

#### REGIONAL OFFICE FOR THE ARAB STATES

#### PROGRESS REPORT

Reporting UN Organization	:	International Labour Organization
Country	:	Lebanon
Project No.	:	LEB/09/01M/UND (LRF-22)
Project Title	:	Local Socio-Economic Development in War Affected-Areas of South Lebanon
Project Start date	:	1 June 2009
Reporting Period	:	January - March 2010
Budget	:	US\$ 1,500,000

#### I. PURPOSE

Through its participatory approach, the project is implementing socio-economic development activities in war-affected areas of South Lebanon. It is working with and supporting efforts of governmental bodies, local institutions, employers' and workers' organizations and civil society groups present in South Lebanon, for the development of strategically planned, locally-driven and locally implemented livelihoods recovery projects that would generate permanent and temporary employment. The project takes into consideration socio-economic assessments and recovery initiatives adopted by the Government of Lebanon, its partners, the UN Country Team, and non-governmental organizations, in addition to addressing key components of the Social Action Plan "Towards Strengthening Social Safety Nets and Access to Basic Social Services".

It is primarily working towards:

- 1. Enhancing the implementation capacities of local institutions and major implementing partners in South Lebanon in managing livelihood projects through application of acquired tools and methodologies.
- 2. Strengthening the capacities of local institutions in South Lebanon, so they can maintain and replicate participatory methodologies in promoting local economic development initiatives.

The project is continuing to work in partnership with municipalities, local cooperatives, relevant ministries at both central and local levels, micro-credit institutions (e.g. Al Majmoua, ADR), academic institutions, Social Development Centres, syndicates, workers' and employers' organizations present in the South. It also established strategic partnerships with international institutions, including the Italian ROSS programme and INTERSOS.

## II. RESOURCES (as at 31 March 2010)

Category	Budget	Expenditures	Commitment balance	Allocation balance
Personnel     (Project staff and consultants)	631,152	356,453	189,833	84,866
2. Contracts	625,000	108,330	211,099	305,571
3. Training	96,750	45,401	49,575	1,774
4. Transport	2,000			2,000
5. Equipment	4,000			4,000
6. Travel	4,000	1,658		2,342
7. Evaluation	25,000			25,000
8. Miscellaneous	19,374	5,644	11,829	1,901
Agency Management     Support	92,724	29,161		63,563
TOTAL PROJECT BUDGET	1,500,000	546,647	462,336	491,017

## **II. RESULTS**

## Progress made during the period under review:

#### Capacity building:

- In order to promote the project's participatory approach and in line with the recommendations of the independent project evaluation, two training of trainers' workshops were held to train the project staff and the local stakeholders on the PVCA methodology. The workshops aimed at increasing the capacities of the ILO staff on one hand, and the local stakeholders, on the other hand, in facilitating and contributing to the process of Local Economic Development planning.
- A PVCA workshop was held for the livestock sector. Twelve public and civil society institutions contributed in the organization and the facilitation of the training, while approximately 80 institutions were involved in the process. The workshop included a hypothesis session to introduce newcomers to the adopted methodology, and five mini-workshops tackling the components of the dairy value chain: milk as raw material, production process, packaging and storing, training of labour, and marketing.
- As a follow-up to the Training of Trainers for Cooperative Extension workers and based on the workplan that was developed to strengthen the capacities of cooperatives in South Lebanon, nine of the trained extension workers were contracted to assess the capacities of 24 cooperatives and provide training to their members in the weak aspects detected through the assessment.

## Micro-finance and small enterprise development:

 Utilizing the revolving fund that was established between ILO and Al Majmoua during the first phase of the project, 49 additional beneficiaries received micro-loans from Al Majmoua (totaling 263 under phase 2 of the project).  Al Majmoua and the Association for the Development of Rural Capacities (ADR) were identified to provide micro-credits and business management training to approximately 110 beneficiaries in South Lebanon.

