

Livelihoods Sector Reflection



Workshop 4 & 5 November 2021

Introduction:

The years 2020 and 2021 have been challenging for the Livelihoods Sector as the multiple crises in the country resulted in extensive disruptions to the businesses as well as job losses, deteriorating livelihoods conditions, and an overall worsening of the economy. At the same time, COVID-19 lockdown measures and mobility constraints delayed the implementation of livelihoods interventions. Despite the multiple challenges, Sector Partners have been able to continue their livelihoods activities. The Sector therefore organized dedicated reflection sessions on the different livelihoods practices and priorities on 4 and 5 November 2021 with the aim of collectively reflecting on concrete and practical solutions to mitigate or overcome challenges in the field and identifying the current and/or upcoming challenges, solutions and approaches, as well as lessons learnt and best practices. The workshop also focused on key mainstreaming topics for the Livelihoods Sector.

This document presents key points discussed and highlighted during the session and will contribute to the update of the 2022 Livelihoods Sector strategy. Mainstreaming priorities have been reflected under each topic.

Thematic discussions:

The reflection workshop was divided into two main sections; the first section constituted four subgroups where participants discussed key topics related to the Sector's activities and were facilitated by key Livelihoods Sector partners with expertise on the topic. The topics are as following:

1. *Support to businesses*
2. *Employability activities*
3. *Employment intensive activities*
4. *Value chain interventions*

TOPIC 1: SUPPORT TO BUSINESSES

Facilitators: Alia Farhat (Partnership Manager/ Al Majmoua) & Leila Al Amine (Markets, Economic, Recovery and Growth Sector Lead/ Mercy Corps)

Rapporteur: Yousra Taleb (Coordination Officer/ UNDP)

A- Modality of assistance (businesses support, technical support, in-kind, grants)

1- Challenges:

- Limited knowledge and ability to manage multiple crises is leaving cooperatives and MSMEs with uncertainty on their survival in the current crises.
- Lack of financial literacy and access to financial services.
- Absence of support and policies at the national level.
- Energy shortcoming which is leading to losses in businesses especially those who require electricity (such as dairy producers).
- Lack of clarity on what organizations' want to achieve and how (quick impact or long term).
- Difficulty to engage the private sector as they have a different mindset.

2- Recommendations:

- Introduce new criteria to identify the MSMEs that have the possibility to grow and to support the local market. (Both sector and personal capacities of the business).
- Ensure access to information for MSMEs about standards, different initiatives happening, BDS, technical assistance, access to finance "One stop shop".
- Help informal businesses in registering and becoming formal to increase their potential.
- Support with energy which would help in savings on electricity thus lowering cost of production (solar energy).
- Think from a business perspective rather than a development and/or humanitarian perspective which means more private sector engagement and if necessary, provide incentives to ensure engagement.
- Continuous sharing lessons learnt between partners especially on how they are adapting their programming.
- Support MSME's to build their own feasibility studies with the help of experts to identify the support needed and its impact on their business.
- Need for innovation, new means of production adapted to the current market and need to consider export (good quality and competitive prices).

B- Market linkages (local and international markets)

1- Challenges:

- Long process to reach the requirements (enhancing product quality, branding, packaging...) and needs feasibility studies to ensure that it is a successful investment.
- Financial and economic situation affected the MSMEs and cooperatives' ability to transport products and to do branding.
- Volume of production and standards for certification

- Financial interactions with international markets as businesses will need bank accounts which requires them to be registered.
- MSMEs and businesses are reluctant to increase production without having guaranteed markets.

