



LIVELIHOODS

Lead agencies: Ministry of Social Affairs (MoSA), Ministry of Economy and Trade (MoET) & UNDP

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SECTOR OUTCOME

OUTCOME:

To improve the ability of vulnerable groups, especially women and youth, and of MSME, to cope with and recover from the economic shock through stabilizing and improving income and revenues.

INDICATORS

% change of average national household income

of targeted vulnerable persons enrolled in rapid income job creation activities (male/female)

% of job seekers supported by employment service centers and/ or skills training who are placed into jobs

Number of new jobs created in the MSME sector (targeted enterprises) (male/female)

of targeted MSMEs with new clients/markets through improved production/products



\$175.9 m



PRIORITY INTERVENTIONS

- 1: Implementation of physical or non-physical rapid income job creation activities supporting local development plans (small-scale works) implemented through institutions and organisations
- 2: Support the activities (including access to market information; career guidance; counseling; job matching; etc) and strengthen the capacity of employment services centers and the establishment of new centers where needed
- 3: Provision of (start-up) grants coupled with incubation services/training/retraining
- 4: Implement integrated Value Chain programmes
- 5: Support of the Ministry of Economy and Trade in the implementation of the new Small and Medium Enterprise strategy



FUNDING STATUS

Funding already received for 2015: \$ 17.7 m

Estimated sector needs for 2016: \$ 175 m

1. Situation Analysis and context

Livelihoods in Lebanon have been severely impacted by the demographic and economic shocks as a consequence of the Syrian conflict. The large manufacturing enterprises, which struggle to maintain output, and Micro, Small and Medium Enterprises (MSME) are increasingly unable to cope with the high cost of energy and operations, and the disruption of exports. The services sector, accounting for approximately 76 per cent of GDP¹, has been hit hard, especially tourism. Since the onset of the conflict Lebanese communities, including farmers who heavily relied on cross-border activities, have been cut off from their income sources. In agriculture, there has been a decrease in farm-gate prices, an increase of prices of local agricultural inputs and reduced marketing opportunities due to closure of export markets.

The unemployment rate is expected to reach 20 per cent by end-2014². Women and youth are disproportionately affected. Almost four in five women displaced from Syria do not have access to work related income.³ The Lebanese economy is characterized by a large informal sector, where working conditions are poor especially for unskilled Syrian labourers. Wages are low, working hours long with minimal labour protection. Lebanese workers in the manufacturing and services sectors face increased competition from Syrian workers who accept lower wages. More non-skilled Lebanese seek work as daily workers, until now mainly undertaken by Syrian economic migrants.

Many Syrian *de facto* refugees seek informal employment opportunities. A sizeable proportion of them borrow money thereby increasing levels of indebtedness and applying negative coping mechanisms, such as reducing food consumption or withdrawing children from school and sending them to work. Syrian *de facto* refugees have also introduced new skills to the Lebanese market in activities such as stonework, tapestry weaving and high-quality handicrafts.

A lack of funding has proven a key impediment to the livelihoods sector performance; few results were produced to date. From January to August 2014, only 4,100 individuals were able to access some sort of income-generating opportunity, and just over 6,000 individuals benefited from some sort of training, ranging from technical skills to psycho-social occupational activities. Some vulnerable areas face security constraints (e.g. Aarsal and Tripoli). Livelihoods are seriously affected also by structural challenges, including lack of adequate infrastructure for competitive job creation. Further, there is a lack of market-based data for the identification of viable interventions. The approach for 2015 and 2016 aims to strengthen the market systems for vulnerable persons who are currently excluded from economic opportunities through lack of access to market information, skills mismatch or because of lack of infrastructure.

The scope and scale of the economic shock reveals capacity and coordination gaps at central and local governmental levels. There are opportunities to strengthen the dialogue between the public sector and MSMEs. Globally, Lebanon stands at 120 in the ranking of 189 economies on the ease of starting a business⁴. The *Doing Business* indicators of the World Bank reflect Lebanon's weak institutional set-up, and barriers faced by the private sector, such as access to financial products for MSMEs.

Key achievements this year:

- ✓ 4,100 people have benefited from income-generating opportunities or new employment.
- ✓ 6,100 persons have received vocational or life-skills support.

¹ Ministry of Finance, Country Profile, 2013

² World Bank; 2013; Lebanon Economic and Social Impact of the Syrian Conflict, 2013

³ UNHCR / Woman Alone; July 2014; the report is a conclusion of interviews with 135 female heads of household: 48 in Egypt, 48 in Jordan (including 9 in Za'atari camp), and 39 in Lebanon.

⁴ World Bank, *Doing Business*, 2014.

2. Overview of 2015 Response

The Government of Lebanon has identified job creation as a central priority⁵ to enable households, enterprises and communities to cope with and recover from the economic shock and changed economic environment. Interventions in the Livelihoods sector will be rooted in the Making Markets Work for the Poor (M4P) approach, which promotes the sustainability of economic gains. Vulnerable groups face several market constraints in their capacity as employees, employers or consumers with lack of information, skills, or quality products and services.

M4P aims to change the way market systems work in order to offer more opportunities and benefits to poor and vulnerable Lebanese persons, especially youth and women, and ultimately women and men displaced from Syria. It provides guidance on how to facilitate change in market systems so they work more effectively and sustainably for the vulnerable to improve their livelihood. The M4P approach is founded on enhancing the capacity of local service providers, as well as MSMEs, to increase employment opportunities and inclusive and sustainable economic development. The M4P approach also embeds the humanitarian “Do no harm” principle in limiting interventions that might distort markets. The M4P approach will move the sector away from fragmented poorly coordinated one-off activities.

