

LEBANON RECOVERY FUND (LRF)

ANNUAL PROJECT NARRATIVE PROGRESS REPORT

REPORT COVER PAGE

Recipient UN Organization:

International Labour Organization

Report Number: I**Project Number:**

LRF-22
(LEB/09/01M/UND)

Project Title:

Local Socio-Economic Development in War-Affected Areas in South Lebanon

Reporting Period:

1 January 2009 to 31 December 2009

Project Budget:

US\$ 1,650,000
(LRF: US\$ 1,500,000; ILO: US\$ 150,000)

List Implementing Partners:

- Ministries of Social Affairs (Social Development Centers), Labour, Interior & Municipalities, Agriculture and Industry
- Municipalities
- Non-governmental organizations: Association of Lebanese Industrialists, General Confederation of Lebanese Workers, syndicates, cooperatives, micro-finance institutions

Project Coverage/Scope:

South Lebanon

Abbreviations and acronyms:

BDS: Business Development Services
BMT: Business Management Training
LSER: Local Socio-Economic Recovery
MoSA: Ministry of Social Affairs
PVCA: Participative Value Chain Analysis
SDC: Social Development Center
SME: Small and Medium Enterprises
TDIM: Territorial Diagnosis and Institutional Mapping
ToT: Training of Trainers

Project Duration:

1 January 2009 to 31 December 2010

I. PURPOSE

Through its participatory approach, the project is implementing socio-economic recovery activities in war-affected areas of South Lebanon. It is coordinating 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, to 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 the key elements of the Social Action Plan Towards Strengthening Social Safety Nets and Access to Basic Social Services and the United Nations Development Assistance Framework.

It is primarily working towards:

- 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.
- Strengthening the capacity of the local institutions in South Lebanon, so they can maintain and replicate participatory methodologies in promoting local economic development initiatives.

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

II. RESOURCES

Financial Resources:

In addition to the contribution received from the Lebanon Recovery Fund, the ILO contributed an amount of US\$ 150,000 to ensure a consolidation of project activities under phase I of the project (LRF-5) and pave the way for the implementation of the second phase.

Human Resources:

National staff include one National Project Coordinator, one focal point for vulnerable groups, one focal point focusing on capacity building and training, one institutional development officer, one administrative and finance assistant and one driver. International staff include one Local Socio-Economic Recovery Specialist.

III. IMPLEMENTATION AND MONITORING ARRANGEMENTS

The project is being implemented in coordination with relevant line ministries, employers' and workers' organizations, civil society, municipalities, cooperatives and the donor community in Lebanon. The ILO is responsible for the appropriate use of the recovery funds. In accordance with its administrative rules and regulations, the ILO assumes responsibility for the recruitment of project personnel, contractual arrangements, technical assistance, backstopping and project supervision, procurement of equipment, monitoring and reporting. The project set up a Project Management Unit (PMU) responsible for the day-to-day implementation and coordination

activities. The PMU, which is based in the UN Hub in Tyre, ensures the day-to-day project operations and makes any amendments necessary to the project's activities.

The procurement of goods and services are being done in accordance with ILO rules and regulations:

- When the amount of purchase of goods and services is less than US\$20,000 and above US\$200, three quotations are sought to validate the selection of the supplier.
- Whenever a single purchase of goods or services exceeded US\$20,000, tenders from at least three suppliers are sought and justification sent to PROCUREMENT for approval.

To guarantee the quality and quick delivery of projects, monitoring mechanisms were set up and include:

- Establishment of a monitoring system covering all ongoing projects and including baseline data, indicators, geographic locations and number of beneficiaries.
- Conducting field visits to observe and monitor the progress of work by implementing partners.
- Drafting reports to document the observations, achievements, progress and problems faced by implementing partners.
- Compiling all data gathered about each project into one comprehensive evaluation report to extract lessons learned and future recommendations.

IV. RESULTS

a) Progress made during the period under review:

A bridging phase for the project (January-April 2009) was approved and financed by the ILO to ensure the achievement of all planned results and to put together an exit strategy that will ensure the sustainability of the project beyond its completion date. The project's sustainability relies on the capacity building of local institutions to design and raise the funds for the implementation of additional projects in Bint Jbeil – a programming methodology that will be replicated in other districts and governorates nationwide. The strategy will analyze the potentialities of the olive oil and beekeeping sectors on the Lebanese market.

