

Working Group on Livelihoods – 3rd October 2018

Meeting			
Name	National Livelihoods Working Group	Meeting Date	3/10/2018
Meeting Location	UNDP-6 th floor	Meeting Time	10.00
Chair person	Gloria De Marchi-UNDP Hiba Douaihy-MoSA	Meeting Duration	2 hours
Minutes Prepared by	Gloria De Marchi-UNDP		

- Agenda**
1. Welcome and introduction
 2. USAID-Portfolio on Economic Development
 3. LH National Updates
 4. AOB

1	Welcome and Introduction
	Gloria De Marchi welcomed the participants, presented the agenda and opened the meeting.
2	USAID-Portfolio on Economic Development (Presentation attached)
	<p>William Butterfield, Director of the Economic Growth Office at USAID, provided an overview of the USAID portfolio on Economic Growth.</p> <p>Economic situation of Lebanon:</p> <ul style="list-style-type: none"> • Rate of economic growth under 2% per year over the past years (2011-2017) • 25,000 Lebanese enter the labour market annually. Lebanon would need to create 6 times the jobs it currently offers (less than 4,000 per year) • 27 % residents live below the poverty line • In formal sector jobs are scarce, youth unemployment close to 30%. Less than 5% are big enterprises that account for more than 50% employment. Unequal society of Lebanon: cities vs. rural areas <p>Business Growth</p> <p><u>Lebanon Enterprise Development (LED):</u> October 2017 – September 2020 ~ \$14 Million (two year extension option ~ \$10.3 Million)</p>

- LED applies a market-led approach to engage directly with private enterprises, private sector organizations, associations and other stakeholders
- Focus on medium enterprises. Partnership with Berytech (In Mount Lebanon and in the South) and BIAT (in the North)
- LED facilitates the provision of business development services and solutions to Lebanese firms
- LED expects to create more than 3,625 new full-time-equivalent (FTE) jobs by supporting at least 250 enterprises during the initial three-year base period

USAID is now undertaking a cost-effectiveness analysis to evaluate the programme (cost-effect by region-by sector)

Rural Value Chains

The Lebanon Industry Value Chain Development (LIVCD) Project: September 2012-January 2019; \$46.1M

- LIVCD strengthens the agriculture and agro-processing sectors through technical support by enhancing access to finance for rural small businesses and by stimulating innovation and private sector partnerships and investment
- LIVCD uses a market-driven approach and coordinates with private sector and farmer cooperative partners to tailor business development services to meet the demands of the market while creating sustainable linkages among value chain actors, including input suppliers, producers, traders and processors
- The supported value chains under LIVCD are: Apple, Avocado, Cherry, Grape, Olive Oil, Honey, Processed Food (pickles, vinegar, freekeh “roasted wheat”), and Rural Tourism

Focus on Macro level impact. Lebanon can produce higher level quality products compared to those that are imported.

The Lebanon Investment in Quality (LINQ) project: three-year \$5.9 million activity started in September 2018- implemented by Land O’Lakes

- The objective of the activity is to increase the competitiveness of value-added agribusinesses in Lebanon.
- LINQ will partner with agribusinesses to identify productivity, product safety and quality, product innovation, and marketing constraints to competitiveness. LINQ will reach farmers via agribusiness partners working upstream in the supply chain
- LINQ has a grant component of \$1.65 million that is expected to leverage \$2.5 million in new private sector investment, including \$700,000 in cost-share, to increase agribusiness partner sales by at least 20%.

Livelihoods and micro-enterprises

Livelihoods, Inclusive Finance and Enterprises (LIFE); January 2017 – January 2022; \$20.4M

- The LIFE project strengthens livelihoods by growing incomes, particularly in rural areas. LIFE does this by working directly with microenterprises to undertake interventions, normally through targeted grants, business development support, or links to microfinance,
- Component 1: Inclusive Financial Policies: the project works through the Lebanese Microfinance Association (LMFA), commercial banks, and other stakeholders to develop policies that promote a vibrant, sustainable financial sector that economically empowers the unbanked, particularly in rural areas
- Component 2: Expanding the range of products and services available: Through partnerships with MFIs and commercial banks, expanding services to vulnerable populations, particularly low-income women & youth in conflict-prone rural areas
- Component 3: Livelihoods and business support: Providing customized business management training, technical know-how, mentoring, and basic business development skills to micro enterprises to grow their sales and income

Entrepreneurship and Venture Capital

Middle East North Africa Investment Initiative (MENA II); September 2014 – September 2019; \$15M (likely to be extended and increased)

- Under a cooperative agreement, Berytech created a fully-owned subsidiary “Insure and Match Capital” (IMC) which is fully funded by USAID
- IMC makes matching investments in qualified early-stage businesses, other venture-capital funds, angel-investor funds, and business accelerators in order to promote the availability of venture capital for firm and employment growth
- IMC offers investment insurance in the form of partial equity guarantees to mitigate the risks of investing in qualified early-stage businesses, attract additional “angel” investors, and develop the market for early-stage investment
- Finally, IMC provides technical assistance to complement investment matching and equity guarantees in form of direct investment in accelerators, mentorship programs, and targeted training to investors and entrepreneurs

Forestry and Environment

The Lebanon Reforestation Initiative (LRI) is a Cooperative Agreement with USFS; Oct. 1, 2010 – June 30, 2018; - \$19.6M

- Provides technical assistance and institutional support on sustainable forestry practices and wildfire management in economically depressed and environmentally degraded regions of Lebanon
- LRI implements community-led landscape restoration activities, leverages funds by

increasing the involvement of the private sector and Lebanese institutions, and utilizes reforestation to promote community development and social cohesion in underserved areas of the country

