



## LIVELIHOODS SECTOR

|   |
|---|
| <b>PEOPLE IN NEED</b>   |
|  <b>182,169</b>  |
| <b>PEOPLE TARGETED</b>  |
|  <b>60,663</b>   |
| <b>REQUIREMENTS(US\$)</b>   |
|  <b>2018 207.9 million</b>  |
| <b>2019 200 million</b>   |
| <b>PARTNERS</b>   |
|  <b>63</b>   |
| <b>GENDER MARKER</b>  |
|  <b>2a</b>   |
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### SECTOR OUTCOMES

#### Outcome #1

 **\$170.1 m**

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

##### Indicators

Total number of job created/maintained.

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

#### Outcome #2

 **\$26.2 m**

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

 **\$11.5 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.

Increase in ranking of Doing Business (World Bank).

### POPULATION BREAKDOWN

| POPULATION COHORT   | PEOPLE IN NEED | PEOPLE TARGETED | 51%<br>Female | 49%<br>Male |
|---|----------------|-----------------|---------------|-------------|
|  Lebanese                      | 105,822        | 35,259          | 17,982        | 17,277      |
|  Displaced Syrians             | 67,533         | 22,475          | 11,462        | 11,013      |
|  Palestine Refugees from Syria | 2,639          | 877             | 447           | 430         |
|  Palestine Refugees in Lebanon | 6,175          | 2,052           | 1,046         | 1,006       |

## Situation analysis and context

Livelihoods in Lebanon have been severely affected by the demographic and economic shocks brought by the Syrian conflict, which has impacted key drivers of growth such as construction, industry, the service economy and tourism.<sup>1,i</sup> As a consequence of the cumulative impacts of the crisis, Lebanon's GDP growth fell from an average of eight percent before the conflict to just one percent in 2015/2016.<sup>ii</sup> Moreover, 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 pressure on public services.<sup>2,iii</sup> Exports have decreased by one third since 2011 due to the loss of overland transport routes (which all pass through Syria, and which have worsened with the closure of the Jordan-Syria border in 2014) and because alternative options by air or sea remain expensive.<sup>iv</sup> The price of importing raw materials has also risen throughout this period, driving an increase in industrial production costs that has reduced the competitiveness of Lebanese firms.<sup>3v</sup> Finally, farmers (agriculture accounts for 10 percent of Lebanon's workforce, with a high concentration in rural, poorer areas), are often unable to value their harvest in a timely manner, with income, labour and markets all adversely affected by the closure of the border.<sup>vi</sup>

This downturn has exacerbated an already challenging economic situation for the poorest members of the host communities and displaced persons from Syria. Despite high levels of human development and tertiary education, between 27 and 30 percent of people in Lebanon lived beneath the national poverty line before the crisis.<sup>4,vii</sup> Poverty levels are highest in the North and South, and in small, dense pockets in the suburbs of large towns.<sup>5,viii</sup> Unemployment and high levels of informal labour were also a serious problem pre-crisis with the World Bank calculating that the Lebanese economy would need to create six times as many jobs simply to absorb the regular market entrants.<sup>6</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 existed.<sup>7,ix</sup> The increase of the workforce due to the presence of displaced Syrians has increased competition for low-skilled jobs, which is increasingly being identified as the key driver of inter-community tensions.<sup>8</sup>

(1) According to recent estimates by the World Bank, the Syrian crisis cost Lebanon \$2.6 billion between 2012 and 2014, of which \$1.1 billion came from lost revenue and \$1.5 billion from increased expenditure related to the new demand for public services.

(2) Government of Lebanon (2017), *A Vision for Stabilization and Development in Lebanon: the cumulative cost to Lebanon since the start of the conflict, in terms of lowering the GDP growth rate, is \$18.15 billion through 2015, and the fiscal impact, in terms of lower revenues, is estimated at \$4.2 billion during 2012-2015.*

(3) In 2011 (pre-crisis), Lebanon ranked 93 out of 139 (66.9 percent) against 101 out of 138 in 2016-2017 (73.2 percent).

(4) The National Poverty Line reaches \$3.84/person/day.

(5) In Wadi Khaled unemployment is estimated to be 58 percent.

(6) The informality rate was estimated at 50 percent by the World Bank 2010 MILES report, p.19.

(7) According to UNDP multipurpose household survey (2008), 28.5 percent of the Lebanese population lived below the poverty line pre-crisis, representing over 1.1m individuals.

(8) The key findings of the stabilization survey (1st wave) show that both Lebanese (62%) and Syrians (52%) consider competition for low-skilled jobs as the main source of inter-community tensions. This is confirmed by the marked increase in labour protests targeting Syrian workers/shops in first half of 2017, with over 50 protests and/or municipal restrictions reported across the country.

Cumulatively, these factors have a disproportionate effect on young people and others who are entering the workforce with the youth unemployment rate three to four times higher than the total unemployment rate.<sup>9,x</sup> High youth unemployment has to be seen in conjunction with high emigration rates as lack of opportunities for youth is a prominent push factor which has in turn limited economic growth.<sup>10,xi</sup>

Furthermore, displaced persons from Syria have tended to settle in areas that were already extremely poor. In some localities, unemployment is now nearly double the national average, placing considerable strain on host communities.<sup>xii</sup> The majority of Lebanese households in these areas report a decrease in income over the past two years, which correlates with higher levels of household borrowing.<sup>xiii,11</sup> For the poorest Lebanese, access to employment remains extremely difficult: for example, the National Poverty Targeting Programme database shows that only 70,000 of its beneficiaries (out of 460,000 individuals in total) have access to work. Out of these, only 20 percent have access to full time employment (but remain poor) while the others rely on seasonal (22 percent) or temporary (58 percent) employment. In addition to the social programmes provided by NPTP, livelihoods support is therefore becoming crucial to help these households access income in order to lift half a million Lebanese out of poverty.<sup>12</sup> Until this happens, the major consequence will be that job shortages are consistently and clearly mentioned not only as the primary need of all groups, but also as the main source of tension between communities, regardless of gender or age group.<sup>13,xiv</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>xv</sup>

For displaced Syrians, the economic situation remains desperate. Overall, 76 percent of Syrians registered as refugees with UNHCR live beneath the national poverty line and 58 percent of displaced Syrians are unable to afford the survival minimum expenditure basket.<sup>xvi</sup> This situation continued to worsen slightly in the last year, after a sharp deterioration between 2014 and 2015, due to the depletion of assets accompanying prolonged displacement, as well as of the effect of regulations on residency renewals. It should be noted that the high level of direct humanitarian assistance in the form of cash

(9) According to recent estimates, up to 80,000 Syrians (mainly youth) are unemployed.