2- Recommendations:

- Identify the minimum requirements to access international markets (quality, size of business...).
- Link with chambers of commerce where quality certification can be accessed.
- Looking for new marketing strategies, transportation, formalizing businesses to be able to export their products.
- Agree on a basic definition of market linkages: Business to Business, cross sectors, within the same value chain, or with foreign markets. It could also mean strengthening market linkages between businesses and support functions provided by market actors.
- Leverage the Lebanese diaspora.
- Guarantee market access prior to support to ensure MSME's and businesses buy in.
- Rely on donor's support to open the international market of their countries.
- Support in strengthening market linkages such as fairs and exhibitions.
- Further explore digital marketing.
- Free pillars to address:
 - Ability to deliver volume (major requirement by the external market)
 - Meeting standards
 - Formalizing businesses

C- How to move beyond Individual business support? (Business clusters, Value Chain, other)

1- Recommendations:

- Bring together different businesses that can benefit from each other's services
- Promote savings mechanism:
 - Group savings,
 - Village banking,
 - Self-help groups,
- Support MSMEs with lessons learnt and experiences
- Support clusters at different levels within the same value chains or between different entities across the country (geographical clusters).
- Library of business modules and training material
- Need to upscale our interventions: Approach to do account and profiling of all businesses.
- Identify the competitive advantage of the geo area of intervention and tailoring the support.

TOPIC 2: EMPLOYABILITY ACTIVITIES & SKILLS TRAINING

Facilitators: Naim Frewat (Economic Recovery & Development Coordinator/ IRC) & Justine Cherrier (Recovery Coordinator/ DRC)

Rapporteur: Joelle Assaf (Analysis Officer/ UNDP)

A- Vocational Trainings: Challenges and Recommendations

1- Challenges:

- The lack of market linkages, limited opportunities, saturated market, and lack of proper needs assessments.
- Difficulty in conducting timely market assessments in a rapid-changing economic and financial situation.
- Weak linkages with the private sector that would affect the sustainability of vocational training.
- With the current context, the private sector is not able to create job opportunities or retain jobs.
- High cost of training offered by private vocational training providers, and lack of funds in DGVTE to support schools in TPs.
- The lack of motivation and commitment of beneficiaries as the current economic situation and the inflation rate of USD made them interested in cash support rather than coaching and mentoring.
- Challenges in outreach to beneficiaries, as well as high(er) drop-out rates.
- Long online sessions proved to be challenging for the participants to maintain their focus and engagement.
- Youth are interested in quick entry into the labor market and do not value the importance of attending soft skills training for accessing the labor market.

2- Recommendations:

- Enhance the coordination between LH Sector partners to make sure assessments are timely shared and presented within the working group to avoid duplication of efforts, and assessment-fatigue.
- Having standardized tools and common-defined methodologies for market assessments.
- Increasing targets for WBL activities since they provide a small financial incentive to participants.
- Link vocational training to job opportunities through the support to MSMEs and/or Coops pillar of the LH Strategy. *(Reach out to Palladium for more information on their support to businesses with cash grants programs).*
- Coupling LH with basic assistance: providing beneficiaries with a small wage and/or incentive to join vocational training, WBL, and/or soft skills training would be helpful. *(The LH Sector should enhance coordination and collaboration with the Basic Assistance sector.)*
- Providing more market support (businesses) than employability services (training to job seekers): provide more market support than employability services. However, It is important to note that this would not mean stopping employability services, but focusing more on

market support. In light of the current situation, it is crucial to ensure the sustainability and maintenance of businesses to ensure job retention.

- Take into consideration the increasing cost of training in private institutes within the budgets.
- Enhance the collaboration and coordination within organizations for referral purposes.
- Support at the sector level, this include:
 - Centralize information at the sector level to enhance coordination, referrals, and respond to the gaps and needs.
 - Enhance the coordination with the basic assistance sector.
 - Develop and/or share guidelines for VT - which sector prioritized according to market needs, as well as guidelines on WBL (wages, working hours etc)
 - Advocacy with the donors, especially on the aspect of combining cash assistance or basic assistance with LH. Also on the aspect of supporting business in combination with employability.
 - Support partners with conflict sensitivity trainings: scarce jobs - high competition – crises, Nationality considerations (Leb/Syr/Pal/other communities)
 - Share sector specific ‘best practices’ based on partners’ field experience and achievements
 - In the longer term, it is crucial to advocate for more long-term funding for the Livelihoods sector for sustainable and impactful results.

