



**Submission Form
To
The Lebanon Recovery Fund Steering Committee**

To be completed by the Recovery and Reconstruction Cell (RRC)	
Meeting No:	Date of Meeting:
Item No:	Programme/project

*(To be completed by the Participating UN Organisation
and endorsed by Working Group Chair)*

To: Lebanon Recovery Trust Fund Steering Committee	Date of Submission: 24 March 2009
From: International Labour Organization Ministry of Labour	Contact: Nada Al-Nashif Regional Director International Labour Office (ILO) Regional Office for Arab States Beirut - Lebanon Tel: 961-1-752 404 Fax: 961-1-752 405 E-mail: al-nashif@ilo.org
Through: Working Group <input checked="" type="checkbox"/> Endorsement <input type="checkbox"/> Comments	Contact: Nada Al-Nashif Tel: 961-1-752 404 Fax: 961-1-752 405 E-mail: al-nashif@ilo.org
Proposed submission, if approved would result in: <input checked="" type="checkbox"/> Continuation of existing programme/project <input type="checkbox"/> New programme/project <input type="checkbox"/> Other (explain)	Proposed submission resulted from: <input type="checkbox"/> National Authorities initiative within national priorities <input checked="" type="checkbox"/> UN Agency initiative within national priorities <input type="checkbox"/> Other (explain)
Project title: Supporting Local Socio-Economic Development in War-Affected Areas of South Lebanon	
Amount of funds requested for proposed project: US\$ 1,500,000	
Estimated number of beneficiaries: direct: 700 households; indirect: 3,000 individuals	
Request against specific earmarking or unearmarked: Unearmarked	
Amount of indirect costs requested (7%): US\$ 92,724	

1. Background

Following the large-scale hostilities that broke out in Lebanon in July-August 2006, a series of assessments were made of the socio-economic repercussions in conflict-affected areas. At the community level, a detailed municipal damage and needs assessment was completed for South Lebanon. Based on the assessments made and work done by the ILO in South Lebanon since 2000, the ILO designed a project in the first half of 2007 on "Local Socio-Economic Recovery in War-Affected Areas of South Lebanon", financed by the Lebanon Recovery Fund and the ILO.

Through the livelihood cluster coordination platform, this ILO-led project was implemented using a unique multidisciplinary approach to restore the livelihoods of beneficiaries through income generation and restoration of small and medium scale business entities in key economic sectors – olive oil, beekeeping, and thyme cultivation. The project targeted clusters of municipalities in Bint Jbeil, with a special focus on vulnerable groups. Its overarching objective was to improve access to sustainable livelihoods and employment opportunities in underserved and war-affected areas of South Lebanon. Its development objective focused on promoting social equity and local stakeholder empowerment through local employment recovery and livelihood projects, thereby contributing to the local economic recovery of Bint Jbeil. The project implemented socio-economic activities, supported by capacity building of local stakeholders to identify and provide direct services to recover sustainable livelihoods.

The promising results achieved in the implementation of the first LSER 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.

2. Purpose of Proposed Project

The proposed project aims at both implementing local socio-economic development activities and enhancing the capacities of institutions at the community level in identifying, prioritizing, designing and implementing socio-economic activities in an autonomous manner. Based on the work done by the local economic fora and the first LSER project, this project will further build the economic and planning capacities of local institutions and communities to play a leading role in the development of strategically planned and locally implemented livelihood projects.

To achieve the development objective and proposed outcomes, the project is composed of three main components: enterprise development, vocational training and improved organization and coordination of key economic sectors. The project will utilize a participatory approach, to ensure local consensus at all stages of implementation, as well as to strengthen cooperation and foster dialogue. The project also aims to expand the area of ILO intervention to cover all the war-affected areas of South Lebanon, including clusters of municipalities in additional cazas.

Development Objective:

To promote social equity and local stakeholders empowerment through local employment development and livelihood support in conflict-affected areas in South Lebanon.

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.

3. Evaluation of Proposals by the Working Group

Implementability

	2009	2010
Estimated commitments (\$mill)	_____	_____
Estimated disbursements (\$mill)	_____	_____

Does the project correspond to national priorities? Yes ☒ No ☐

Please elaborate

☒ Project approved by the Ministry of Labour on 12-1 APR 2009.