(10) Yet, it should be noted that Lebanon's capacity to retain talent is gradually improving, as demonstrated by the fact Lebanon made a 12-place advance up the Global Competitiveness Index to rank 108th out of 138 countries in 2017.

(11) However, it should be underlined here that given that no labour market survey has been completed since 2009, there is no official unemployment figure.

(12) Data based on the number of beneficiaries provided by the National Poverty Targeting Programme to the Inter-Sector on October 2016.

(13) According to the 2015 Food Security and Livelihoods Assessment of Lebanese host communities more than half of interviewed Lebanese households reported having incurred debt in the last 24 months. In addition, the Impact Evaluation Report of the Lebanon Host Communities Support Programmes also 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.

transfers over the last few years<sup>14</sup> helped stabilize the situation of displaced Syrians, but has not been sufficient to reverse the deterioration of their overall livelihoods situation. This is confirmed by the fact that nearly all (96 percent) displaced households progressively engage in negative coping strategies.<sup>xvii</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>xviii</sup>

Recent estimates suggest that the Syrian labour force in Lebanon constitutes an estimated 384,000 people,<sup>15</sup> of which about 30 percent are estimated to be employed.<sup>xix</sup> However, two thirds of those displaced Syrians being considered employed 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 7.6 percent, lower than the female labour force participation last reported in Syria in 2011.<sup>xx</sup> Overall, 90 percent of households have either no working member or only one who is in charge of providing for their entire family.<sup>16</sup> This is even more critical for female headed households for which 56.4 percent do not have a working member, further pushing them towards negative coping strategies. Displaced Syrians who have found work congregate primarily in sectors that have traditionally used Syrian labour, such as agriculture (22 percent) and construction (33 percent).<sup>17xxi</sup> Nonetheless, the working conditions for displaced Syrians are rapidly worsening, as they rely almost exclusively on temporary and informal work.<sup>18,xxii</sup> Recent analysis of livelihoods data showed that displaced Syrians are primarily engaged in temporary work, and that the average monthly earning is below US\$200 for 14 days of work per household (less

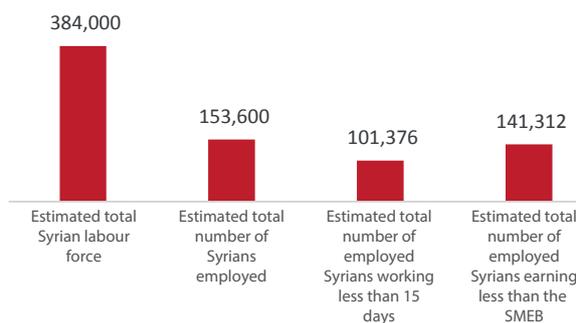
than half of the minimum survival needs), which results in 92 percent of displaced Syrians earning less than the survival minimum expenditure basket.<sup>19xxiii</sup>

Informality and the growing lack of legal residency for displaced Syrians<sup>20</sup> have increased risks of exploitation in the workplace (lower pay, longer hours, exploitation by sponsors and more hazardous conditions),<sup>xxiv</sup> and reduced the possibility of legal recourse, which in turns creates a downward spiral impacting decent work in Lebanon. This is particularly the case for displaced Syrian women, who are 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 the one earned by men for the same number of days.<sup>xxv</sup> A key illustration of this overall degradation in working conditions is the increase in child labour: in a recent assessment, nearly 30% of Syrian households had minors below 16 working, while child labour for Lebanese children has increased from two percent pre-crisis to over six percent.<sup>xxvi</sup> Again, female headed households are more vulnerable in this respect as they are 62 percent more likely to engage their children in work.<sup>xxvii</sup>

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

To make progress in job creation, support for Lebanese micro, small and medium enterprises (MSMEs) is paramount. These entities accounted for 177 percent of the net job creation increase between 2005 and 2010 and are a crucial source of economic opportunity.<sup>xxx</sup> MSMEs employ over 50 percent of the workforce, in particular with 30 percent of the employed population being self-employed.<sup>21,xxxi</sup> While there is little evidence of direct harm to the sector arising from competition with informal Syrian businesses, MSMEs have suffered from the wider economic downturn underlined above.<sup>xxxi</sup> In parallel, MSMEs 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 value addition and vertical

### Displaced Syrian Labour Force (ILO estimates on registered and unregistered Syrians)



(14) Since November 2016, the WFP voucher is back at the original \$27 (against \$13.5 in June 2015). Overall, 64,000 Syrian households have been receiving multi-purpose cash assistance on a monthly basis since the beginning of the year.

(15) This estimate includes Syrians registered with UNHCR as well as those not registered with UNHCR.

(16) From VASyR 2017 based on average figures of Household Visits carried out, 48.6 percent of displaced households do not have any working members and 44.8 percent have only one working member.

(17) Syrian nationals in Lebanon are allowed to work in the fields of agriculture, construction, and environment, as per the Minister of Labour decision 1/41 of January 2017.

(18) This is due to the fact that Syrians work informally, with the Ministry of Labour reporting that only 2,067 Syrians had applied for work permits since the beginning of 2013. The Ministry of Labour, in its 2014 Annual Report, reported that out of 1,814 new applications by Syrians for work permits, 758 were approved. The report also indicated that 810 work permits for Syrians were renewed in 2014. According to the 2015 report, only 1,102 new work permits and 1,048 renewed work permits were granted to Syrians last year, against respectively 207 and 1,110 in 2016. This brings the total of Syrians formally working in Lebanon to 1,317.

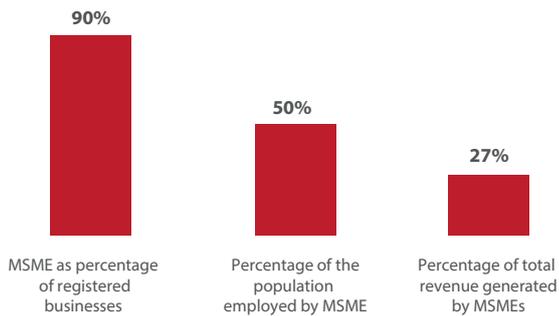
(19) The Survival Minimum Expenditure Basket is estimated at \$435 per household per month.

(20) Only 19 percent of displaced Syrian Households have legal residency for all their members according to VASyR 2017, against 58 percent in 2014. Following the waiver of US\$200 residency renewal fees announced by GSO in early 2017 which concerns a portion of the displaced Syrians registered with UNHCR, this number is expected to increase.

