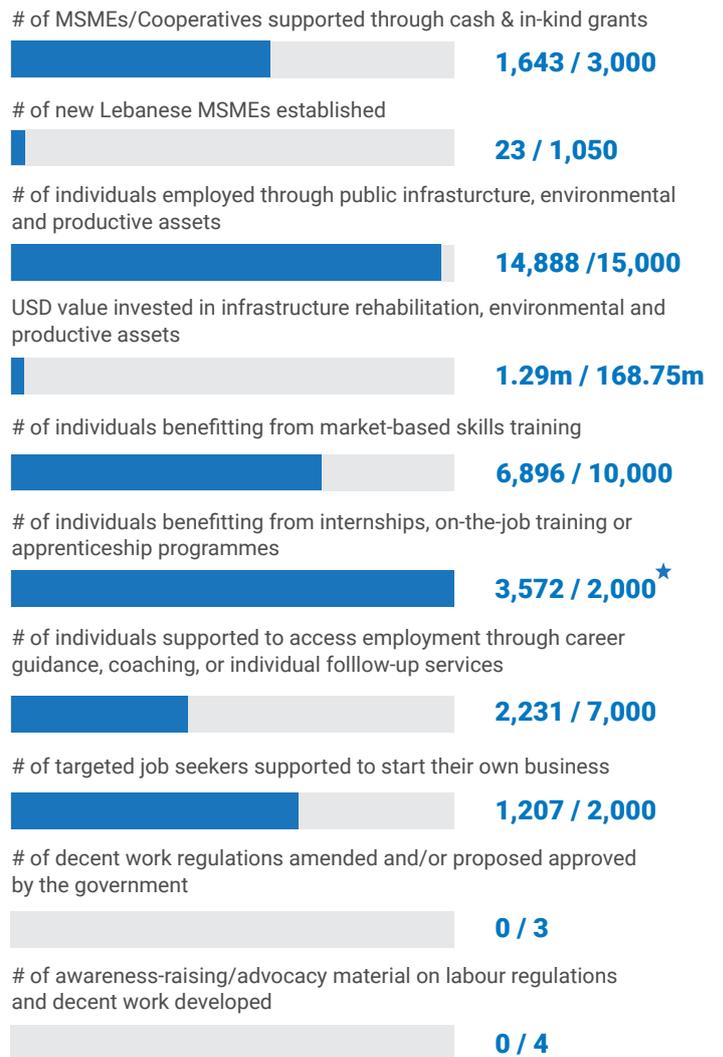


2021 Population figures by cohort



Progress against targets

Key achievements



Outcomes

Outcomes	LCRP 2016 Baseline	Jan - June 2021 Current	2021 Target			
			SYR	LEB	PRS	PRL
OUTCOME 1: Total number of jobs created/maintained	494	100	2,235			
OUTCOME 2: # of job seekers placed into jobs	N/A	367	500	1400	30	70
# of targeted vulnerable persons engaged in home-based income generation	N/A	1,190	500	1400	30	70
OUTCOME 3: Ranking of doing business**	Rank 126	143	120			

*Out of 34,131 individuals reached, 10,183 individuals were not disaggregated by cohort. This relates to Outcome indicator 2 and Output indicator 2 (individuals supported to start their own businesses and individuals accessing jobs after completion of employability programmes).

* Target overachieved. To be revised by the Sector.

**Source: World Bank

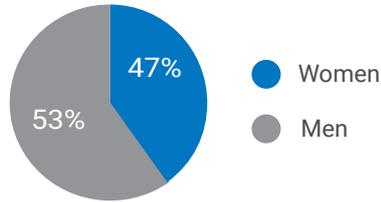


Analysis

Breakdown by age and gender

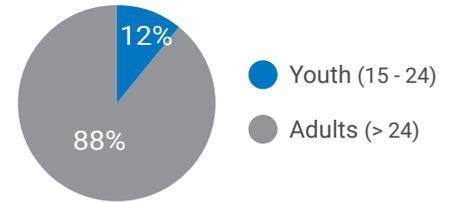
34,131

Number of individuals reached by Sector partners by gender (Jan - June 2021)