4. Review by Recovery and Reconstruction Cell (RRC)

Check on Programme/Project Proposal Format Contents

<input type="checkbox"/> Cover sheet (first page)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<input type="checkbox"/> Logical Framework	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<input type="checkbox"/> Programme/Project Justification	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<input type="checkbox"/> Programme/Project Management Arrangements	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<input type="checkbox"/> Risks and Assumptions	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<input type="checkbox"/> Budget	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<input type="checkbox"/> Support Cost	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Overall review of programme submission
Recommendations

Elaborate

5. Decision of the LRF Steering Committee

- ☒ Approved for a total budget of \$1,500,000
☐ Approved with modification/condition
☐ Deferred

Reason/Comments

Elaborate

Chair of the LRF Steering Committee

May 4, 2009
Date

6. Follow-up action taken by the Administrative Agent

☒ Project consistent with provisions of the Letter of Agreement with donors (if applicable)

.....
Signature

.....
Date



**LEBANON RECOVERY FUND
PROJECT DOCUMENT COVER SHEET**

Participating UN Organisation: ILO	Sector: Livelihood
Project Manager Name: Nada Al-Nashif, Regional Director Address: Aresco Centre, Justinien Street, Beirut Telephone: 01 752404 E-mail: al-nashif@ilo.org	Working Group Chair Name: Address: Telephone: E-mail:
Project Title: Supporting Local Socio-Economic Recovery and Development in War-Affected Areas of South Lebanon Project Number: LEB/09/01M/UND	Project Location: South Lebanon
Project Description: The project delivers a unique multidisciplinary approach that aims at restoring livelihoods through income generation and restoration of small and medium scale business entities, with particular attention to the most disadvantaged. The project will implement socio-economic development activities and enhance the capacities of institutions at the community level in identifying, prioritizing, designing and implementing socio-economic activities in an autonomous manner.	Total Project Cost: \$1,500,000 LRF: \$1,500,000 Government Input: Other: Total: \$1,500,000 Project Duration: 21 months
Development Objective: To promote social equity and local stakeholders empowerment through local employment development and livelihood support in conflict-affected areas in South Lebanon Immediate objectives: <ol style="list-style-type: none"> 1. Local institutions and major implementing partners in South Lebanon manage livelihoods projects applying acquired tools and methodologies. 2. Local institutions in South Lebanon can maintain and replicate participatory methodologies in promoting local economic development initiatives. 	
Outputs and Key Activities: Using a participatory approach involving relevant stakeholders at the national and community levels, the project will implement the following: <ul style="list-style-type: none"> ▪ Enhance the managerial capacities of local institutions in targeted economic sectors to effectively plan, design and implement socio economic projects. ▪ Enhance the capacities of beneficiaries in the targeted economic sector in South Lebanon to improve and sustain their businesses ▪ Support the provision of financial services to local institutions, entrepreneurs, and marginalised groups in the targeted economic sectors in South Lebanon ▪ Improving the capacities of local stakeholders in exchanging practices by establishing/strengthening existent fora related to the selected socio-economic sectors ▪ Local stakeholders capacities are enhanced to replicate, plan and coordinate socio economic initiatives 	
Working Group Review Date: _____	

RRC Review Date _____

Steering Committee/Project Approval Group Approval Date: _____

Signature

Date

Name/Title

On behalf of:

Ministry of Labour:

ILO:

Chair, LRF SC

Regional Director

Minister of Economy and Trade

2. Logical Framework

Hierarchy of Objectives	Measurable indicators	Means of Verification
Development Objective:		
To promote social equity and local stakeholders empowerment through local employment development and livelihood support in conflict-affected areas in South Lebanon		
Outcomes:		
1. Local institutions and major implementing partners in South Lebanon manage livelihoods projects applying acquired tools and methodologies.	<p>Indicator: % of new job created in the targeted economic sectors.</p> <p>Indicator: % of Increased margin of profits of the direct beneficiaries of the project.</p> <p>Indicator: % of stakeholders applying learned methodologies in order to design and implement new socio- economic projects.</p>	<ul style="list-style-type: none"> Monitoring database Evaluation Report
2. Local institutions in South Lebanon can maintain and replicate participatory methodologies in promoting local economic development initiatives.	<p>Indicator: % of stakeholders replicating same or improved learned methodologies in order to promote LED.</p> <p>Indicator: % of stakeholders using replication guidelines in order to promote LED.</p> <p>Indicator: % of new contacts established by local institutions and % of increased relations with donors</p>	<ul style="list-style-type: none"> Analysis of the capacity assessment. Monitoring database Evaluation Report
Outputs and Activities		
Output 1.1: Local institutions in targeted economic sectors demonstrate enhanced managerial capacities so as to effectively plan design and implement socio-economic projects.	<p>Indicator: % of participants' knowledge acquired through Business Management Trainings.</p> <p>Target: 75%% increased knowledge.</p> <p>Indicator: % of participants' knowledge acquired through Training on Cooperative Management.</p> <p>Target: 75% increased knowledge.</p>	<ul style="list-style-type: none"> Pre and post evaluation reports from trainings Institutional capacity assessment reports (tool to be used: the Organizational Capacity Assessment Test)