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

integration.<sup>xxxii,xxxiv</sup> In addition, technical and managerial gaps (notably among middle managers) negatively impact business planning, customer service, branding/marketing and financial management.<sup>xxxv</sup> Weak regulations and enforcement limit MSMEs' 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>22</sup> This degradation in the general enabling environment is also illustrated by the fact that Lebanon has slightly drifted from the 124th to the 126th ranking in the World Bank doing business indicators since the beginning of the crisis.<sup>xxxvi</sup> As a consequence of this, the contribution to employment generation made by new firms in Lebanon is less than would be expected when compared to other regions.<sup>xxxvii</sup> Informality remains an overarching challenge for MSMEs' productivity and performance, in particular 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% in 2009 according to CAS estimates) followed by construction and transport (80.7% and 71.7% respectively) and finally trade (58.1%).<sup>lx</sup>

#### MSMEs contribution to the Economy



Nonetheless, there are a number of promising trends. Lebanon ranks high in the Global Entrepreneurship Monitor with regards to social and cultural attitudes to entrepreneurship (5th) and entrepreneurship education (6th), but falls behind in particular on physical infrastructure (66th) and government policies supporting the entrepreneurial ecosystem (47th).<sup>xxxviii</sup> The ratification in August 2017 of the Public Private Partnership Law by the Lebanese Parliament is expected to further improve this ranking. Tourism is slowly starting to recover, with the number of visitors now reaching the highest levels since 2011; and analysis conducted independently by both the World Bank and UNDP, has documented the potential for MSMEs to develop further in ICT, 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.<sup>xxxix</sup> Pharmaceutical capacities

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

and exports have also increased significantly over the past five years.<sup>xi</sup> Agro-industry value-chains, the cornerstone of the country's industrial economy, represents 18.2% of the total economic activities in Lebanon. Increasing the capability of the industrial sector to respond to market demand through technical support and innovation will therefore play a critical role in creating jobs, especially in rural areas. Apart from construction, environment and agriculture (which contributes to 4.7 percent of total GDP and represents roughly 10 percent of the workforce) are frequently cited among the most promising economic sectors in Lebanon.<sup>xli,xlii</sup> The former encompasses promising industries such as waste recycling and green and renewable energies. According to the Ministry of Energy and Water, 45,000 jobs could be created in the Renewable Energy Industry up until 2020.<sup>xliii</sup> An economic review of agricultural labour shows that with additional investments in agriculture and in the limiting case in which all fallow land and ten percent of abandoned land 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 could be available for non-family labourers (largely Syrian).<sup>xliv</sup> This assumes that market demand for agricultural products would be addressed simultaneously.

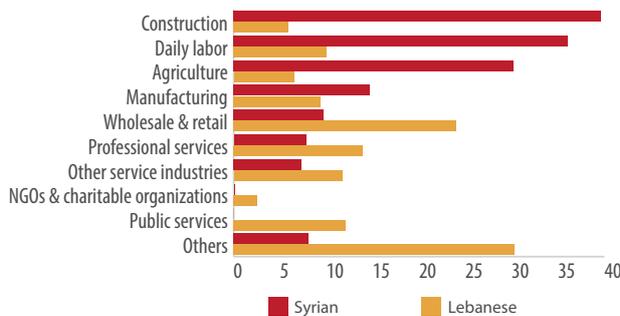
On the supply side, a major challenge to economic growth and job creation stems from the existence of a 'skills gap' in the Lebanese marketplace.<sup>xlv</sup> Despite high levels of tertiary education, Lebanese companies complain about not finding the skilled labour they need. Recent assessments show that young people are enthusiastic about career guidance and vocational training, which matches the demands of the market, in areas such as computing, handicrafts, program management, agriculture, construction, welding, hairdressing, painting, carpentry and car mechanics.<sup>xlvi</sup> Soft skills play an equally important role in positive employment outcomes and should also be included in training programmes (especially for the most vulnerable).<sup>xlvii</sup>

While the overall response to the international crisis has had some positive impact on the Lebanese economy, it has not balanced the economic and investment loss linked to the impact of the Syrian crisis.<sup>xlviii</sup> In this context, the Livelihoods sector has been unable to significantly mitigate the situation described above. Since 2015, Livelihoods partners have worked hard to implement the sector strategy, notably by putting an increased focus on local economic development and support to small businesses and value chains. The sector has also strengthened their analysis of market needs and aimed at providing integrated employability support to vulnerable groups, through skills training, career guidance and internships, while providing short-term opportunities through the implementation of labour intensive projects. With over 50,000 direct beneficiaries and 1,824 small businesses reached since 2015, partners have shown their capacity to deliver to scale. This is also translating into a rapidly increasing impact on job

creation/retention, with three times more jobs created or maintained thanks to livelihoods interventions in 2017 than in 2016. The impact (nearly 2,000 jobs generated/retained, 3,200 beneficiaries of temporary employment programmes and 2,000 beneficiaries of skills training accessing work/income opportunities) is in line with the proportion of funding received – demonstrating partners capacity to respond to donors' increasing interest in livelihoods programming. Yet, despite the increased attention given to economic opportunities and jobs at the London Conference in 2016 and Brussels Conference in 2017, and the steps taken by the Government of Lebanon in line with its Vision for Stabilization and Development, notably through the amendment of the 'pledge-not-to-work' into a 'pledge to abide by Lebanese laws and regulation', as of October 2017, Livelihoods remains one of the most underfunded sectors of the LCRP.<sup>xlix</sup>

Sector employment (has any member of your HH worked in the following sector over the last year?)

#### Sector employment



## Overall sector strategy

The overall objective of the Livelihoods strategy is to contribute to the alleviation of the socio-economic shock of the Syrian crisis on the most vulnerable groups, especially youth and women, by improving their access to income and employment. The sector aims to do so by supporting the creation and preservation of an average of 8,072 jobs per year until 2020 (75 percent of which will be created, 25 percent of which maintained). This would effectively triple the number of employment opportunities generated annually by the Lebanese economy pre-crisis,<sup>23</sup> but also double the overall number of jobs created indirectly by the international response investments in other sectors.<sup>24</sup> However, for results to be delivered throughout the remaining years of the LCRP, funding and investments in livelihoods programmes needs to be secured now, building on the positive trend of previous years.