This bridging period allowed the continuity of the project's interventions and the implementation of the following activities:

- Production of Replication Guidelines which illustrated the contributions of the ILO project in recovery activities.
- Organization of a sustainability workshop that ensured the smooth handover of the project's findings and achievements to the local community and a firmer transition from the first phase of the project to the second.
- Training of trainers (TOT) session for extension workers in cooperative management was offered to the local cooperatives, in collaboration with the Directorate General of Cooperatives.
- Reorganization of the local economic fora to formalize sectoral coordination and evolve into Economic Sectoral Associations
- Booklet of People with Disabilities' component which illustrated the project's experience in integrating people with disabilities from the Bint Jbeil district in the market.

Moreover, the promising results achieved in the implementation of the first phase of the project paved the way for the identification of new areas of intervention, created possibilities for expansion in scope and prompted a shift in focus from short-term recovery to longer term development. A long-term development focus will lead to greater institutionalization, coordination and organization of local actors in the key economic sectors of South Lebanon, while addressing the lack of technical skills, coherent marketing plans, productive equipment and infrastructure and adequate financing to expand existing small businesses. Hence, a second phase of the project was approved by the Lebanese Recovery fund, and the following activities were implemented during the period under review:

Capacity building:

- In order to promote the participatory approach of the project, and to apply the evaluation's recommendation, 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.
- As was initially planned in the first phase of the project, 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 labor, and marketing.
- As a follow-up to the Training of Trainers for Cooperative Extension workers, a workplan was drafted 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 on the weak aspects detected through the assessment.

Micro-finance and small enterprise development:

- 49 additional beneficiaries received micro-loans from Al Majmoua (total: 559 including eight people with disabilities).

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 Ein
- Cooperative Association for Agricultural and Livestock Development/ Haloussieh
- The Agricultural Cooperative of Ain Tenta

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

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 (SDCs) present in South Lebanon, the Ministry of Social Affairs identified a selected group of SDCs to be targeted.

Then, 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 caza 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 drafted, and will be implemented through training workshops that will involve these centers, in addition to the three other centers at the caza level (Marjeyoun, Nabathieh, and Sidon).

One primary need highlighted by all assessed Centers was the creation of a database that will enable them to collect and retrieve meaningful data about their target groups in order to wisely cater their needs.

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

For the second phase of the project, the project team conducted a territorial diagnosis to decide in which sectors the project will intervene. Upon the recommendation of the evaluator and for cost-effectiveness and efficiency, it was agreed that focus groups and in-depth interviews with stakeholders will be conducted.

During the sustainability workshop, the local stakeholders were given the opportunity to vote for the two most vital economic sectors in South Lebanon (in addition to beekeeping and olive oil). They fishery and tourism sectors were selected. Taking into consideration these recommendations, and considering that there is a global orientation toward green development, it was decided to target the fishery and eco-tourism sector. A Territorial Diagnosis and Institutional Mapping (TDIM) were conducted to identify the main characteristics of these sectors, and to map their most active actors.

The TDIM consisted of the following steps:

- 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. 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 needs 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 able 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 drafted by the new trainers, and revised by the international cooperative consultant and the ILO team, to strengthen the capacities of cooperatives in South Lebanon. Nine extension workers were contracted to ensure the implementation of the work plan. They were able to accomplish the following outputs:

- Conducted 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.
- Increased the managerial capacities of the board of directors in the targeted cooperatives.
- Organized trainings on increasing productivity, market research, increasing membership, and increasing awareness about cooperative work.

An additional 115 vulnerable beneficiaries were targeted in four districts (Marjeyoun, Tyre, Nabatiyeh, and Hasbaya) 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 are granted a loan from ILO's micro finance partner Al Majmoua - the loan which will be used to purchase three beehives.

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

In support of the ILO partnership with Al Majmoua, one project staff participated in a training course entitled: "Making Micro Finance Work" that was implemented jointly between Al

Majmoua and the International Training Centre of the ILO, in order to increase the business management skills and financial capacities of microfinance institutions.

Moreover, two contracts, one with Al Majmoua and the other with the Association for the Development of Rural Capacities (ADR) are being finalized. These partnership agreements will allow the project to provide micro-credits to approximately 80 eligible beneficiaries in South Lebanon to start-up new or support existing businesses.

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

The local beekeeping forum was officially registered in the Ministry of Interior and Municipalities 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 in the Ministry of Interior and Municipalities 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.

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

A Project Advisory Committee (PAC) is being established to ensure national ownership and the sustainability of the project.

In order to promote the project’s participatory approach and to apply the evaluation’s recommendations, 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:

- Developed, in consultation with the project staff, a format that quickly analyzes the opportunities of the sector/product before conducting a PVCA.
- Reviewed, with the project staff, the PVCA methodology and adapted its tools to increase its effectiveness.
- Conducted a Training of Trainers on PVCA for ILO staff.
- 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. However, following the advice of the international trainer, 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.

b) Problems 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 favours 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.

c) 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.