<p>Activity 1.1.1: Assessment of the capacities of local institutions that are considered potential partners in South Lebanon.</p> <p>Activity 1.1.2: Capacity building of local institutions through trainings tailored to address the gaps identified through the institutional capacities' assessment.</p> <p>Activity 1.1.3: Delivery of ILO's entrepreneurship development Training of Trainers and "Get Ahead" Training Module to local business development service providers</p> <p>Activity 1.1.4: Support local businesses providers to implement Entrepreneurship Development training.</p> <p>Activity 1.1.5: Provision of cooperative management Training of Trainers to trainers of the Directorate General of Cooperatives, Unions of Cooperatives and local cooperatives.</p> <p>Activity 1.1.9: Capacity building of one to two (1-2) local microfinance institutions through delivery of middle management training.</p>	<p>Indicator: % of knowledge acquired through Management Trainings for middle managers local microfinance institutions. Target: 75%% increased knowledge.</p> <p>Indicator: improvement in the Management Practices' capacity of the targeted institutions. Target : at least one step improvement in Management Practices' capacity</p>	
<p>Output 1.2: Beneficiaries in the targeted economic sector in South Lebanon demonstrate enhanced technical capacities in order to improve businesses</p>	<p>Indicator: % of increased knowledge of participants in the trainings offered. Target: 75% increased knowledge.</p> <p>Indicator: # of local projects / sectoral proposals produced after the</p>	<ul style="list-style-type: none"> • Pre and post evaluation reports from trainings • Monitoring database.

<p>PVCA workshop. Target: at least 10 project proposal after each workshop.</p> <p>Indicator: % of women participation in trainings Target: 20% women participation</p> <p>Indicator: % people with disabilities' participation in trainings Target: 5% people with disabilities' participation in trainings.</p>	
<p>Activity 1.2.1: Conducting territorial diagnosis of South Lebanon to identify the key economic sectors to be targeted.</p> <p>Activity 1.2.2: Participative Value Chain Analyses (PVCA) training at the sectoral level (for the sectors to be selected through the territorial diagnosis and the sustainability workshop), which will eventually lead to the development by local stakeholders of local projects/sectoral proposals.</p> <p>Activity 1.2.3: Enabling people with disabilities to access adapted skills training, business management training, cooperative training, and PVCA trainings.</p> <p>Activity 1.2.4: Delivery of vocational training for beekeepers.</p>	
<p>Indicator: Number of beneficiaries who accessed loans Target: TBA number of beneficiaries who accessed loans</p> <p>Indicator: % of women who accessed loans Target: 20% of women accessed loans</p>	<ul style="list-style-type: none"> Monitoring database. Institutional capacity assessment reports (tool to be used: the Organizational Capacity Assessment Test)
<p>Output 1.3 Local institutions, entrepreneurs, and marginalised groups in the targeted economic sectors in South Lebanon are supported through provision of financial services.</p>	