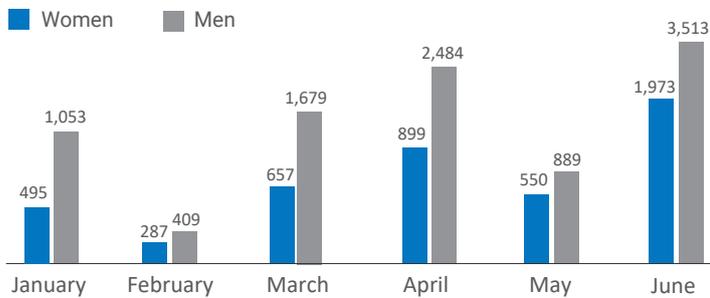
2,568

Entrepreneurs benefitted from business management training by age (Jan - June 2021)



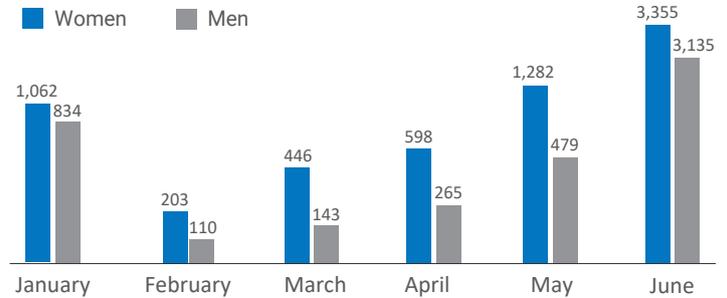
14,888

Individuals employed through public infrastructure, environmental assets and productive assets by gender per month (2021)



11,912

Number of beneficiaries receiving technical and soft skills training (market-based skills trainings, career guidance, awareness sessions and work-based learning opportunities)



1. Key achievements of the sector at the output level

With a worsening financial and economic crisis, strengthening Micro, Small and Medium Enterprises (MSMEs) to enable local economic growth and decent job creation is one area that is particularly challenging for the Sector in 2021 as businesses struggle to finance their minimum recovery and sustainability needs due to the limited liquidity of the financial sector, tight regulatory and monetary controls, and limited capacity of local financial institutions to meet capital and reserve requirements¹.

Nonetheless in Q2 under Output 1.1, Livihoods Sector partners have supported around 1,643 Lebanese MSMEs and cooperatives with cash and in-kind grants to sustain their operations and protect their workers, while 23 Lebanese MSMEs have been established and continue to be functional six months after receiving the support from Sector Partners. Wage subsidies and cash transfers to informal or self-employed workers, financial support to improve production processes and digitization efforts as well as upskilling and reskilling workforces to drive business agility are some examples of employment support measures adopted so far.

To support business continuity and efficiency, Livihoods Sector partners are providing business management services and training such as financial management, logistics, marketing, legal support, and decent working conditions. These activities aim at reducing the costs and improving the competitiveness of businesses, which by Q2 have benefitted 2,568 entrepreneurs and employees (12% youth²). Remote modalities were introduced during COVID-19 to facilitate training sessions, coaching, and awareness raising sessions. Although remote modalities were initially put in place as

a temporary measure, due to the deteriorating context (i.e., lack of fuel, increased prices on public transportation, and protests), training, coaching and awareness sessions continue to be conducted remotely.

Under output 1.3, Livihoods Sector partners continue to prioritize the provision of short-term employment (cash-for-work) to ensure access to income, with 14,888 displaced Syrians and Lebanese (33% women) out of a target of 15,000 engaged in income-generating activities, involving full-time and part-time employment. Cash-for-Work activities include productive assets improvements, as well as infrastructure improvements such as rehabilitating and/or maintaining canals, land, sewage systems, roads and sidewalks, public parks and playgrounds, reforestation, flood prevention and rainwater harvesting. Cash-for-work activities also involve production of locally produced food and non-food items, such as PPE items, clothing, soap and candles, olive oil, spices, preserves etc. With rising unemployment, access to short-term employment in the labour-intensive sector is an important means for creating temporary employment and income opportunities while providing social and economic infrastructure and services for local communities. Access to the income, even if temporary, helps to enhance the protection of the beneficiaries who with this income have better access to food and shelter. As part of their Cash-for-Work activities, partners are increasingly subsidizing wages of already existing employees to ensure job continuation in supported MSMEs and cooperatives, reaching around 1,212 displaced Syrians and Lebanese (47% women) in 114 MSMEs in Q2.