B- Risks and Mitigation measures:

Challenges	Risks	Mitigation Measures
Fuel shortages	<ul style="list-style-type: none"> • Beneficiaries’ ability to reach centers is jeopardized • Increase in drop-out rate 	<ul style="list-style-type: none"> • Support vulnerable people in offering ‘taxi’ services to participants of vocational centers, that way both parties could be supported. • Outreach to potential participants residing nearby training centers to make sure the centers are accessible easily. • Offer organized transportation services to participants (e.g. bus pick-up)
Electricity issues	<ul style="list-style-type: none"> • Interrupted courses • Increase in drop-out rate • Inactive participation 	<ul style="list-style-type: none"> • Support youth in developing solar panels through vocational programs that would then be installed in training centers. [UNICEF pilot]

TOPIC 3: EMPLOYMENT INTENSIVE ACTIVITIES

Facilitators: Nada Nohra (Livelihoods and Local Economic Development Specialist/ UNDP) & Peter Farah (National EIP Advisor/ ILO)

Rapporteur: Carina Adada (National Livelihoods Coordinator/ UNDP)

A- Decent wages, working days, transportation:

The transfer value for decent wages continues to be a challenge addressed by the partners. ILO referred to the technical note appropriate wage levels for unskilled workers developed by the agency in March 2021 which recommends a USD wage for unskilled workers. For skilled workers, wages differ depending on their professional level. ILO, UNDP and WFP seek to jointly have an updated recommendation.

1- Challenges:

- Payments of wages in USD to Syrians workers have been challenging due to bank restrictions (banks saying that it is due to the cedar agreement).
- Donors requiring Syrian displaced to be registered with UNHCR to be part of the project.

2- Recommendations:

- USD wage payments to Syrian workers can currently be done through third financial providers. Better to limit direct cash payment to workers in the current situation and do it through FSP.
- Payments to Syrians workers that do not have official papers from Lebanese authorities can be done through third financial providers that do not require Lebanese issued papers. Some third-party providers accept ID cards issued in other countries.
- As per the EIP guidelines transportation fees should be provided in addition to the wages.
- Look into expanding the number of working days to continue support to the same household due to the current economic crisis. The current 40 days was set to be able to assist more households. Increasing the number of days would benefit some households.

B- Women and people with disability inclusion in EIP:

There is no standard approach on including women in EIP. Women led cooperatives have been supported however engaging women in agriculture and construction activities have been challenging. Youth under the age of 18 years are not engaged in EIP as per international standards. Despite having set the target of including 2% individuals with disabilities in activities, outreach has not been effective.

1- Recommendations:

- Work with the local municipalities on determining an approach to how to include women in EIP.
- Assessments are needed to examine what type of work women can and are willing to be engaged in to understand their needs and how to include them (aspect of safety).

- Engage with municipalities on ensuring people with disabilities in activities (identification and targeting have been a challenge). Most effective to work with municipalities as they can support in the outreach.
- More emphasis needs to be placed on what kind of activities can be developed for people with disabilities and elderly (+70) in EIP (there is a demand for work among these groups).
- Need to think of ways for better inclusion and address it in program and project design.
- Mainstream financial literacy training with any program including cash assistance to allow the participants (especially women) to better manage their household budgeting and foster savings at the household level.

2- Good practices:

- In non-traditional sectors it has been beneficial to have female managers to better engage women in EIP.
- Engage male relatives of females in the EIP to make them feel safe.

C- Elections, municipalities, tensions

1- Challenges:

- There are some difficulties with municipalities given the upcoming elections. Local authorities have been asking partners to increase cash-for-work schemes and use it in their political campaigns (increasing access to work for Lebanese).
- There are increasing demands for cash-for-work schemes by municipal authorities as they are not able to cover wages and basic services.
- Some municipalities refuse having Syrians employed due to high need for Lebanese, leading to tensions and agencies have to intervene to de-escalate the tensions.
- Competition over jobs is increasing with the demand for labour among Lebanese
- Perception of aid bias - local perception that we should target more Lebanese.
- Donor requirement only to include Syrians stopped an activity as the municipality did not allow the organization to continue without Lebanese workers.

2- Recommendations:

- Advocacy among donors to include Lebanese in targeting (50/50 ratio in areas where possible to meet the demand from municipalities to include Lebanese)
- Base targeting on vulnerability criteria and focus on communicating this to the communities.
- Important to ensure outreach for the most vulnerable groups in targeting to address competition over jobs.
- Important to ensure strong communication strategies to overcome perception of aid bias and the resulting tensions.