	<p>Indicator: % of people with disabilities who accessed loans Target: 5% of people with disabilities accessed loans</p> <p>Indicator: % of loans allocated to each targeted sector. Target: TBA% of loans allocated to each sector</p> <p>Indicator: % of loans allocated to each targeted caza. Target: TBA% of loans allocated to each caza</p> <p>Indicator: % of loans beneficiaries per sector. Target: TBA% of loans beneficiaries per sector.</p> <p>Indicator: % of loans beneficiaries per caza. Target: TBA% of loans beneficiaries per caza.</p> <p>Indicator: Number of beneficiaries who accessed grants Target: TBA number of beneficiaries who accessed grants</p> <p>Indicator: % of women who accessed grants Target: 20% of women accessed grants</p> <p>Indicator: % of people with disabilities who accessed grants Target: 5% of people with disabilities accessed grants</p> <p>Indicator: % of grants allocated to each targeted sector. Target: TBA% of grants allocated to each sector</p> <p>Indicator: % of grants allocated to each targeted caza. Target: TBA% of grants allocated to each caza</p> <p>Indicator: % of grants beneficiaries per sector.</p>	
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	<p>Target: TBA % of grants beneficiaries per sector.</p> <p>Indicator: % of grants beneficiaries per caza.</p> <p>Target: TBA % of grants beneficiaries per caza.</p>	
<p>Activity 1.3.1: Provision of funds to local implementing partners to implement sectoral economic activities (as prioritized by the PVCA workshops).</p> <p>Activity 1.3.2: Rehabilitation of key economic infrastructures in targeted sectors</p> <p>Activity 1.3.3: Provision of funds to the Social Development Centers to strengthen their capacity in integrating people with disabilities in the job market.</p> <p>Activity 1.3.4: Provision of micro loans to micro entrepreneurs and members of cooperatives</p> <p>Activity 1.3.5 Recovery of income generation activities for disabled people through access to grants and/or micro loans (for activities related to the targeted sectors).</p>		
<p>Output 2.1: Capacities of local stakeholders in exchanging practices is enhanced via establishing/strengthening existent fora related to the selected socio-economic sectors.</p>	<p>Indicator: Number of local forum to be established/ Target : 4 local forum established</p> <p>Indicator: improvement in the Financial Resources and Management capacity of fora created Target : at least one step improvement in the Financial Resources and Management capacity of created forum</p>	<ul style="list-style-type: none"> • Monitoring Database • Institutional capacity assessment reports (tool to be used: the Organizational Capacity Assessment Test)
<p>Activity 2.2.1: Capacity assessment of the existing forum of beekeeping.</p> <p>Activity 2.2.2: Prepare an adequate institutional capacity building plan to respond to the beekeeping forum needs.</p>		

<p>Activity 2.2.3: Establishment of three (3) local economic fora/Economic Sectoral Associations for the sectors to be selected by the local decision makers during the sustainability workshop.</p> <p>Activity 2.2.4: Capacity assessment of the new fora.</p> <p>Activity 2.2.6: Prepare an adequate institutional capacity building plan to respond to the new forum needs.</p>		
<p>Output 2.2: : Local stakeholders capacities are enhanced to replicate, plan and coordinate socio economic initiatives</p>	<p>Indicator: Number of sectoral LED plans developed by local stakeholders. Target: 5 sectoral LED plans developed by local stakeholders.</p> <p>Indicator: Number of stakeholders attending the sustainability workshop. Target: at least 75% of the project partners.</p> <p>Indicator: Number of stakeholders using the replication guidelines in planning their Socio-economic activities. Target: at least 25% of the project partners.</p> <p>Indicator: % of women participation in the fora created/ strengthened Target: 20% women participation</p> <p>Indicator: % of people with disabilities in the fora created/ strengthened Target: 10% representation in each forum.</p>	<ul style="list-style-type: none"> Monitoring Database
<p>Activity 2.1.1: Establishment of a Project Advisory Committee (PAC) to ensure national ownership of the project.</p> <p>Activity 2.1.2: Mapping and documentation of successful local integrated projects and preparation of replication guidelines for the</p>		

<p>project.</p> <p>Activity 2.1.3: Delivery of training workshops for public, private and civil society actors to conduct PVCA focusing on key economic sectors of South Lebanon.</p> <p>Activity 2.1.4: Conducting a sustainability workshop to ensure handover of the project achievements to the local stakeholders,</p> <p>Activity 2.1.5: Delivery of training to national stakeholders on designing LER/LED plans.</p> <p>Activity 2.1.6: Guideline about integrating people with disabilities in the job market in Bint Jbeil caza.</p>	
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3. Project Justification

Background

In July-August 2006, large-scale hostilities broke out in Lebanon leading to more than 1,187 deaths, 4,398 injuries, a large-scale destruction of infrastructure, the disruption of essential services and the displacement of an estimated one million people. In the wake of UN Resolution 1701, a ceasefire came into effect on 14 August 2006, allowing for the return of a large majority of the internally displaced persons. Aside from the direct economic consequences of the July 2006 war, employment levels and income generation activities were also negatively affected. The rural and agricultural setting, particularly in the South, was one of the hardest-hit by the war. The FAO estimated that around 40,000 farmers in Lebanon were affected, and the damage to agriculture, fisheries and forestry was assessed at US\$280 million. The remnants of the more than one million unexploded ordnances (UXOs) dropped continue to make farming activities and access to farmland hazardous in the war-affected South. The 2006 war also resulted in wide loss of boats and fishing nets, the destruction of property and coastal pollution caused by a major oil spill, which severely affected the livelihoods of 5,000 fishermen.