The Livelihoods sector aims to stimulate local economic development and market systems to create income generating opportunities, reduce unemployment rates and protect vulnerable people against risks and shocks

(23) The World Bank estimated that the economy was creating 3,400 jobs pre-crisis – see the 2015 Systematic Country Diagnostic.

(24) 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.

by strengthening the business eco-system, investing in productive infrastructure, empowering Lebanese MSMEs and cooperatives, fostering creativity and innovation, improving employability and decent work conditions. This directly contributes to the fourth strategic objective of the LCRP 2017-2020: reinforcing Lebanon's economic, social and environmental stability, especially as it will also mitigate competition for jobs as one of the main drivers of inter-community tensions.

The Livelihoods sector therefore contributes to the economic opportunities and jobs component of the Vision for Stabilization and Development that the Lebanese Government presented during the Brussels conference. In this vision, GoL has emphasized the need *"to intensify efforts geared to support job creation for the most deprived communities, including refugees"*.<sup>25</sup> The Livelihoods strategy will particularly contribute to creating or maintaining temporary, seasonal and full-time employment opportunities through the 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 large infrastructure investments through concessional loan sources, technology and innovation which all critically contribute to economic growth and inclusive and sustainable development.

In doing so, the sector interventions will support the strategies and frameworks of key ministries, in particular the Government of Lebanon Stabilization Roadmap, the upcoming Ministry of Social Affairs Livelihoods Strategy, the vision of the Ministry of Industry, the Ministry of Economy and Trade SME Strategy, the Ministry of Agriculture 2015-19 Roadmap and the Ministry of Labour's National Action Plan to Eliminate the Worst Forms of Child Labour. 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 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. M4P aims to change the way market systems work so they become more effective and sustainable for the vulnerable Lebanese to improve their livelihoods, and ultimately benefit displaced Syrians as well. The M4P approach is founded on enhancing the capacity of local service providers, as well as MSMEs, to increase employment opportunities and ensure inclusive and

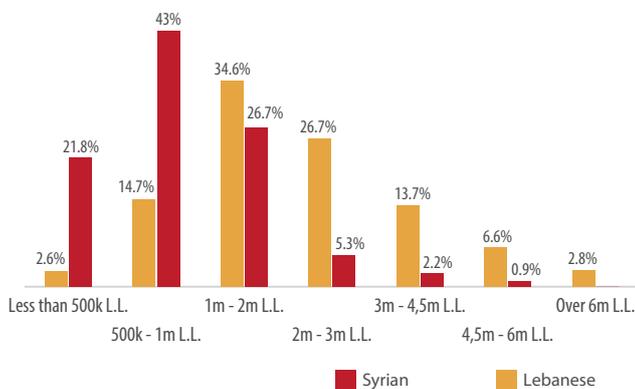
(25) As per the Vision for Stabilization and Development, Government of Lebanon, Brussels Conference held in April 2017. The London conference which took place in 2016 further specified the intent to "ease the access of Syrians to the job market in certain sectors where they are not in direct competition with Lebanese, such as agriculture, construction and other labor-intensive sectors."

sustainable economic development. The M4P approach also embeds the humanitarian “do-no-harm” principle in limiting interventions that might distort markets, such as interventions providing support and new opportunities to a group of beneficiaries at the expense of another already established one.<sup>26</sup>

Working on a multiyear timeframe will allow the sector to incorporate elements of the transition approach to enable some of the most vulnerable households living in extreme-poverty to transition towards self-reliance.<sup>ii</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 MoSA National Poverty Targeting Programme with support from the World 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 and displaced communities.

The work conducted under the scope of the joint Recovery Context Analysis (RCA), which illustrates the gradual shift towards more multi-sectoral joint programmes, should significantly contribute to this objective by promoting evidence-based recovery programming and self-reliance tailored to the respective needs of the most vulnerable members of the host and displaced communities.<sup>iii</sup>

### Average monthly household income



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 the fourth strategic objective of the LCRP “Reinforce Lebanon’s economic, social and environmental stability” by supporting job creation and income generating opportunities, workforce employability and the enabling environment as a means 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 is also contributing to the third strategic objective of the LCRP which supports service provision through national systems. Finally, it also serves the first objective of the LCRP “Ensure protection of vulnerable population” by providing awareness-raising and policy development support on decent work.

In terms of work on the demand side of the labour market, the Livelihoods sector will aim at supporting the private sector in creating/retaining jobs, either through value chain development approach or MSMEs support. While recognizing that sustained job creation can only be achieved by the private sector 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 Private Sector Engagement workshop in June 2017 to take stock of partners’ current engagement with the business community in Lebanon and ensure the highest efficiency of its programming. One of the main recommendations formulated during this event was the setting up of a dedicated platform composed of representatives of Government of Lebanon (GoL), the private sector and development partners to provide a more structured and permanent framework for collaboration between all involved stakeholders. 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 program lifecycle. The next step will be to convene a multi-stakeholders workshop involving representatives of the private sector to bring the process forward and agree on strategic orientations.

Following the guidance of the LCRP monitoring and evaluation review, the Livelihoods sector framework is now structured around three outcomes reflecting priorities in terms of employment/income generating opportunities, workforce employability and institutional support.

Livelihood interventions aim to directly support 3,090 Lebanese micro, small and medium enterprises, Start Ups and cooperatives, which in turn will contribute to support 4,935 job opportunities in 2018 (60 percent of which will be created – 40 percent of which maintained). 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 MSMEs and entrepreneurs need support to develop new commercial linkages, expand productivity and foster job creation and innovation through technology transfer and capacity building. The sector will particularly aim at boosting the capacity of small businesses and entrepreneurs in vulnerable areas, by providing support packages (including business

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

management training, access to finance, grants and technology transfers) to support the creation of new Lebanese businesses and expansion of existing ones.<sup>27</sup> Considering the high share of micro and small enterprises that operate in survival mode, MSME support would need to ensure special services and finance windows are accessible to these types of entrepreneurs and not only for those who have a strong potential even without support.<sup>liii</sup> With the support of MoET, partners will aim at identifying and selecting 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 MoET SME strategy as well as recent business climate assessments, partners will support MSMEs on business planning, customer service, sales and marketing and financial management.<sup>liv</sup>

Livelihood partners will also develop value chains in priority sectors with the most potential in terms of job creation. Working on 20 local value chains and five national ones, 3,077 jobs could be created or maintained each year up until 2020. This will require the implementation of integrated type of interventions targeting not only the core function of specific value chains (supply/demand, product quality, production technique) but also rules, regulations and support functions (skills and capacity, information, research and development). Based on the priority sectors identified by the Government of Lebanon (GoL),<sup>28</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 package meat),<sup>29</sup> manufacturing, textile, pharmaceutical, construction, carpentry, cultural tourism, hospitality, nursing, healthcare, ICT, media and telecom, crafts, trade, logistics, fashion, jewellery, handicrafts, green industries/renewable energies, and waste recycling.<sup>30iv</sup> Support to agriculture and agro-food, construction and waste recycling value chains will in particular result in job opportunities in sectors in which displaced Syrians are allowed to work.<sup>31</sup> When conditions allow, interventions supporting the future reconstruction efforts of Syria will be encouraged within the sector.