D- Sustainability of activities:

Sustainability of EIP is challenged by the overall economic and financial condition. It is important to recognize the short-term nature of cash-for-work schemes. However, integrating capacity development and training EIP have proven to be successful for job retention.

1- Recommendations:

- Include capacity development components and training in EIP to support retention
- Engage with the private sector (cooperatives, farmers, SMEs) in EIP as they can support job retention and job creation.
- Capacity developments and training have to be done in accordance with market demands.
- Focus on projects that can be used to generate revenue to ensure sustainability such as productive assets (i.e. agricultural lands)
- Assessment on market needs for better targeting.
- Look into assessing municipalities that do not receive assistance.

2- Good practices:

- Private sector actors have continued to employ workers from EIP even after the project ended. Private sectors continue to employ workers because they have the required skills by the private sector actors.

E- Coordination

Essential that agencies harmonize their approach and the rate and modality of payment. Agencies are already facing pressure from municipalities on recruitment. Important to make sure that agencies are giving the same responses to municipalities and harmonizing their approaches.

1- Recommendations:

- Strengthen data sharing systems and/or referral for better outreach and to benefit groups that are normally not targeted (more vulnerable groups) including mapping of entities (cooperatives, MSMEs) to refer workers. There is no centralized database for workers and beneficiaries.
- Coordinate on localities / municipalities
- Strengthen coordination between partners to make sure that assistance is reaching more villages (geo split).

F- Challenges, Risks and Mitigation Measures

Challenges	Risks	Mitigation measures
<p>Covid-19 and projects' resumption (With winter coming there is a risk of a new peak in corona cases).</p>	<ul style="list-style-type: none"> • Lockdown Impact on project due to seasonality (agriculture projects) • Field monitoring more difficult • Impact on projects budget (procurement of PPE items, online modalities) • Work progress and Cash transfers for workers directly affected by lockdowns 	<ul style="list-style-type: none"> • EIIP Covid-19 Guidelines + specific trainings • Extra contract obligation, and Amendment of S&ESF & role of SSOs • Development health committees – Online training of contractors
<ul style="list-style-type: none"> • Political & security unrest 	<ul style="list-style-type: none"> • Lack of basic material & roadblocks • Delays in implementation 	<ul style="list-style-type: none"> • Increased importance to include Lebanese community in design – Employment ratio 50%
<p>Economic downturn: Exchange rates and erosion of wages – Transportation</p>	<p>Impact on projects budget (savings due to exchange rates, increased prices on materials)</p>	<ul style="list-style-type: none"> • Advocacy to raise wages for daily workers (currently dollarized) • ILO Published a technical note – recommendation • UNDP started the wages monitoring exercise • Working on updated recommendation with UN partners • Switched to mandatory disbursement through FSP (direct cash payment to beneficiaries is stopped and now only through FSP) • Measures with contractors to better facilitate transport

Decent work principles implementation in a multi-crisis	Increased exploitation	<ul style="list-style-type: none"> • Focus on enhancing the role of SSO, the S&ESF. (SSO are the field officers that supervise the good implementation of all decent work aspects. empowering their role is important during the crisis. For the projects that do not have such position, it is good to consider it) • Field monitoring
Difficulties related to the banking sector	<ul style="list-style-type: none"> • Ceilings on the amounts that partners are able to transfer • Restrictions on payments in USD to Syrian beneficiaries 	<ul style="list-style-type: none"> • Negotiations with the banks and selection of third-party providers
Less than optimal productivity	Some cooperatives/farmers complained of low productivity of workers	<ul style="list-style-type: none"> • Balance between level of vulnerability and level of skills (include both skilled and unskilled works. Skilled workers might not fit vulnerability criteria) • include a capacity development component in activities to ensure engagement of private sector in EIP projects
Women and PWD participation		<ul style="list-style-type: none"> • Role of SSO (SSO field officers can make sure all aspects of the gender mainstreaming strategy for ex are in place, ensuring better sustained participation). • More outreach and training for stakeholders

TOPIC 4: VALUE CHAIN INTERVENTIONS

Facilitators: Alex Salha (Projects Manager/ Fair Trade Lebanon) & Maya Obeid (Livelihoods Program Manager/ Relief International)

Rapporteur: Tonina Frangieh (Coordination Officer/ UNDP)

A- Successful practices/ Approaches:

Fair Trade Lebanon:

- Work on processing
- Work on hygiene standards and certification: Engaging and working with several cooperatives and supporting small scale producers to adopt hygiene standards.