It was estimated that US\$380 million would be needed for the recovery of the industrial and commercial sectors (including the informal sector), while the agriculture and irrigation sectors would require US\$210 million. However, direct support for livelihood recovery was identified as a major gap in the recovery process. After July 2006, a series of assessments were made of the socio-economic repercussions on conflict-affected areas. At the community level, a detailed municipal damage and needs assessment was completed for more than 50 locations in conflict-affected areas of Bint Jbeil caza, one of the four cazas that comprise the Nabatieh governorate. It was estimated that as many as 30,000 persons lost their jobs or had their livelihoods seriously affected (mainly in fisheries, industry, agriculture and services). The affected population required direct financial support to kick-start their businesses and get back to work.

To prepare local socio-economic recovery plans and projects for war-affected areas in South Lebanon, Phase I of the Local Socio-Economic Recovery (LSER) project was supported by the LRF. The first phase focused only on the Bint Jbeil caza, which witnessed the most violent land confrontations (Aita Al-Shaab, Maroun Al-Ras, Bint Jbeil, Ainata) and suffered extensive physical destruction.

Based on territorial diagnosis and institutional mapping, the LSER project in Bint Jbeil brought together local stakeholders to identify socio-economic recovery projects to be developed and implemented. Two three-week workshops were held in October 2007 and February 2008, during which stakeholders identified 19 short and medium-term project proposals in various fields, including business management training, vocational training for the disabled, access to micro-credit and loans, cooperative development and in the development of agricultural sectors such as olive oil, beekeeping and thyme cultivation. Workshops were held in Bint Jbeil, employing Participatory Value Chain Analysis (PVCA) methodologies with local stakeholders to identify the strengths and weaknesses of two of the most critical sectors in South Lebanon: olive oil and beekeeping. The participatory approach utilized was essential in building consensus around project priorities and activities to be implemented, while also encouraging social dialogue in the long term.

The results of the participatory analyses for each sector were classified into separate components - supporting institutions, training, productivity and marketing - providing an overview of the existing state of each sector, and identify key recommendations for upgrading each. The PVCA workshops identified several projects to enhance the olive oil and beekeeping sectors through long, medium and short-term projects. These workshops recommended the creation of two local economic fora that would meet regularly to discuss and monitor projects related to the olive oil and beekeeping sectors. The local beekeeping forum has been created and meets regularly to discuss strategic issues relating to the sector. Although the LSER project was limited to the Bint Jbeil caza, the effective coordination of the olive oil and beekeeping sectors would not be possible without the active representation of the

remaining six cazas of South Lebanon. The local economic forum created under the project has the potential to bring together all seven cazas of South Lebanon, to allow for effective economic planning along sectoral lines.

With regard to the component on SME development, Al Majmoua Lebanese Association for Development was identified as the main implementing partner to undertake business management training and provide microcredit loans to up to 120 small entrepreneurs – along with local institutions, such as the Social Development Centre of MoSA, the Agricultural Cooperative of Bint Jbeil, the Regional Cooperative Union, the Cooperative Union for Development of the South (ARD), the Chamber of Commerce of Sidon, the Syndicate of Agricultural Labourers in South Lebanon, the Labour Union for the Syndicates of Employees and Labourers in South Lebanon, and the Lebanese Association for the Development, Rehabilitation and Care (LADRC).

Of the 19 projects suggested by stakeholders during the October and February workshops, eight are ongoing and eleven are in the pipeline and on schedule. Thus far, performance indicators included in the most recent progress report show tangible results:

- 120 entrepreneurial activities have been supported
- 270 vulnerable households have regained their main source of income
- 10 grants for future activities have been allocated to local entrepreneurs
- 3 microfinance institutions have been supported
- 11 loans thus far provided, with 80-100 estimated in the near future
- 2 local economic fora created (olive oil and beekeeping)
- 2 Sectoral Local Economic Recovery Strategies developed by the local economic fora
- 6 public, 43 private and 32 civil institutions have been trained in LSER methodology
- 2 municipal sub-projects have been approved
- 60 permanent jobs and some 1,100 short-term jobs created

The LSER/D Project: A Natural Expansion

Based on the ongoing success exhibited by the first LSER project and the recommendations of the independent external evaluation, the new Local Socio-Economic Recovery and Development (LSER/D) project proposes an expansion in scope and in the number of targeted communities. The project intends to build upon existing work by offering the same main components, but with an emphasis on longer term development, employment creation and strengthening of local institutions. Like its predecessor, the LSER/D project utilizes a participatory approach in all technical dimensions, to build local consensus around project activities and strengthen community cohesion and social dialogue in the long term. Activities will be expanded to additional cazas of South Lebanon.