¹ World Bank (2021) Lebanon Economic Monitor: Lebanon Sinking (To the top 3) <https://www.worldbank.org/en/news/press-release/2021/05/01/lebanon-sinking-into-one-of-the-most-severe-global-crises-episodes>

² Youth: 15 to 24. Non-youth: 25 and above.



To improve workforce employability under output 2.1 and 2.2, partners are continuing skills development of women and men, especially youth, to match market demands for labour. Activities are carried out through blended modalities i.e., both online and in-person where the latter remains limited to a restricted group of people respecting precautionary measures. In Q2, around 6,896 individuals (61% female) benefited from market-based skills training, while around 2,231 individuals were provided with career guidance, coaching or individual follow-up services to improve their access to employment. Out of the people trained, around 1,207 individuals were supported to start their own businesses. As additional funding has been allocated to on-the-job training (i.e., apprenticeships and internships), partners have already reached

3,572 women and men in those activities by Q2, thus overachieving the Sector's target of 2,000. The Sector will be reviewing the targets for Q3 and Q4.

During Q2, the Sector has also focused on streamlining and improving coordination by developing tools such as interactive dashboards; one on the progress of LCRP Livelihoods activities and one on MSMEs and Cooperatives supported by both the Livelihoods Sector and Food Security and Agriculture Sector. Furthermore, a series of trainings have been rolled out for Livelihoods Sector partners on MSMEs referrals in addition to the guidance note that has been developed on the topic of coordination with the DRC RIMS team.

2. Key challenges of the sector

In Q2, Sector partners continued to face programmatic and operational challenges, mainly linked to the worsening economic and financial situation. Unemployment rates are increasing, with the latest World Bank Economic Monitor showing that one in five workers lost their jobs since October 2019 and 61 % of formal firms decreased the number of permanent workers by 43% on average³. The context also challenges employment in the informal sector, as most owners of informal enterprises have no savings or other financial options and are therefore forced to close (temporarily or permanently) and /or to reduce staff, resulting in loss of jobs and incomes⁴. Emergency livelihoods activities such as access to Cash-for-Work, cash/grants and wage subsidies are an even more important source of income for vulnerable households than before.

With additional pressure on partners to deliver Cash-for-Work activities, Livelihoods Sector partners continue to voice concerns over the devaluation of the local currency and the hyper-inflation and how it is severely reducing the purchasing power of the labour force. Partners express a strong need to raise the national minimum wages to ensure that wages are decent, meaningful and can protect the purchasing power of the beneficiaries. However, despite the surge in prices, changes to the minimum wages for unskilled and skilled workers have not been introduced since October 2020. With the volatile exchange rate and price fluctuations of commodities, partners are struggling to plan and budget for Cash-for-Work activities and value chain support in terms of the number of beneficiaries that can be recruited and needed equipment, which is delaying the implementation.

In this context, donors funding livelihoods interventions have requested that operational partners move ahead with disbursement of assistance in US dollars to ensure that beneficiaries are

receiving the full value of the assistance. Cash-for-Work interventions and Work-Based Learning activities are among those that will be dollarized as soon as possible. Sector Partners have raised the concern that there is currently no mechanism in place to harmonize the transfer value for assistance in USD and Lebanese Pounds. Without a harmonized approach to cash-assistance, the risk of fueling perceptions of unfairness among beneficiaries will become more prominent if people perceive that others are receiving a higher value of assistance than them, particularly as tensions monitoring continues to identify that the primary reasons for inter-communal tensions are unemployment and competition over jobs⁵. The Sector will at regional level gather information on the variety of transfer values deployed, alongside currencies of disbursement, urging the donor community to synchronize their approach.