## Partnerships with local institutions:

- Social Development Center of the Ministry of Social Affairs of Bint Jbeil
- Agricultural Cooperative of Bint Jbeil
- Regional Cooperative Union in South Lebanon
- Cooperative Union for Development in the South (ARD)
- Chamber of Commerce of Saida
- Syndicate of Agricultural Laborers in South Lebanon
- the Labor Union for the Syndicates of the Employees and Laborers of the South
- Lebanese Association for Development, Rehabilitation and Care (LADRC)
- Cooperative of Agriculture and Beekeeping in Maroun Ar-Ras
- Hicham Fahes Institute for Vocational Training
- Cooperative of Tobacco Planting and its Productivity Enhancement in the South
- Rmeich Cooperative for Agricultural and Livestock Development
- Municipalities of Ein Ebel, Ayta As-Shaab
- Jihad Al Binaa Development Association
- Instituto per la Cooperazione Universitaria
- Cooperative Association for Jabal Amel Beekeepers
- The association of Environment Friends
- Cooperative Association for Agriculture of Mahrouna
- Cooperative Association of Production and Processing of Agricultural Products/ Deir Kanoun Ras El Fin
- Cooperative Association for Agricultural and Livestock Development/ Haloussieh
- The Agricultural Cooperative of Ain Tenta

#### Main activities undertaken and achievements:

## **Project Outcomes**

- Local institutions and major implementing partners in South Lebanon manage livelihoods projects applying acquired tools and methodologies.
- Local institutions in South Lebanon can maintain and replicate participatory methodologies in promoting local economic development initiatives.

#### Performance Indicators (status as at 31 March 2010)

- Number of local (public, private and civil society) institutions trained in Local Socio-Economic recovery Methodology (seven public, 43 private and 40 civil society institutions trained).
- Number of socio-economic projects implemented by ILO with the support and supervision of local stakeholders (2 projects implemented).
- Number of Sectoral Local Economic Recovery Strategies developed (4 strategies developed).
- Number of socio-economic projects funded and facilitated through the project and external sources (2 projects funded).
- Number of vulnerable households which regained their main source of income (385 households targeted).
- Number of grants allocated to local entrepreneurs
- Number of local micro-finance institutions supported by the project (two micro-finance institutions identified and supported).
- Number of loans provided by the project (49 loans provided).
- Number of municipal sub-projects approved (two sub-projects approved).
- Number of entrepreneurial activities supported with recovered livelihoods (49 entrepreneurial activities).

#### **Project Output and Activities**

#### **Work Done**

(January – March 2010)

1.1: Local institutions in targeted economic sectors demonstrate enhanced managerial capacities so as to effectively plan design and implement socio-economic projects.

#### Performance Indicators:

- Improvement in the Governance capacity of the targeted institutions.
- Improvement in the Management Practices' capacity of the targeted institutions.
- Improvement in the HR Management and Development capacity of the targeted institutions.
- Improvement in the Financial Resources and Management capacity of the targeted institutions.
- -Improvement in the Delivery capacity of the targeted institutions.
- Improvement in the Networking capacity of the targeted institutions.
- Improvement in the Sustainability capacity of the targeted institutions.
- Improvement in the Facilities' capacity of the targeted institutions.

An Organizational Capacity Assessment was conducted for 19 institutions. These institutions are considered partners or potential partners who are active in the sectors to be targeted by the project in the second phase, i.e. fishery sector, eco-tourism. A capacity building plan for each institution or group of institutions (training workshops, networking, funding...) was drafted accordingly.

Since limited resources do not allow targeting the 75 Social Development Centers of South Lebanon, it was requested from the Ministry of Social Affairs to identify a group of SDCs to be targeted.

An Organizational Capacity Assessment was conducted for the three SDCs recommended by the MOSA (Ansar, Ayta Echaab, Hasbaya), in addition to two SDCs that the project has been heavily coordinating with (Bint Jbeil and Tyre). These five centers constitute a good sample to assess the capacities of SDCs in South Lebanon both at the district level and the villages level.

The assessment enabled the project team to identify the training needs of the centers, and an appropriate capacity building plan was developed and is being implemented through training workshops involving these centers, in addition to the three other centers at the district level (Marjeyoun, Nabathieh, and Sidon).

One primary need highlighted by all assessed Centers was the creation of a database that enables them to collect and extract meaningful data about their target groups in order to carefully address their needs.