Activities will be focused in key economic sectors, such as olive oil production, beekeeping, fisheries, and thyme cultivation¹. Key economic sectors of South Lebanon are targeted because that is where the greatest potential for long-term employment creation lies. For example, recent research from the initial LSER project (in collaboration with the American University of Beirut) found that 21,000 olive farmers in the South Lebanon Governorate tend 1,710,340 olive trees, which produce olives processed into oil at 178 outdated, mostly stone, olive mills that employ an estimated 200 permanent and 800 temporary workers. The olive oil sector is an essential source of income and employment generation, contributing to the livelihoods of one-quarter of South Lebanon's households - despite needing infrastructure upgrading and coordinated farming, production and marketing plans.

Another example is the beekeeping sector, which is currently unable to meet the high national demand for honey. The beekeeping sector in South Lebanon exhibits great potential for development. In Bint Jbeil alone, there are 330 beekeepers working on 4,809 beehives that produce some 8% of all

¹ These sectors will be selected by the ILO steering committee during the sustainability workshop to be held in April 2009.

Lebanese honey. Even still, the income and employment generation potential in the sizeable beekeeping sector remains underdeveloped. Like the olive oil production sector, the beekeeping sector is currently disorganized and uncoordinated, and could significantly improve through a coherent sector development strategy and upgrading of training institutions.

The LSER/D project proposes to focus on upgrading and reorganizing these key sectors as a main component of activities by establishment and strengthening local economic fora. These local economic fora will be reorganized to provide the basis for coordinated sectoral formalization across the seven cazas of South Lebanon, and will eventually evolve into Economic Sectoral Associations. These Economic Sectoral Associations (ESAs) will be non-profit legally registered organizations defined by the existence of a clear founding charter laying out transparent guidelines for internal governance, a General Assembly, an Executive Board and a Technical Division. To maximize coordination and economic synergies, these associations will be integrated within the UNDP ART GOLD Local Economic Development Agency (LEDA) that is currently being formed.

This project differs from the Phase I LSER project not only by its scope, but also in terms of activities:

- A Project Advisory Committee (PAC) will be established to monitor progress and ensure sustainability of activities after project completion (see: section 4. Management Arrangements)
- Vocational training (previously targeting only the disabled) will be expanded to the agricultural sector
- Vital economic sectors, namely beekeeping, olive oil and (to a lesser extent) thyme cultivation, will continue to be upgraded using participative methods (PVCA)
- Reorganization of the local economic fora to formalize sectoral coordination and evolve into ESAs
- ESAs organized by local stakeholders will develop local economic development plans, in coordination with national counterparts.
- Training of trainers (TOT) sessions in business management and entrepreneurship will be offered
- Training of trainers (TOT) session in cooperative management will be offered to the local cooperatives, in collaboration with the Directorate General of Cooperatives
- Capacity of Social Development Centres of the MoSA in mainstreaming social concerns within LSER programmes will be built
- Women will be especially targeted by offering Women's Entrepreneurship training using ILO tools such as "GET Ahead for Women in Entrepreneurship" and the Women's Entrepreneurship Development (WED) training module.
- The capacities of NGOs working with the disabled will be strengthened and specific programmes for the disabled will be offered in skills development, access to finance and entrepreneurship
- Strategic economic sectors, enterprises, cooperatives and microfinance institutions will be strengthened

The sustainability of livelihoods requires an integrated, multidisciplinary, participative and systematic response. Using a comprehensive participative approach that includes the social, cultural, political and socio-economic dimensions, this project will support local stakeholders (public, private and civil society actors) to identify, plan, implement and monitor socio-economic recovery projects. Based on the local needs and opportunities, integrated activities will provide income recovery, skills and financial support to the most disadvantaged. To guarantee smooth implementation, the ILO will involve local economic fora and continue to involve the Regional Working Groups set up by the UNDP ART Gold programme.

To guarantee the integration of the most vulnerable within the programmes and activities (e.g. women, children, youth, and people with disabilities), the LSER/D project will work closely with the Social Development Centres of the Ministry of Social Affairs and local stakeholders to facilitate a multi-cross screening of potential beneficiaries. The targeted beneficiaries will be in full alignment with the key priorities of the National Social Strategy being developed.

To ensure a multidisciplinary approach, the project will be implemented by the International Labour

Organization (ILO) in collaboration with, the United Nations Industrial Development Organization (UNIDO), and the United Nations Development Programme (UNDP). Letters of exchange will be established with the mentioned organizations by the end of April 2009.