Another key challenge is the shortage of fuel and electricity which is delaying activities, in particular activities that require field presence, such as cash-for-work (particularly in productive sectors) and work-based learning activities, and online skills-building programs. Nevertheless, while some partners continue to do online skills training, some, when possible, are moving to physical presence to a restricted group of people respecting precautionary measures. Sector Partners continue to support beneficiaries in terms of providing internet cards and devices but highlighting that digital literacy is a challenge that should be addressed, and that coaching is needed.

3. Key priorities for the following quarter

The priorities in Q3 for the Sector remain aligned with the priorities already identified for Q2 and include:

• Support to MSMEs, Cooperatives and Value Chains support for job creation/retention and growth:

As challenges faced by MSMEs, cooperatives, entrepreneurs and small-scale farmers continue to grow, it is crucial for the Sector to invest in businesses across the key economic sectors⁶. This would help to sustain operations and protect their workers, particularly women, youth and other vulnerable groups.

Specific key interventions include:

- Scale up business skills and financial management training to support the efficiency of businesses' operations in key sectors to increase product quality, reduce production cost and enhance competitiveness, particularly of women led MSMEs and enterprises.
- Continue to provide financial support, including grants, seed funds and subsidized loans to businesses in most affected sectors.
- Support the continuity of key value chains to reduce the potential

³ The interactive dashboard can be found in the link [here](#).

⁴ WFP (2020) Assessing the Impact of the Economic and COVID-19 Crises in Lebanon <https://docs.wfp.org/api/documents/WFP-0000116784/download/>

⁵ Ark/UNDP 10 Tensions Monitoring Updates

⁶ The support should be focused on key sectors with high potential for employment and income generation and on sub sectors prioritized by MoET, such as industrial sectors, including agriculture and agro-food, pharmaceutical and medical equipment, manufacturing and construction, textile and furniture, and creative and cultural industries.



disruption in the imports and exports of essential raw material and items.

• **Support to skills-building for improved employability and readiness:**

- Deliver business skills training, including financial literacy and numeracy where needed while also providing soft-skills training to promote employment readiness.
- Conduct online training options and career opportunities, where possible, in the view of the new spikes in COVID-19.
- Continue access to market-based skills training, including apprenticeships and internships, targeting in particular youth.

Across the country, Lebanese and refugees are facing consequences ranging from salary reductions to loss of employment. With an economic situation likely to further deteriorate it is important to ensure access to immediate decent employment opportunities.

- Scale up Cash-for-Work activities in labour-intensive sectors while focusing on addressing the needs of municipal priorities to reduce tensions, in particular those targeting women and youth.
- Continue subsidizing wages (cash-for-work component) for already existing employees in the supported MSMEs/Cooperatives

to ensure work continuation and job retention.

- Continue home based income-opportunities, while linking this activity to the support to MSMEs.

The Sector will continue to provide Activity Info reporting sessions for partners to report under the Livelihoods and provide guidelines on outcome and output indicators reporting. Through the Sector Core Group, the Sector will be assessing logframe targets based on progress and revise where necessary. Furthermore, the joint Livelihoods and Food Security and Agriculture Sectors meetings will continue throughout Q3 and Q4. Sector Coordinators will share a new survey with Sector partners to determine the subject of the upcoming joint meetings and whether partners would like to continue the focus on support to agricultural cooperatives, or whether they would like to engage in topics related to value chain interventions. The Sector will continue the efforts to strengthen referrals through close collaboration with RIMS, including referrals of MSMEs.