1.2: Beneficiaries in the targeted economic sector in South Lebanon demonstrate enhanced technical capacities in order to improve businesses

Performance Indicators:

- % of increased knowledge of participants in the trainings offered.
- -# of local projects / sectoral proposals produced after the PVCA workshop.
- % of women participation in trainings
- % people with disabilities' participation in trainings

Following the recommendations of the sustainability workshop to target additional economic sectors and considering the global orientation towards green development, a Territorial Diagnosis and Institutional Mapping was conducted to identify the main characteristics of the identified sectors, and to map their most active actors.

The TDIM was undertaken as follows:

- Desk Review: Secondary data were collected about both sectors from available resources (reports from the Ministry of Tourism, Ministry of Environment, Ministry of Agriculture, UN agencies, national and international stakeholders...).
- Focus Groups: The team conducted a focus group for each sector, gathering main stakeholders, to diagnose the needs and problems of the sectors, and to determine the potential areas of intervention for ILO LSER Project. It is worth mentioning that the stakeholders in the focus group of the Environment sector oriented the project toward eco-tourism which suggests a rational consensus between the recommendations of the local stakeholders and the global green orientation.
- In-Depth Interviews: During the focus groups, the participants were requested to identify other active institutions. The latter were interviewed to map their activities and highlight potential synergies the project can create with them.

In collaboration with the Lebanese Physical Handicapped Union (LPHU), a need assessment was launched to identify people with disabilities who are willing to be integrated in the job market through the sectors targeted by the project. At the end of the assessment, valid candidates will be enabled to access adapted skills training, business management training, cooperative training, and PVCA trainings. A Memorandum of Understanding with LPHU is in process to facilitate exchange of knowledge, experience and resources. Two of the assessed people with disabilities participated in the training of new beekeepers and have been integrated into our activities.

As a follow-up to the Training of Trainers for Cooperative Extension workers, a six-month workplan was developed and is being implemented by relevant cooperatives. Nine extension workers were contracted to ensure the implementation of the workplan. They were able to accomplish the following outputs:

- 1- Conduct a training needs assessments for 24 cooperatives distributed across South Lebanon in the agro industry, beekeeping and livestock sectors. A training package was suggested as a result to the assessment.
- 2- Increase the managerial capacities of the board of directors in the targeted cooperatives.
- 3- Organize trainings on increasing productivity, market research, increasing membership, and increasing awareness about cooperative work.

115 additional vulnerable beneficiaries were targeted in four districts (Marjeyoun, Tyre, Nabathieh, and Hasbayya) to plant 115 donoms of Oregano. During this reporting period, about 30% of the planting activities were accomplished.

120 beehives were distributed to the 40 new beekeepers that were trained by the project in order to assist them in starting an income generating activity. Aiming to encourage entrepreneurial initiatives among the beneficiaries, the project will provide two more beehives to beekeepers who take a loan from ILO's micro finance partner Al Majmoua to purchase 3 beehives.

1.3: Local institutions, entrepreneurs, and marginalised groups in the targeted economic sectors in South Lebanon are supported through provision of financial services.

Performance Indicators:

- Number of beneficiaries who accessed loans
- % of women who accessed loans
- % of people with disabilities who accessed loans
- % of loans allocated to each targeted sector.
- % of loans allocated to each targeted caza.
- % of loans beneficiaries per sector.
- % of loans beneficiaries per caza.
- -Number of beneficiaries who accessed grants
- % of women who accessed grants
- % of people with disabilities who accessed grants
- % of grants allocated to each targeted sector.
- % of grants allocated to each targeted caza.
- % of grants beneficiaries per sector.
- % of grants beneficiaries per caza.

Within the framework of the project's partnership with Al Majmoua, the SME focal point participated in the ILO training programme "Making Micro Finance Work", in order to increase the business management skills and financial capacities of the Micro Finance institutions.

Contracts with micro-finance institutions (Al Majmoua and ADR) are being finalized. They will allow the provision of a total of 110 loans.

2.1: Capacities of local stakeholders in exchanging practices is enhanced via establishing/strengthening existent fora related to the selected socio-economic sectors.

#### Performance Indicators:

- Number of local forum established
- Improvement in the Financial Resources and Management capacity of fora created

The local beekeeping forum was officially registered at the Ministry of Interior under the name of "The Forum for Development of Beekeepers in the South". It is regularly meeting to facilitate coordination and networking among the stakeholders of each sector.

