On a positive note, activities in the sector have scaled up significantly in March. This relates mostly to activities and programmes that started last year, such as Rapid Income Generating Activities or activities related to workforce employability. For both activities, partners have reported more progress in the sole month of March than in January and February combined. 1,771 people have now benefited from income generating activities, which is broadly in line with progress achieved last year (6,000 people over the year, or 1,500 per quarter), while the sector aims at achieving a much higher target this year.

Interestingly, the skills training delivered by partners overwhelmingly benefits women (96% of the total beneficiaries). This is in line with existing assessments highlighting that across populations cohorts, women are less employed than men and therefore more interested and available for trainings. Progress on other activities remains. Support to Micro, Small and Medium Enterprises is slowly developing with 12 activities already reporting results and 13 more ongoing. Support to institutions and policy development is also showing early results, with ILO supporting the development of plans by Local Economic Development Agencies in Akkar. Unfortunately, no results are reported yet related to Value Chain Developments. The reasons for the overall slow progress of the sector are further explained in the quarterly analysis below.

In the meantime, the government internal consultation process on livelihoods is continuing, as communicated by the Ministry of Social Affairs (MoSA) at the end of the month. The Ministry of Social Affairs is currently conducting the final consultation meetings among the relevant Government stakeholders in preparation for the national livelihood workshop. The national livelihood workshop will be held early May 2015, as a joint initiative between MoSA and UNDP, where all stakeholders will have the opportunity to participate in drafting the national livelihood plan that aims at stabilizing the country.

Finally, the coordination set up of the sector was finalized in March with the first meeting of the field working group for Beirut - Mount Lebanon. The sector now has field working groups established in all five operational areas of the country.
Progress towards sector Outcomes and Outputs in Quarter 1

Progress in the livelihoods sector in the first quarter of the year has generally been slow, which is of growing concern considering the importance to mitigate the economic impact of the crisis on both host and displaced population. In this respect, it is particularly worrying that three months into the year, only two livelihoods partners have activities in the region of Tripoli, considering the vulnerability of the area in terms of social deprivation and risk of violence. This can mostly be explained by three factors:

**Lack of funding:** the sector has only secured US$19.1 million, or 10.8% of its appeal, while a substantive increase in funding of the sector is necessary to address the stabilization need of the country.

**Development of new activities:** the livelihoods sector strategy under the LCRP represent a major shift compared to previous response plans, moving from providing short-term opportunities to the most vulnerable to new priority interventions creating more opportunities to access employment and income through support to Micro-Small and Medium Enterprises, entrepreneurs, employment service centres, key ministries, and developing value chains. As such, new plans and activities need to be built from scratch and results are slower to appear.

**The current uncertainties** on the possibilities for Syrians registered as refugees with UNHCR to engage in livelihoods activities is also limiting the possibilities for partners to scale up previous initiatives or secure additional funding for other interventions such as income-generation activities and vocational training.

Yet, in the meantime, the sector is also supporting public institutions on the ground, particularly through the use of rapid income generation programmes to support municipalities in providing services and rehabilitating infrastructures. This is benefitting 15 municipalities in the South, to which nearly 2,000 workmen day were made available to carry out municipal services (such as road repair, public space cleaning—see map above).

**Changes in context in Quarter 1**

While the livelihoods sector strategy is built around the Lebanon legal framework, there has been two changes in the response environment related respectively to (1) the new entry and renewal regulations for Syrian refugees and (2) the internal government process on livelihoods.

The new entry and residency renewal regulations issued by GSO at the end of 2014 and early 2015 include that Syrian registered as refugee with UNHCR need to sign a notarized pledge not to work to renew their residency in Lebanon. While actual enforcement control remains limited, this new regulation is limiting the possibilities to engage refugees in activities, putting both partners and beneficiaries at risk of illegality.

In parallel, the Ministry of Social Affairs has been facilitating an internal governmental process on livelihoods, and is currently conducting the final consultation meetings among the relevant Government stakeholders in preparation for the national livelihood workshop. The workshop will be held as a joint initiative between MoSA and UNDP, where all stakeholders will have the opportunity to participate. The pending finalization of the process is also limiting partners in develop their plans and interventions.

Limitations on the possibilities to engage Syrian in livelihoods and income-generating opportunities come as recent assessment underline their increasing vulnerability. The 2014 Vulnerability Assessment of Syrian Refugees shows an increasing reliance of refugees on humanitarian assistance and particularly food vouchers as their primary source of income. As this assistance is currently decreasing, the impossibility for refugees to benefit from livelihoods assistance or from legal work will put them at risk of increased exploitation.