The four-year time frame of the new phase of the LCRP will be particularly well suited for livelihoods programmes focusing on high potential sectors, whose complex nature requires time to attain a substantive impact on job creation. However, given the scale of needs in terms of poverty and unemployment, providing short-term temporary opportunities is also required to alleviate the current pressures on the job market and competition for jobs. The severe infrastructure needs underlined both

by the Government in the Vision for Stabilization and Development and by small businesses themselves as an obstacle to job creation provide an excellent opportunity to generate temporary employment opportunities.

While large-scale infrastructure development would be out of the scope of the sector, Livelihoods partners will aim to generate over 1.1 million workmen days benefitting an estimated 37,650 persons in 2018,<sup>32</sup> 50 percent of whom should be displaced Syrians and Palestine Refugees.<sup>33</sup> This builds on the experience acquired over the past two years rehabilitating or building productive environmental and municipal assets at the local level (with over 15,000 beneficiaries engaged in 200 such projects) to scale up towards larger labour-intensive public work programmes. Such projects will be implemented in compliance with Lebanese laws and regulations. They will primarily be implemented using an indirect modality, channelling investments through local third parties, such as private sector contractors and municipalities who will be responsible for project delivery and workforce management. In addition, the sector will increase engagement of its partners with the Ministry of Labour to establish a mechanism to provide guidance and follow up on these projects as per the legal framework. These will provide temporary opportunities to the most vulnerable, reduce tensions by addressing local municipal priorities<sup>34</sup> and 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 resource-based technologies, such infrastructure investments have the potential to generate considerable indirect and induced job creation.

On the supply-side of the labour market, as highlighted earlier, Lebanon is facing an important skills gap: despite high levels of tertiary education, Lebanese companies complain about not finding the skilled labour they need.<sup>lvi</sup> This mismatch is partly caused by the insufficient responsiveness of educational programs to the needs of the labour market.<sup>lvii</sup> To address this issue, the Livelihoods sector will undertake programs that will target 15,000 people in 2018, with 3,000 of them being placed into jobs within a year. Beneficiaries will be periodically tracked, monitored and their acquired skills adequately profiled.

The Livelihoods sector will deliver short-term, accelerated courses aiming at quickly addressing gaps of the labour market and increasing employability of the most vulnerable 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 (TVET) system and schools in collaboration with Education sector

(27) Part of the support package to MSMEs could include the Ministry of Foreign Affairs' 'Subsidized Temporary Employment Projects' presented as part of the Economic Opportunities and Jobs element of the Lebanon Statement of Intent at the London Conference.

(28) See Investment Law #360 from 2011 which established the Investment and Development Authority of Lebanon (IDAL) – these sectors remain IDAL focus to date.

(29) Pro-active information sharing and coordination with Food Security partners will be maintained to ensure complementarity of interventions in agriculture.

(30) As listed and analyzed in GIZ Employment and Labour Market Analysis (ELMA), February 2016 and OXFAM Skills Gap Analysis, 2017.

(31) 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.

(32) Overall, 50 workers should be hired for a period of 10 days/per month for cycles of 3 months (totalling 150 public work beneficiaries in each of the 251 most vulnerable cadastres). Since the overall number of vulnerable cadastres is currently being revised, the number of beneficiaries is expected to be slightly amended.

(33) 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 so as to optimize complementarity and efficiency.

(34) Notably the ones identified through the Map of Risks and Resources Process conducted by MoSA and UNDP in all 251 vulnerable cadastres over the past four years.

partners.<sup>35</sup> In particular, considering the expansion of the RACE II strategy to non-formal education including accelerated skills training programme, Livelihoods partners will aim at complementing these efforts by addressing gaps in the market demand not covered by existing education programmes. The sector is working with the Ministry of Education and Higher Education TVET directorate in 2017 to support ongoing efforts on reforming vocational education in Lebanon.<sup>36</sup>

Lessons learnt from several years of experience in providing market-based skills trainings<sup>37</sup> highlighted the need to implement, as much as possible, integrated programmes, including strong life-skills support as well as internship/apprenticeship schemes 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 GBV survivors and heads of households), whose ability to generate income will be crucial to lift their families out of poverty. For Syrians, such programmes will prioritize skills relevant to sectors where they are allowed to work or that they will need upon potential post-conflict return. This will be done alongside skills leading to home-based opportunities, with a conflict-sensitive approach ensuring that competition with host communities is not exacerbated through such programmes. In any case, it is crucial that the activities of the Livelihoods sector are balanced between stimulating the demand and supply side of the labour market, i.e. that 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. In order to harmonize the content and modalities of non-formal skills trainings in the Livelihoods sector, guidelines will be elaborated by a dedicated task force composed of the most experienced partners (including line ministries, UN Agencies, NGOs and donors) in this field.

As for the general enabling and policy environment related to job creation, the sector remains committed to ensuring that it creates decent work opportunities.<sup>38,lviii</sup> Recent findings on the work conditions of displaced Syrians and the increase of child labour are testament of increasingly exploitative conditions in an already largely informal economy.<sup>lix</sup> In addition to mainstreaming decent work aspects in its interventions, this will require working in close collaboration with the Ministry of Labour and its national and regional employment offices (NEO). The Ministry, as the key administrative authority in the field of labour, responsible for employment conditions, labour relations, and for shaping employment policy, will

(35) A particular focus will be made to support the operationalization of the recommendations identified under the scope of the UNICEF-ILO TVET mapping initiative.

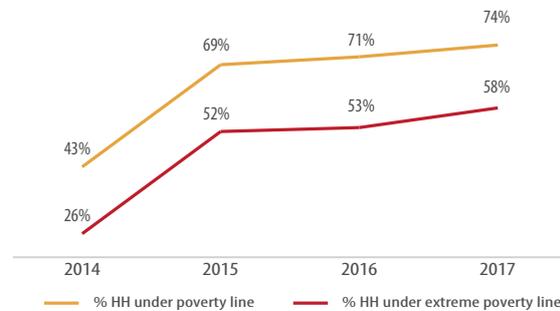
(36) Notably UNICEF and ILO joint initiative "Support of Technical and Vocational Education in Lebanon and enhancing enrolment in it". The sector will establish a platform bringing together the different ministries agencies and partners working on short-term skills training to standardize their interventions,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

(37) See the report of the Livelihoods sector Lessons Learnt Workshop on Market Based Skills Training, June 2016.