The local cooperatives' forum was officially registered at the Ministry of Interior under the name of "The Forum for Development of Cooperatives in the South". It is periodically meeting to draft a strategy for the development of the cooperatives in south Lebanon, and to monitor the performance of the cooperatives' extension workers contracted by the project.

Representatives of both fora participated in the Training of Trainers on the PVCA methodology, and became in charge of guiding their forum members in the process of drafting and implementing the development strategy of their sector.

2.2: Local stakeholders capacities are enhanced to replicate, plan and coordinate socio economic initiatives

Performance Indicators:

- Number of sectoral LED plans developed by local stakeholders.
- Number of stakeholders attending the sustainability workshop.
- Number of stakeholders using the replication guidelines in planning their Socio-economic activities.
- % of women participation in the fora created/ strengthened
- % of people with disabilities in the fora created/ strengthened

In order to promote the project's participatory approach and apply the recommendations of the evaluation, two training of trainers' workshops were held to train the project staff and the local stakeholders on the PVCA methodology. Both workshops were provided by an international trainer who accomplished the following:

- 1- Developed, with the project staff, a format that quickly analyzes the opportunities of the sector/product before conducting a PVCA.
- 2- Reviewed, with the project staff, the PVCA methodology and adapted its tools to increase its effectiveness.
- 3- Conducted a Training of Trainers on PVCA for ILO staff.
- 4- Developed with the project staff, the terms of references which contribute to the institutionalization of the local sectoral fora, and define their functions.

Following the preparatory work mentioned above, the project organized a Training of Trainers on the PVCA methodology for the local stakeholders to increase their capacities in holding PVCA workshops independently.

As was initially planned in the first phase of the project, a PVCA workshop was held for the Livestock sector. The PVCA focused on the main product of the sector, i.e. dairy products, rather than on the sector as a whole. This allowed the stakeholders to get a better understanding of the value chain process and obtain a stronger grasp of the potential opportunities. Twelve public and civil society institutions contributed in the organization and the facilitation of the training, while approximately 80 institutions were involved in the process.

## Impact assessment:

A substantial amount of resources has poured into recovery and reconstruction work following the 2006 Israeli hostilities. The extent to which reconstruction activities will yield a lasting impact will be determined in the years to come. The support from the Lebanon Recovery Fund (LRF) for the implementation of this project allocates more than one-third of the resources for disbursement to affected men and women to use business as a starting capital. Some of the funds will be used as direct grants, but one-third of the amount will be disbursed through loans in collaboration with Al Majmoua and ADR, two renowned micro-finance institutions with significant capacities and established records in implementing this type of initiative. Adequate provisions are being made to ensure transparency in fund management and the disbursement of services. Throughout the process, the project has ensured coordination, local ownership, and understanding of local situation.

## Institutional Capacity Development:

- Public, private and civil society local stakeholders designed consensual and integrated proposals to support the economic development of the olive oil and beekeeping sectors. The same participatory methodology will be adopted to design development strategies for the dairy and green jobs sectors.
- Collaborative initiatives between central authorities MOL, MoSA, MoA, MoE, MoT, municipalities, academia, local institutions including employers' associations and workers' organization are systematically promoted.
- Staff members of local institutions are certified as Local Appraisal of Competitive Advantages (LACA) co-facilitators, and skilled to identify and coordinate a Participative Value Chain Analysis.
- Exchange of information and preparation of a local forum among key stakeholders of the cooperative and beekeeping sectors facilitated (public, private, civil society).
- Started to establish the basis for local governance in the targeted sectors and components

- (olive oil, beekeeping, cooperatives, oregano, dairy and green jobs, people with disabilities, micro-finance) through networking between the main stakeholders.
- The enhanced capacities of local stakeholders in the South, in addition to the partnerships that were established at the local level, will allow local institutions to design and raise the funds needed for local economic recovery projects beyond the project's completion date.

## Local Economic Development:

- Key gaps, opportunities and multi-sectoral development projects in the olive oil and beekeeping sectors were identified through the active engagement of local stakeholders in the Participative Value Chain Analysis.
- Local stakeholders' awareness on socio-economic recovery issues in the olive oil and beekeeping sectors was raised.
- With the participation of key stakeholders, a six-month development work plan was drafted to improve the performance of cooperatives in South Lebanon.