The proposal takes into consideration socio-economic assessments and recovery initiatives adopted by the Lebanese Government, its partners, the UN Country Team, and non-governmental organizations. In line with the Government's request, this project focuses on creating jobs and restoring livelihoods, providing social support for poor and vulnerable groups at the community level, and implementing local development initiatives for poverty reduction and sustainable development. It will play a key role in empowering the conflict-affected communities through the integration of humanitarian and development assistance and the rehabilitation/revitalization of the productive capacities of the country.

Reasons for UN technical assistance:

Following the conflict, the Lebanese Government requested assistance from the UN System in the reconstruction of damaged infrastructure, socio-economic recovery and resettlement of displaced persons. This project delivers a unique multidisciplinary approach (implemented by the ILO, in collaboration with UNIDO and UNDP) to restore livelihoods through income generation and restoration of small and medium scale business entities, with a specific target on the most disadvantaged.

ILO:

Within its mandate on the promotion of decent work opportunities, the ILO undertook a post-crisis multidisciplinary rapid needs assessment mission to Lebanon. It was carried out in September 2006 by an ILO team from the Regional Office for Arab States and several technical departments at ILO Headquarters. This needs assessment focused on the impact of the recent conflict on livelihoods and the labour market in Lebanon, and facilitated to define a socio-economic recovery strategy as well as highlighting and implementing some short- and long-term interventions at the policy and operational levels. At the policy level, ILO, in collaboration with UNDP and the Central Administration of Statistics, conducted two surveys to assess the situation on the ground.

At the operational level, the ILO in collaboration with ESCWA successfully implemented a project entitled "Employment Creation and Income Generation through the Development of Micro and Small Agro-Industries in South Lebanon". This project focused on the cultivation of thyme in the villages of Debel and Bint Jbeil. It targeted farmers, including women and youth, who gained hands-on experience in modern processing and packaging of thyme, which represents an income generation opportunity for them.

The ILO is also implementing another project in South Lebanon entitled "Skills Development, Employment Services and Local Economic Recovery for the Construction Sector", focusing on the provision of employment services and skills training programmes for priority jobs in the building and construction sector. In accordance with the Lebanese Government's request for assistance from the UN System, this project is delivering an integrated support package targeting the construction sector. The project aims at both rapidly recuperating local small enterprises in the construction sector, as well as building the technical capacities of local construction workers, employers and local institutions. This project will support the LSER/D project by providing vocational, skills and economic packages based on the findings of the participative value chain analysis for the construction sector, to be conducted by the LSER/D project.

The ILO has been working in post-conflict recovery in several countries. In the early nineties, ILO's Local Economic Recovery (LER) and Local Economic Development (LED) approaches were developed in Central America within the framework of the inter-agency programme PRODERE. The approach has proven to be effective in providing an immediate response to the needs of conflict-affected countries to create employment, rebuild communities and achieve reconciliation. Therefore, ILO has practical and theoretical knowledge in recovering and creating sustainable livelihoods in the

aftermath of a crisis, both at headquarters and field level. Moreover, ILO specialists have developed expertise in various technical areas such as vocational training and enterprise development for conflict-affected populations, labour-based rehabilitation of infrastructures, creation of SMEs and cooperatives. Operational Manuals on LER, LED, Recovery's Need assessment, Rapid Labour Market survey, Community Based Training, Emergency Employment Services Centres and several other practical tools have been tested in the past years and can be used for supporting job recovery/creation. In Lebanon the ILO has also undertaken in collaboration with ALIND an assessment of the small business environment highlighting specific problem areas in diverse regulatory spheres.

Finally, the first LSER project for South Lebanon, focusing on Bint Jbeil, has been effective in achieving articulated objectives – justifying a geographical expansion to the rest of war-affected South Lebanon, and a shift in activities from short-term recovery to long-term sustainable development and employment creation.

Alignment with the ongoing UNDAF process:

The LSER/D project is in alignment with the ongoing UNDAF process and national development frameworks. It specifically contributes to the UNDAF outcome stating that “by 2014, the socio-economic status of vulnerable groups and their access to sustainable livelihood opportunities and quality basic social services are improved within a coherent policy framework of reduction of regional disparities”. Within this outcome, the LSER/D project will greatly contribute to two of the four projected agency outcomes: “Strengthened policy and institutional framework for elaborating and implementing strategies focused on poverty reduction and equitable economic development” and “Improved access to sustainable livelihood and employment opportunities in underserved areas, with specific focus on vulnerable groups”.