(38) 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'.

be supported in developing and implementing labour policies within its mandate. This will notably require support to labour inspection capacity and system so as to ensure enforcement of labour regulations.

### Syrian households economic vulnerability (VASYR)



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 underway following the adoption of the PPP law, there are many technical issues that the sector can contribute to addressing. For example, the sector will support the SME Strategy of the Ministry of Economy and Trade by establishing an SME observatory to regularly conduct statistical and impact analysis on SMEs and support entities and maintain a comprehensive database to ensure continuous and effective monitoring of support to SMEs. Similarly, the NEO is supported in its analysis and control of labour data. The LCRP 2018 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 the high geographical concentration of economic activities. To help sustain efforts on the labour supply side, the sector will continue to support Education partners and other relevant sectors in improving Technical and Vocational Education in Lebanon, to modernize curricula and build bridges with the private sector.<sup>39</sup> The increased opportunity for multi-stakeholder dialogue on economic opportunities and jobs, and the formation of the Sector Steering Committee is also helping to build stronger ties between the sector and various ministries involved in livelihoods at national level, and with the chamber of industry, commerce and agriculture, local economic development agencies as well as with the private sector to engage in constructive policy discussion on the current regulatory environment and the development of a national Livelihoods plan.

(39) Seven curricula have already been updated with the support of Leaders consortium in sewing and tailoring, steel fixing, air conditioning, medical secretary, concrete carpentry, industrial electrical machine and agro-food processing.

## 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 therefore be measured according to the number of jobs created or maintained as a result of partners' interventions. All activities of the sector are regrouped 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.

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 - Series of technical and financial support to MSME sector to enable growth and job creation provided

The target is to provide or maintain 4,935 jobs in 2018. It will be measured according to the number of Lebanese MSMEs and cooperatives that are supported through a wide range of activities, including entrepreneurial training, access to financial services, provision of start-up or support grants in-kind or cash, technology transfer, financing alternatives (debt, equity, grants) to boost SME growth and support social enterprises. The interventions will target four types of Lebanese structures: micro-entrepreneurs, start-up, SMEs and cooperatives. To support livelihoods beneficiaries' self-resilience, this job creation target is expected to gradually increase to reach 5,130 employment opportunities generated in 2020.

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

The target is to create/maintain an average of 3,077 jobs each year up until 2020. This output will be measured by the number of integrated value chain interventions

completed at local and national level. Interventions will start by assessing the sectors and value chains to identify gaps or constraints in them. Such assessments include mapping and analysing needs in relation to both vertical and horizontal linkages, and identifying other possible weaknesses and 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. Particular emphasis will be placed on enhancing foreign market access (particularly the EU, GCC, Eastern European countries, MERCOSUR, Iran and Russia) and on building institutional capacity at various levels.

### Output 3 - Job creation in vulnerable areas fostered through labour-intensive investments in productive public infrastructure and environmental assets

All cadastres identified as vulnerable are targeted with the aim of providing 37,650 temporary opportunities in 2018. This output relates to fostering temporary job creation in vulnerable areas through public works. It will be measured through the number of vulnerable persons and localities benefitting from infrastructure improvement and the amount invested in such localities. As explained above, this will include small- to medium-scale infrastructure upgrades in municipalities and villages (road rehabilitation, cleaning services), in the agricultural sectors (irrigation canals, agricultural roads, rainwater harvesting), and environmental work and disaster risk reduction (forestation, reforestation, cleaning of drainage, canals and rivers for flood prevention, construction of structures such as contour walls, checking of dams, and plantation of green areas in order to reduce flood risks).

## Total sector needs and targets 2018

| Population Cohort             | Total Population in Need | Targeted Population | No. of Female | No. of Male   | No. of Children (0-17) | No. of Adolescent (10-17) | No. of Youth (18-24) |
|-------------------------------|--------------------------|---------------------|---------------|---------------|------------------------|---------------------------|----------------------|
| Lebanese                      | 105,822                  | 35,259              | 17,982        | 17,277        | -                      | -                         | 12,691               |
| Displaced Syrians             | 67,533                   | 22,475              | 11,462        | 11,013        | -                      | -                         | 7,878                |
| Palestine Refugees from Syria | 2,639                    | 877                 | 447           | 430           | -                      | -                         | 319                  |
| Palestine Refugees in Lebanon | 6,175                    | 2,052               | 1,046         | 1,006         | -                      | -                         | 746                  |
| <b>GRAND TOTAL</b>            | <b>182,169</b>           | <b>60,663</b>       | <b>30,937</b> | <b>29,726</b> | <b>0</b>               | <b>0</b>                  | <b>21,634</b>        |

| Type of Institutions                | Total      | Targeted  |
|-------------------------------------|------------|---|
| Municipalities                      | Over 1,000 | 244   |
| Central Ministries                  |            | 6 Ministries (MoSA, MoET, MoL, MoInd, MoAg, MEHE) |
| Micro, Small and Medium Enterprises |            | 3,090   |

Under the second outcome, the support of the sector will focus on bridging the gap in the labour market through two main outputs aimed at expanding beneficiaries' workforce employability on the labour market and at providing job seekers with career guidance, job matching and apprentice/internship schemes.

#### **Output 1 - Technical support to vulnerable people in marketable skills provided**

The target is to provide market-based skills trainings to 15,000 beneficiaries throughout the year to expand their skillset and increase their access to employment opportunities.

#### **Output 2 - Career guidance, job matching and apprentice/internship schemes offered to job seekers**

The target of 20 percent of the aforementioned 15,000 caseload are placed into jobs in 2018. Activities will include the provision of apprenticeship, internship and traineeship opportunities as well as access to employment services and job matching.

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

#### **Output 1 - Decrees / regulations / awareness-raising material on decent work conditions developed and or / approved**

This output will be addressed by working with the Ministry of Labour both at the policy and enforcement levels, with a particular focus on eliminating the worst forms of child labour, implementing a Decent Work Country Programme developed in 2016, 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 awareness-raising activities focusing on minimum labour standards and regulations.