## Strategic Partnerships:

- The project benefits from a multidisciplinary framework of intervention for ILO, UN and local stakeholders in South Lebanon.
- Al Majmoua, through its Oxfam-funded project, is complementing ILO projects by providing two strategic complementary services for disabled people and beekeepers.

## Visibility and outreach:

- A number of visits were undertaken by potential buyers, collaborative institutions, and academia.
- The project promoted the visibility of the ILO, the Government of Lebanon and the Lebanon Recovery Fund in all field sites and during the events that were organized within the framework of the project.

#### **Challenges faced:**

## UN joint project integration:

Integrated UN projects demand regular dialogue within the teams and with partner organizations. The pace of work in South Lebanon is fast and often offers limited opportunities for a systematic knowledge sharing and collaborative initiatives. However, the common location of key partners, i.e. UNDP and a number of existing collaborative initiatives favors regular information sharing, cost efficiencies and programmatic coherence.

#### Capacity of local institutions:

The conflict-affected South Lebanon region has suffered from weak local institutions in both the governmental and non-governmental sectors. There are a number of civil society organizations, universities, and research organizations. Unfortunately, these organizations are operating with inadequate coordination arrangements; face competing demands for services while they have limited technical and organizing capacity. The ILO LSER Project has made significant efforts to involve these local partners in programme planning, design, implementation, and evaluation work and invested considerable resources in capacity development initiatives. Moreover, a considerable amount of resources from the second phase of the project will be poured in the capacity building of local institutions. There are also significant gaps in existing assessments and statistics for the agriculture sector.

## Vocational training:

The limitations of existing vocational training services make it difficult to refer farmers and other workers in that direction to improve their technical skills. As regards other vocational training areas, the ILO launched a large project focusing on the development of vocational skills and relevant institutional support for the construction sector with special geographical emphasis in south Lebanon.

#### Lessons learned:

Community engagement requires significant time and energy, but this can pay significant dividends. When the ILO gains the trust of partners and community stakeholders, it can increase its engagement with national and local stakeholders' and impact on job creation and poverty reduction. The work undertaken involves a broad range of outcomes and a broad representation of local actors to reach these outcomes. While this initiative is aimed at creating more and better jobs and a stronger local community, there are other outcomes that are produced as well. Development in the LED sense is a participatory process, which strengthens social cohesion through local public-private partnerships, fosters skills development, provides institutional capacity building and lays the foundations for a sustainable development process.

Close collaboration with formal and informal community leaders ensures transparency in the distribution of benefits and encourages accountability among the community for its own development. As a result, it helps in identifying beneficiaries most in need of, and best able to use, their support.

Furthermore, an independent evaluation of the project was carried out by a team of external consultants, including an international and a national evaluator. The initial findings of this evaluation, including the "Lessons Learned" were provided to the LRF committee, disseminated during a stakeholders' workshop, carefully reviewed during the "Sustainability Workshop" and adopted as guidelines in the implementation of the second phase of the project.

# Annex I: Project initiatives

# **ONGOING PROJECTS**

Organization	International Labour Organization		
Project Title	Cooperative Development in South Lebanon		
Sector	Cooperatives		
Needs to be addressed	<ul> <li>Lack of extension workers skilled in providing adequate cooperatives' managerial and technical support.</li> <li>Lack of management and cooperative understanding.</li> <li>Lack of marketing strategies and channels.</li> <li>Lack of clear work plans for cooperative work in South Lebanon</li> </ul>		
Objective	The cooperative extension workers, will deliver necessary support services to promote and develop local cooperatives, improve their management performance, increase volume of business and number of members, using participatory approaches and training methods.		
Expected Results	<ul> <li>5 to 7 cooperatives improved their managerial and technical skills</li> <li>Participants in the training, are evaluated to test the level of knowledge acquired through the trainings</li> </ul>		
Activities	<ul> <li>Assessment and analyses</li> <li>Conducting trainings</li> <li>Conducting meetings with Board Of Directors</li> <li>Conducting trainings for the Board Of Directors</li> </ul>		
Duration	6 months		
Cost	US\$ 24,300		
Local partners	<ul> <li>Agricultural Cooperative of Bint Jbeil</li> <li>Regional Cooperative Union in South Lebanon</li> <li>Cooperative Union for Development in the South (ARD)</li> <li>Cooperative of Agriculture and Beekeeping in Maroun Ar-Ras</li> <li>Cooperative of Tobacco Planting and its Productivity Enhancement in the South</li> <li>Rmeich Cooperative for Agricultural and Livestock Development</li> <li>Cooperative Association for Jabal Amel Beekeepers</li> <li>Cooperative Association for Agriculture of Mahrouna</li> <li>Cooperative Association of Production and Processing of Agricultural Products/ Deir Kanoun Ras El Ein</li> <li>Cooperative Association for Agricultural and Livestock Development/ Haloussieh</li> <li>The Agricultural Cooperative of Ain Tenta</li> </ul>		
Funding Source	Lebanon Recovery Fund		