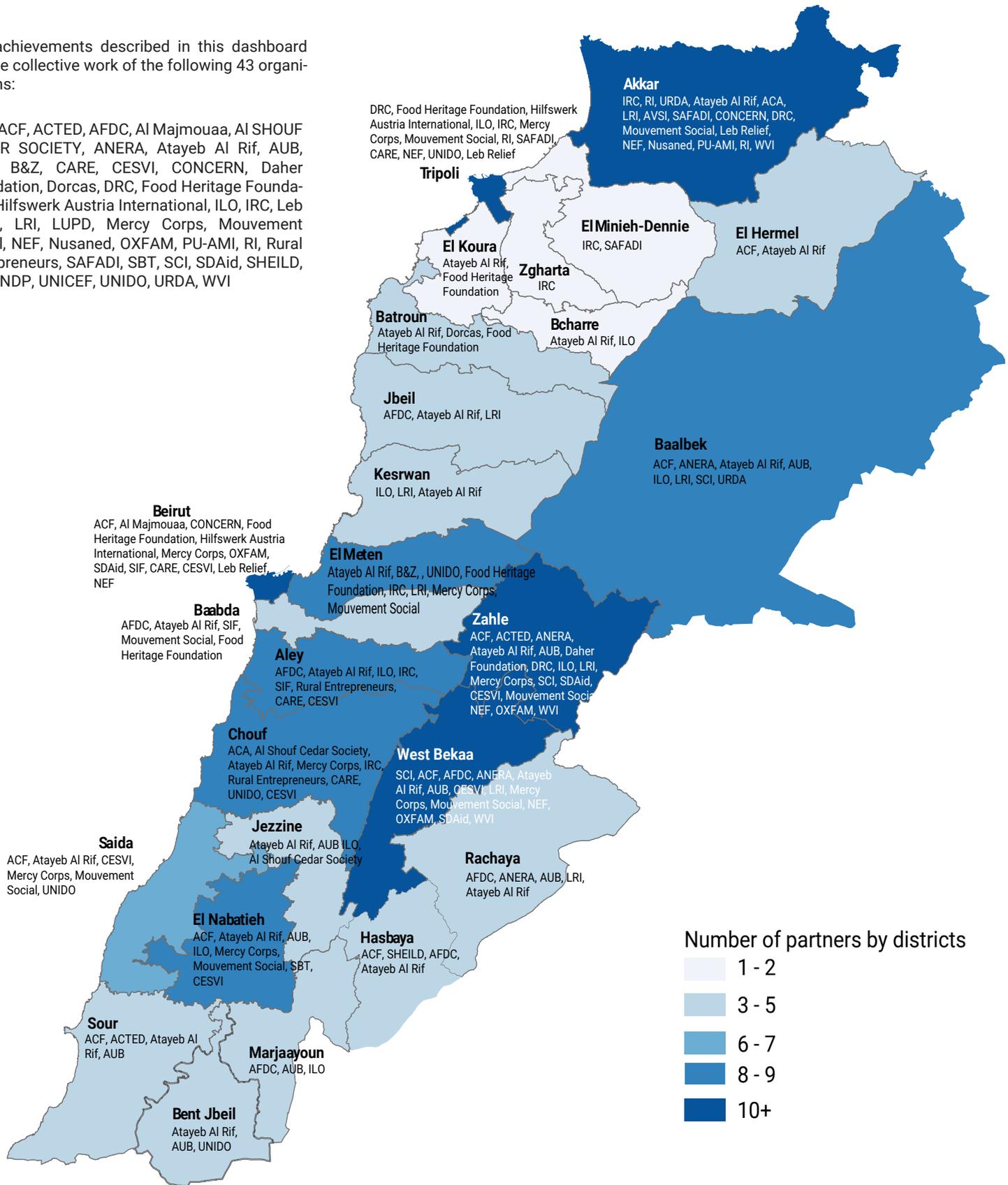
With the shifts in currencies and transfer value for cash-for-work activities and work-based Learning activities, the Sector will continue to raise the need for coordination and harmonization between the donors and to support partners in their coordination efforts to harmonize the approaches used at regional and area level.



Partners by district

The achievements described in this dashboard are the collective work of the following 43 organizations:

ACA, ACF, ACTED, AFDC, Al Majmouaa, Al SHOUF CEDAR SOCIETY, ANERA, Atayeb Al Rif, AUB, AVSI, B&Z, CARE, CESVI, CONCERN, Daher Foundation, Dorcas, DRC, Food Heritage Foundation, Hilfswerk Austria International, ILO, IRC, Leb Relief, LRI, LUPD, Mercy Corps, Mouvement Social, NEF, Nusaned, OXFAM, PU-AMI, RI, Rural Entrepreneurs, SAFADI, SBT, SCI, SDAid, SHEILD, SIF, UNDP, UNICEF, UNIDO, URDA, WVI



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