#### **Output 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 in order to improve the enabling environment to job creation. Overall, 19 policies, plans and regulations and awareness-raising material will be developed and/or approved: four will focus on decent work; three on advocacy/awareness-raising material on labour laws, regulations and minimum standards; 12 on the

development of policies/plans/regulations aimed at improving the enabling environment and the business eco-system.

Assuch, the Ministry of Economy and Trade and its network of local Chambers of Commerce will be supported in the implementation of the MSME strategy and the Ministry of Industry in the development of industrial zones, paving the way for longer term development. This also includes conducting the necessary assessments and studies to address key data gaps in the sector 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 regular major surveys such as labour force surveys.

#### **Identification of sector needs and targets at the individual/HH, 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 is in need of 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 skills, life skills and psycho-social support. 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 persons with specific needs, and other severely vulnerable groups such as survivors of gender based violence, but also families at risk/engaging in child labour. National systems such as the updated NPTP database, as well as local information provided by protection, child protection and SGBV partners, SDCs, municipalities, and local associations will be crucial in this regard. In order 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 therefore more affected by poverty and unemployment, and for whom

additional income is crucial, notably to counteract child labour).

Livelihoods interventions are targeted using an area-based approach. The sector will use available data on poverty and deprivation as a basis for area targeting, and then analyse the situation in this area to identify which institution/private sector, entity/value chain to target. The national employment regional offices will also play a critical role in matching vulnerable individuals with opportunities generated by these programmes, and will be supported through the 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 from which to identify areas where displaced populations are concentrated alongside vulnerable Lebanese. Both the poverty dimension and the host/displaced ratio are relevant for livelihood interventions. Taking into account the specificities of rural and urban poverty in Lebanon, partners will need to focus both on acute rural poverty that might have been exacerbated by a sudden increase of population, and on poor urban areas where the proportion of displaced might not be as significant, but the total concentration of poor is most likely to lead to instability. In addition, the sector will incorporate results from ongoing assessments highlighting the areas where unemployment is a priority need or listed as a priority 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 prioritized by livelihoods programming.

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

## Mainstreaming of Conflict Sensitivity, Gender/Protection, Youth and Environment

Livelihoods primarily contributes to social stability by alleviating competition for jobs as a source of tension between groups. However, every livelihoods intervention needs to be carefully crafted to be conflict sensitive. Livelihoods programmes will particularly aim at filling gaps in the labour market, with an eye to avoid fuelling competition and tension between groups. This will require partners to undertake careful situation and

market analysis before developing programmes, and to ensure that selection criteria are fair and transparent, and strive towards balancing skills training and job creation programmes so as to avoid raising expectations of trainees.

The Livelihoods sector's support to protection issues is manifested by its output on improving decent work conditions. In addition to this and to the specific attention to vulnerable groups to improve their meaningful access to livelihoods support, the sector will need to strengthen its protection safeguard, 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 their higher unemployment rates. While the sector has 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 apprenticeship/traineeship programmes. The sector will therefore carefully review the type of job-creation investments it promotes so as to ensure that they benefit both youth and women. For women, a particular focus will be made on providing targeted support to female headed households and GBV survivors. This will mean emphasizing activities compatible with childcare, either through providing child friendly spaces in livelihoods centres, working on home based income generation and developing mobile outreach of beneficiaries.

For persons 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 livelihoods 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.

The Livelihoods sector will continue to support environmental protection through the implementation of labour-intensive interventions aiming at preserving and maintaining vulnerable assets to foster job creation.

## Inter-sector linkages

**Protection.** Deteriorating working conditions and increasing informality are major concerns, and 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 2018, 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. This will also be achieved by engaging jointly with the Child Labour Unit of the Ministry of Labour. Complementary efforts will be made to prevent gender-based violence within the sectors programming by providing information and guidance to partners, notably through the dissemination of the GBV guidelines.

The sector will further operationalize its newly-established referral mechanism, strengthening its linkages with protection, child protection and GBV partners, in order to ensure that women identified as particularly at-risk or households with children engaged in child labour can benefit from livelihoods support. In order to facilitate these inter-sectoral referrals, information will be shared on the selection criteria used to identify beneficiaries and prioritize the most deprived geographical areas. In addition, protection partners who deliver life-skills trainings will inform the Livelihoods sector if such trainings have a market element. 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 rate.

**Food Security:** The sector will maintain close ties with the Food Security sector as the programming for both is increasingly converging around agricultural livelihoods. Complementary approaches exist between the sectors regarding the food value chain and there is a common understanding that partners appeal under the sector which represents the objective of the activity they plan to implement under LCRP 2018. Although food and agricultural activities are centred in the Food Security sector, employment and economic development initiatives in the agriculture sector are also part of the Livelihoods sector. In parallel, coordination will be strengthened to ensure that information on agriculture livelihoods activities and agricultural value chains is adequately and proactively shared and reported in both sectors. As such, monthly information reconciliation will be conducted among the two sectors to ensure a comprehensive reporting of the different activities. The sectors' co-leads (as well as any other partner, as relevant) will meet regularly (bi-monthly) to harmonize the information collected on agriculture livelihoods. 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 and displaced Syrian beneficiaries with the support of the Basic Assistance and Livelihoods sectors.

**Basic Assistance:** As outlined above, the transition approach will be piloted in the LCRP 2018 to support

a small caseload of vulnerable beneficiaries with the support of the Basic Assistance sector. 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 NPTP and the World Bank on introducing the Transition Approach for vulnerable Lebanese beneficiaries, this pilot will be tailored to the specificities of the situation of displaced populations in Lebanon. As such, it will focus on increasing economic resilience rather than creating sustainable livelihoods, in line with applicable laws and regulations.

In parallel, information related to livelihoods collected by the Basic Assistance sector on households' vulnerability will help livelihood targeting. The Basic Assistance work to strengthen the NPTP will also benefit the Livelihoods sector.

**Social Stability:** The sector is working closely with the Social Stability sector, and organises joint field working groups. Following the numerous labour protests which spread across Lebanon in 2017, a particular focus will be made on mitigating job competition as a key driver of inter-community conflict. Social stability data and analysis will be used to reduce tensions in areas where job competition over low skilled job is already prevalent. Cooperation will also prioritize at-risk youth, to ensure that youth community engagement initiatives and livelihoods programmes are complementary. 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 technical vocational education and/or training. Education programmes that need to be closely coordinated with the Livelihoods sector are twofold: formal technical vocational programmes that are planned, implemented and reported only through the Ministry of Education and Higher Education. In addition, the competency-based technical vocational trainings and informal apprenticeships in non-formal settings will be also regulated by MEHE and supported by the Livelihoods sector.