# **ONGOING PROJECTS**

Organization	International Labour Organization		
Project Title	Support to Alternative Agriculture: Oregano – South Lebanon		
Sector	Beekeeping		
Needs to be addressed	<ul> <li>A high concentration of beekeepers on little pastures.</li> <li>Deterioration of forestation in Lebanon generally, and in South Lebanon specifically.</li> <li>Lack of irrigation systems in the thyme agriculture.</li> <li>Low thyme supply when compared to demand.</li> <li>Decrease of wild thyme quantities caused by early harvesting.</li> <li>Lack of natural treatment for bees' diseases (thyme's oil has proved to be an efficient natural treatment for Varroa).</li> </ul>		
Objective	<ul> <li>Generate sustainable local income and create local employment opportunities in South Lebanon through pursuing the production of thyme and its bi-products.</li> </ul>		
Expected Results	<ul> <li>A total of 115 donoms planted with thyme.</li> <li>A total of 115 farmers trained on efficient thyme farming techniques.</li> </ul>		
Activities	<ul> <li>Choosing 28 villages to be targeted by the project.</li> <li>Choosing 115 beneficiaries in all the 28 villages.</li> <li>Plantation of 115 donoms with 5000 thyme plants each.</li> </ul>		
Duration	4 months		
Cost	US\$ 127,290		
Local partners	<ul> <li>Syndicate of Agricultural Labourers in South Lebanon</li> <li>Labour Union for the Syndicates of the Employees and Laboruers of the South</li> <li>Cooperative Union for Development in the South</li> <li>Cooperative of Tobacco Planting and its Productivity Enhancement in the South</li> <li>Jihad Al Binaa Development Association</li> <li>The Association of Environment Friends</li> <li>Cooperative Association for Agriculture of Mahrouna</li> <li>Cooperative Association of Production and Processing of Agricultural Products/ Deir Kanoun Ras El Ein</li> <li>Cooperative Association for Agricultural and Livestock Development/ Haloussieh</li> <li>The Agricultural Cooperative of Ein Tenta</li> </ul>		
Funding Source	Lebanon Recovery Fund		

# APPROVED PROJECTS

Organization	International Labour Organization		
Project Title	Business Management Training and Micro Finance for Small and Medium entrepreneurs in South Lebanon		
Sector	Small Enterprise Development and Micro Finance		
Needs being addressed	<ul> <li>Urgent need for a prompt basic economic recovery and supporting the strategic economic activities in a sustainable manner.</li> <li>Lack of practical business management tools</li> <li>Lack of skilled facilitators for BMT.</li> <li>Small Enterprises not able to access micro-finance.</li> </ul>		
Objective	■ The local beneficiaries (most vulnerable population, micro and enterprises, women business associations, people with disability) will receive through Local stakeholders (Al Majmoua, ADR) concrete business management skills and financial support through micro credits to recover economic activity.		
Expected Results	<ul> <li>Approximately 110 micro, small and medium enterprises receive micro-credit and business management training through Al Majmoua and ADR in South Lebanon to enable them to start or improve their businesses.</li> </ul>		
Activities	<ul> <li>Selection of Micro-finance institutions and facilitators to participate in training</li> <li>Organization of focus groups to discover areas of focus for the BMT</li> <li>Organization of the Training course on Making Micro-Finance Work</li> </ul>		
Duration	8 months		
Cost	US\$ 150,000		
Local partner	Al Majmoua, ADR		
Funding source	LRF Funds		
Status	approved		