- While landscape-scale reforestation is the main theme of the project, it has amplified the program's socio-economic co-benefits, focusing on job creation related to agro-forestry and rural tourism in diverse sectarian communities, especially those host communities hit hardest by the Syrian refugee crisis

Questions and Answers

- ✓ Are USAID beneficiaries both Syrians and Lebanese and how does USAID identify beneficiaries?
- USAID only targets Lebanese and host communities. MFIs identify potential clients, mostly women living in rural areas
- ✓ Do figures presented refer to formal market?
- Yes, the figures provided in the presentations refer to formal market
- ✓ What kind of grants does USAID provide?
- In the LED programme USAID only provided technical support (no grants). In LIFE USAID does provide in kind-grants to enable finance
- ✓ What type of interventions does USAID implement under Forestry?
- USAID is providing fire prevention trainings and has supported the creation of Lebanon Reforestation, a Lebanese NGO that will start receiving grants from USAID. In addition, agro-forestry is becoming USAID new focus and agro-businesses are now run by women in order to empower them in to non-traditional forum of employment
- ✓ Consultancy services
- Free consultancy services are distorting the market in Lebanon. Focus needs to be on building the market in Lebanon. Entrepreneurs are used to get services for free and therefore they do not recognize the value of such services. This way they won't be empowered and able to build the market
- ✓ In Forestry and Environment activities are women payed as men?
- Seasonal jobs are all payed the same
- ✓ Value Chains products have quality standard validation mark?
- Products are certified and tracked. Moreover, USAID has created an app to verify the quality of products
- ✓ Does USAID engage with the public sector?
- Every programme/intervention USAID implements is coordinated with local level representatives of GoL but USAID doesn't work on capacity building for Public sector
- ✓ How can we create synergise between USAID and the interventions implemented by LH partners?
- More coordination needed. Livelihoods sector coordinators will follow up to explore possibilities to link trainees to new USAID programmes that are generating employment

	<p>opportunities</p> <ul style="list-style-type: none"> ✓ Gender components of programmes • USAID focuses on engaging/ involving women and men in non-traditional forum/ of employment/activities. E.g. More women involved in agriculture interventions and more men involved in communities 'activities ✓ Does USAID have specific criteria when it comes to selection of enterprises? • When USAID deals with formal medium size enterprises with the main objective to create jobs, USAID, while supporting enterprises with ideas on how to expand the market, looks at their capacity to have clear visions/ideas on how to create new jobs • When USAID liaises with small size enterprises with the main objective to generate income growth, they focus more on women (ex. In rural areas) and on small businesses that need support to survive ✓ Is it possible to have access to the list of SMEs USAID is working with? • Yes, a map of formal SMEs was provided by MoET
4	LH National Updates (Presentations Attached)
	<p>Gloria De Marchi, Livelihoods Sector Coordinator-UNDP, presented the National Updates <u>National Updates</u></p> <ul style="list-style-type: none"> ✓ Vocational Trainings Template: analysis of results ongoing ✓ Q2 Livelihoods Dashboard: almost finalized ✓ LH assessment map: will be updated in the next 2 weeks ✓ Guidelines on Work Based Learning: to be shared with all LH partners ✓ Guidelines on Identification of beneficiaries: to be shared with all LH partners for feedback <p>Hiba Douaihy, Livelihoods Sector Coordinator-MoSA, presented the LCRP Planning Process for the Livelihoods sector:</p> <p><u>Timeframe:</u></p> <ul style="list-style-type: none"> ✓ Deadline for submission of draft Sector Strategy for Inter Sector review: 19 October Situation analysis: to be shared with all LH partners for comments Sector Strategy: Discussions at CG level- Ad-hoc National WG to be organized soon ✓ Launch Expression of Interest for partners:12 October ✓ Deadline Expression of Interest: 24 October <p><u>Situation analysis-main changes:</u></p> <ul style="list-style-type: none"> ✓ Lebanese economic situation: Unemployment rate 25% (37% for youth and 18% for women) Interview with Minister of Labor, Beirut, August 2017 ✓ Displaced Syrians: Decrease in % households under MEB: 68% (2017: 76%); Decrease in % households under SMEB: 51% (2017: 58%); Increase in debt per capita: \$250 (2017: \$227); Unemployment among labour force was reported at 40%,- Vasyr 2018 ✓ Focus on Market demand <p>- Focus on Job creation: both long and short term a-Scale up support to SMEs- act as supplier for bigger companies/replace import b-VTs-curricula to match market demand</p>

	✓ Multiyear funding needed to facilitate transition from humanitarian aid into stabilization and recovery
8	AOB
	<p>Muzna Al-Masri, introduced herself. She is working with all sectors to ensure that conflict sensitivity is mainstreamed across the LCRP. She will be supporting the Livelihoods sector attending relevant meetings and contributing to the revision of the Livelihoods strategy.</p> <p>Muzna is an experienced researcher on conflict issues in Lebanon and has an in-depth and applicable understanding of conflict sensitivity.</p> <p>Next National Livelihoods WG Agenda to be focus on Decent Work Conditions</p>

Organizations present at the Livelihoods WG meeting: ILO, DFID, ACF, WFP, IECD, Mercy Corps, UNDP, RDPP, Fair Trade Lebanon, AVSI, Al-Majmoua, IRC, KfW, PU-AMI, Lebanese Red Cross, COSPE, UNRWA, Dorcas, WVT, DOT Lebanon, Mercy-USA, Norwegian People Aid, ACTED, JICA, Arcenciel, Makhzoumi Foundation, IOM, Basmeh&Zeitouneh, MoE, Palladium, MoSA, USAID.