In order to strengthen cross-sectoral linkages, the sector has recently invited MEHE to join the newly-established Market-based Skills Training Task Force whose objective will be to harmonize the content and modalities of non-formal accelerated skills trainings in Lebanon.

**Shelter, Water & 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 rehabilitation work identified by the planning process of Shelter partners and Shelter partners will inform the Livelihoods sector of urban areas where livelihoods has been identified as a crucial need under the scope of the neighbourhood

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 also ensure that such projects do not overlap with plans from the Water & Energy sectors related to infrastructure improvements, by proactively sharing information at field level through existing coordination channels.

Efforts will be 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 in order to effectively reduce production costs and tap into the existing/planned low-interest loan financing<sup>40</sup> for the private investment in renewable energy and energy efficient projects. Support will be provided to expand the access to these incentives and the adoption of green technology for SMEs (and other potential lenders) as a way 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 panel PV technologies, to labour market needs in close coordination with MoEW 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.

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Graduate of WFP's food packaging and processing livelihoods course-Tripoli. Photo credit: WFP, 2017

## Sector Logframe

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

| Indicator 1                              | Description   | Means of Verification  | Unit   | Frequency |
|--|---|--|--------|-----------|
| Total number of job created / maintained | New jobs created in supported Lebanese MSMEs - Businesses who have hired new employees since the support was provided. Jobs maintained in supported Lebanese MSMEs - For micro-businesses, it can be considered that any support provided helps the micro-business to maintain the jobs in this business = the #employees of the 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. | Number | Quarterly |

**Jobs**

| Baseline: 2016 | Target 2018 | Target 2019 | Target 2020 |
|----------------|-------------|-------------|-------------|
| 494            | 4,935       | 4,920       | 5,130       |

|  Lebanese |             |             |             |  Displaced Syrians |             |             |             |  Palestine Refugees from Syria (PRS) |             |             |             |  Palestine Refugees in Lebanon (PRL) |             |             |             |
|---|-------------|-------------|-------------|--|-------------|-------------|-------------|--|-------------|-------------|-------------|--|-------------|-------------|-------------|
| Baseline:   | Target 2018 | Target 2019 | Target 2020 | Baseline:  | Target 2018 | Target 2019 | Target 2020 | Baseline:  | Target 2018 | Target 2019 | Target 2020 | Baseline:  | Target 2018 | Target 2019 | Target 2020 |
| N/A   | 3,986       | 3,953       | 4,062       | N/A  | 808         | 821         | 903         | N/A  | 41          | 42          | 48          | N/A  | 101         | 104         | 117         |

| Indicator 2  | Description   | Means of Verification  | Unit   | Frequency |
|--|---|--|--------|-----------|
| Number of target Lebanese MSMEs 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 | Project reports from partners based on follow up monitoring to supported Lebanese MSMEs, activity info | Number | Bi-yearly |

**Lebanese Businesses**

| Baseline: | Target 2017 | Target 2018 | Target 2020 |
|-----------|-------------|-------------|-------------|
| N/A       | 2,469       | 2,460       | 2,564       |

**Outcome 2: Improve workforce employability**

| Indicator 1   | Description                                       | Means of Verification            | Unit             | Frequency |
|---|---|----------------------------------|------------------|-----------|
| Number of job seekers placed into jobs (at least %50 women) | Job seekers placed into jobs (at least %30 women) | partners report in activity info | Number of people | Monthly   |

|  Lebanese |             |             |             |  Displaced Syrians |             |             |             |  Palestine Refugees from Syria (PRS) |             |             |             |  Palestine Refugees in Lebanon (PRL) |             |             |             |
|--|-------------|-------------|-------------|---|-------------|-------------|-------------|---|-------------|-------------|-------------|---|-------------|-------------|-------------|
| Baseline:  | Target 2018 | Target 2019 | Target 2020 | Baseline:   | Target 2018 | Target 2019 | Target 2020 | Baseline:   | Target 2018 | Target 2019 | Target 2020 | Baseline:   | Target 2018 | Target 2019 | Target 2020 |
| N/A  | 2,100       | 2,100       | 2,100       | N/A   | 750         | 750         | 750         | 3,000   | 45          | 45          | 45          | N/A   | 105         | 105         | 105         |

| 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 people  | Monthly                                       |
|  Lebanese         |  Displaced Syrians |  Palestine Refugees from Syria (PRS) |  Palestine Refugees in Lebanon (PRL) |   |
| Baseline: Target 2018 Target 2019 Target 2020  | Baseline: Target 2018 Target 2019 Target 2020   | Baseline: Target 2018 Target 2019 Target 2020   | Baseline: Target 2018 Target 2019 Target 2020   | Baseline: Target 2018 Target 2019 Target 2020 |
| N/A 2,100 2,100 2,100  | N/A 750 750 750   | N/A 45 45 45  | N/A 105 105 105   |   |

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

| Indicator 1   | Description   | Means of Verification  | Unit                                 | Frequency    |
|---|---|--|--------------------------------------|--------------|
| Number of policies, regulations and strategies amended and/or proposed approved by the Government | Decree, regulation, policy and strategy in place to support livelihoods, job creation, MSMEs or business eco-system | Official Gazettes & Official document from GoL and partners report | Decrees, policies, strategies, plans | ex:Quarterly |

| Baseline: | Target 2018  | Baseline: | Target 2019  | Baseline: | Target 2020  |
|-----------|--|-----------|--|-----------|--|
| N/A       | 19 policies / regulations / strategies / advocacy/awareness raising materials (including 4 related to decent work - child labour, informality, monitoring of SMEs, Labour Inspection capacity - 3 related to advocacy /awareness-raising - and 12 related to the enabling environment) | N/A       | 19 policies / regulations / strategies / advocacy/awareness raising materials (including 4 related to decent work, 3 to awareness raising/advocacy, and 9 related to the enabling environment) | N/A       | 19 policies / regulations / strategies / advocacy/awareness raising materials (including 4 related to decent work, 3 to awareness raising/advocacy, and 9 related to the enabling environment) |

| 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  |

| Baseline: | Target 2018   | Baseline: | Target 2019   | Baseline: | Target 2020   |
|-----------|---|-----------|---|-----------|---|
| rank 126  | Gradual increase in ranking to pre-crisis level (124th) | rank 124  | Gradual increase in ranking to pre-crisis level (122th) | rank 122  | Gradual increase in ranking to pre-crisis level (120th) |