GVC:

- Engaging municipalities, stakeholders and local authorities when implementing LH interventions (needs identification, planning, etc...)
- Focusing on export capacities of farmers (i.e. to address the constraints on farmers in Lebanon from the GC)
- Developing regional plans with stakeholders to address the constraints in terms of Job creation and other types of challenges and risks.

Care International:

- Inclusion of different stakeholders in all phases of the project (all value chains aspects) and using a participatory approach.

B- Challenges, Risks and Mitigation Measures

Challenges	Risks	Mitigation measures
Fuel shortages	Delays in project implementation/deliverables.	Adopting the remote/ online modality
Remote modality	Inefficient and very challenging when it comes to Value Chains support.	Introductory meetings in person with their beneficiaries before implementing the training online (WVI example).
Supply gaps	Water scarcity has an impact on the products that need water	Increase the water intake

Electricity shortages	<ul style="list-style-type: none"> • Interruption of online modality (when providing capacity building). • Products that need storage were affected. Some partners were supporting small initiatives with Solar systems • Farmers using negative coping mechanisms (i.e. cutting off their products) 	<ul style="list-style-type: none"> • Using a blended approach • Providing Solar systems for small initiatives (but this might not be effective at the longer term)
COVID-19 Lockdown	Targeted municipalities/groups might not accept remote/online modalities which would lead to delays in the implementation (example from Relief International).	Using a blended approach
Lack of engagement and coordination with local authorities and public institutions (municipalities and ministries).	Some targeted institutions' roles were not fully delivered despite their initial expression of interest and availability.	
Impact of the economic Crisis	<ul style="list-style-type: none"> • Effects on the business environment (limited financial opportunities, shift in priorities and approaches used by producers which are not sustainable) • Access to finance 	<ul style="list-style-type: none"> • Engage with micro-finance institutions which can provide financial support to producers • Advocacy with local and national authorities on the importance of local products and on how to increase the demand of the local products, • Focus on export to create more opportunities

Funding gaps and projects' timelines	Prioritization of short term interventions which are not relevant when it comes to support to VC.	Advocate with donors to understand the criticality of the work and to provide long term grants
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C- Ways forward and Recommendations:

- Inter-sectoral coordination to follow up on different priorities:
 - Conflict Sensitivity Mainstreaming (IS coordination with the Social Stability Sector).
 - Protection Mainstreaming (IS coordination with Protection on Gender and Child Labour)
 - Work with the WASH sector to address challenges related to Water that are affecting the production
 - Collaboration with the FSS sector to avoid duplication especially when it comes to the interventions related to agriculture.
 - Joint needs assessment/ researches might be needed for the future to identify IS priorities
 - Cross-sectoral referrals to be prioritized (extensive follow up is needed to reflect on the needs and priorities of the beneficiaries.)
 - Ensure local authorities' engagement from a multi-sectoral approach in order to advocate for them to have an important role as key actors for the exit strategy for the project implemented.
 - Coordination with environment TF on topics related to Climate change
- A stronger coordination is needed between LH partners working on VC (i.e. the mapping of different export initiatives that was launched previously by FTL was something very successful and they suggested creating a coordination body (not official) to build on each other's experience/ achievements).
- Focus on Agriculture (import substitution (VC) and promotion of local products)
- Assessments and research are needed (covering different topics) which will serve in guiding and directing the support provided.
- The number one reason for social tensions is competition over jobs. The livelihoods sector agencies can mitigate these tensions by creating of new jobs/ Maintaining jobs can reduce tensions and by Using an inclusive approach (Partners should be inclusive and target both communities/ SR and HC)