This livelihoods sector strategy is predicated on a proportion of persons displaced from Syria remaining in Lebanon for some time. In light of recent increase in community tensions and increased competition over economic resources, the strategy aims to contribute to stabilization through interventions that promote permanent job creation for Lebanese and temporary rapid income generating activities also for *de facto* refugees from Syria and Palestine refugees. Although the legal framework restricts the work of *de facto* refugees, the law does allow for Syrian nationals to work in certain occupations.

In addition to physical rapid-impact job creation initiatives, non-physical activities are included to ensure women’s participation. Other priorities include strengthening the employability of vulnerable Lebanese groups through improving access to market information and (re) training in relevant vocational skills. Specific interventions are designed to include women-at-risk.

Through a dialogue with the Government of Lebanon, options will be explored to reduce the competition among the persons displaced from Syria and the Lebanese workforce.

The sector also proposes interventions that promote employment and training opportunities in Lebanon to anticipated recovery and reconstruction opportunities in Syria post conflict.

Enterprise promotion is a priority including capacity development, infrastructure improvements, technological upgrade/technology transfer and the provision of grants to Lebanese.

Integrated value chain programmes have the objective to access and expand markets for Lebanese entrepreneurs in competitive sectors.

Finally, the sector plan engages in policy dialogue and the formulation of strategies and plans to facilitate job creation and market development and counteract child labour.

The sector will also attempt to bridge the gap between private sector, universities and development agencies, through the promotion of more dialogue, events, and joint activities.

In light of the expanded focus on stabilization under the LCRP compared to the RRP6, new partners have joined the Livelihoods appeal such as ILO, UNIDO and FAO. Until now, they implemented their programmes outside of the scope of the RRP. Another factor for the overall increase in the appeal is the high operational cost to implement livelihoods programmes in Lebanon.

⁵ See: Government of Lebanon, *Lebanon Roadmap of Priority Interventions for Stabilization from the Syrian Conflict*, 12 October 2013; World Bank, *Lebanon - Good jobs needed : the role of macro, investment, education, labor and social protection policies (MILES) - a multi-year technical cooperation program*. 2012.

3. Overall Sector Target Caseload

The Livelihoods sector strategy primarily targets young men and women and MSME through surveys, using results from multi-sectoral assessments such as VaSyr and World Bank data.

MSMEs will be selected according to criteria such as: market potential; ability to expand their business and hire additional employees, or casual labour; and women/youth-led businesses.

Links will be established with the National Poverty Targeting Programme (MOSA) to identify vulnerable Lebanese women and men as participants in physical and non-physical rapid impact job creation initiatives.

Existing vulnerability criteria developed by the targeting task force and UNHCR/UNDP will serve as the basis for targeting youth and women-at-risk alongside the potential for market development which will be assessed through surveys. Programme convergence maps are being produced in the latter part of 2014 to avoid duplication. Interventions will be implemented in rural and urban areas throughout the country that are characterized by high need and social tension.

Population cohorts

Category	Total
Vulnerable Lebanese	142,623
Syrians registered as refugees with UNHCR	93,394
Lebanese Returnees	1,175
Palestine refugees from Syria	2,588
Palestine refugees in Lebanon	2,756
TOTAL	242,536

Gateways for service delivery

The livelihoods programmes will be implemented with a wide range of partners. Rapid impact job creation initiatives will be coordinated with local authorities to ensure they are aligned with the established priorities. The private sector will be a direct partner in many interventions, especially for Output 2, 3 and 4. For Output 5, dialogues with different central Ministries will be established and strengthened in close collaboration with MOSA.

Category	Number	Modality of implementation/ how the institution is engaged
Municipalities	200	Support to service delivery (Output 1)
National government ministries and offices	10	Capacity Building
MSMEs	5,000	Grants; Capacity Building

4. Mainstreaming of Gender, Protection and Social Stability

1. **Social Stability:** The Livelihoods sector will collaborate with the Social Stability sector on capacity building of municipalities, especially concerning local economic development. Livelihoods projects will also be implemented in areas level of tensions runs high, notably with a particular focus on youth-at-risk. The inter-agency vulnerability tools will be used for this purpose.
2. **Food security:** Initiatives in the Food Security sector and the Livelihoods sector are closely linked and efforts will be made to ensure that the programmes will be mutually reinforcing. This will be done through regular joint field meetings and the development of joint guidelines.
3. **Protection:** The special focus on improving access of vulnerable women to new skills that will reinforce their employability, initiated by the SGBV task force, implies close coordination with the Livelihoods sector. The sector members that implement projects for women-at-risk will be advised by the SGBV task force on targeting and will receive technical guidance.
4. **Protection:** The Livelihoods sector will coordinate with the Protection sector on child labour, in particular ILO and NGOs with relevant programmes.
5. **Education:** Activities that promote vocational skills building require the Education and livelihoods sector to coordinate well to avoid overlap. The initial work undertaken in this area will be further pursued.

5. Partnership

This Sector is under the leadership of the Ministry of Social Affairs and the Ministry of Economy and Trade

List of Partner Agencies

ACF	CLMC Lebanon	ILO	OXFAM	Save the Children	WCH
ACTED	CONCERN	Intersos	PU-AMI	UNDP	WVI
AMEL Lebanon	DRC	IOM	RET	UNHCR	
ANERA	FAO	IRC	RI	UNIDO	
CARE	HWA	Mercy Corps	Safadi Foundation	UNRWA	