Interagency Collaboration (LSER): UNDP and UNIDO

During the joint South Lebanon mission of ILO and UNDP ART Gold conducted in May 2007, both agencies agreed that within the initial LSER project, ILO would involve the Regional Working Groups (RWGs) set up by the UNDP ART Gold programme. It was agreed that ILO will use the initial assessments of UNDP ART Gold to further identify and develop recovery strategies and projects; will further capacitate ART Gold RWGs to implement local economic recovery projects; and will involve UNDP ART Gold RWGs in the monitoring of its local projects. Within the framework of this project, it was identified that ILO will also provide a support package of ILO tools and expertise to assist RWGs in business management training and Get Ahead entrepreneurship training, technical assistance to existing microfinance institutions.

ILO also updates UNIDO on the main socio-economic needs and gaps in targeted municipalities and refers its beneficiaries to relevant UNDP and UNIDO trainings or projects inputs (e.g. Basic Farmer training, Agro-processing technical assistance, etc).

Project approach:

The project will build on the achievements of the initial LSER project, and aims at improving access to sustainable livelihoods and employment opportunities, by both implementing socio-economic development activities and enhancing the capacities of institutions at the community level in identifying, prioritizing and implementing socio-economic activities in an autonomous manner. It will also continue to build local capacities to play a leading role in the development of strategically planned and locally-driven partnership approaches to rebuild livelihoods.

The project will adopt an overall participative approach, which consists of facilitating the identification, implementation and monitoring of local priorities geared towards socio-economic recovery and sustainable development, to be implemented directly by the local stakeholders at the community level (including the public and the private sectors, and civil society). To guarantee the integration of the most vulnerable within the programme (e.g. women, children, youth, and people with disabilities), the project will work closely with the Social Development Centres of the Ministry of

Social Affairs, the Ministry of Agriculture and local stakeholders to facilitate a multi-cross screening of potential beneficiaries. Moreover, ILO will take advantage of the HANDICAP International NGO list of handicapped people and UNDP information on the reintegration of internally displaced persons.

The project will pay particular special attention to the main objectives highlighted in the Government's Social Action Plan: to reduce poverty, improve education and health indicators, increase the efficiency of public spending, and minimize regional development gaps. It emphasizes the need to reduce long-standing regional disparities in income, infrastructural development, prevalence of child labour, development indicators (eg. health, education) and government spending. The main development objective of the LSER/D project will directly contribute to the objectives articulated by the Social Action Plan by alleviating poverty and reducing regional disparities through the proper distribution of investments and resources and encouraging investment and other job-creating activities in the more deprived communities of South Lebanon.

The overall strategy will be achieved by providing sustainable impact interventions while strengthening the capacities of local stakeholders, specifically by:

A. Interventions

- A Project Advisory Committee (PAC) will be established to monitor these activities and ensure national ownership and sustainability (see: section 4. Management Arrangements). The PAC will validate the replications guidelines and the workplan of this project in April 2009.
- Local economic fora will evolve into Economic Sectoral Associations, to formalize and improve coordination in key economic sectors (olive oil, beekeeping, thyme cultivation, fisheries). These Associations will bring together local stakeholders, and build their capacity to jointly develop local economic development plans.
- Delivering to municipalities (and other relevant local stakeholders), a Local Economic Recovery and Development training programme to develop and strengthen the stakeholders capacities to identify the key needs, opportunities, socio-economic gaps as well as to design, lobby, implement and monitor local socio-economic recovery strategies and projects.
- ILO will provide integrated and complementary support to the selected economic sectors throughout the value chain (from the production of raw materials to the last stage of distribution). The key economic sectors identified by local stakeholders as critical to South Lebanon include olive oil production, beekeeping, thyme cultivation, and fisheries.
- As an immediate follow-up to entrepreneurship training, vulnerable micro-entrepreneurs will receive loans, or grants and tools to facilitate the quick recovery of their income generating activities.
- National Training of Trainers (TOT) in business development service institutions will be provided to the main BDS providers in Lebanon. Training sessions for community beneficiaries will be held, utilizing ILO entrepreneurship training tools, on GET Ahead for Women in Entrepreneurship and the Women's Entrepreneurship Development (WED) training.
- Based on an initial assessment that will be conducted in collaboration with the Directorate General of Cooperatives, a National Training of Trainers (TOT) in cooperative management will be held for local cooperatives. The Cooperative Management TOT will then lead to the training of other cooperative members by their colleagues.
- A national ToT on Participatory Value Chain Analysis will be undertaken in collaboration with UNDP ART GOLD

- In parallel, ILO will enhance the capacities of, and provide support to, existing local microfinance institutions (MFIs). Indeed ILO will support MFIs to develop new tools (e.g. micro-leasing), provide credit lines to support the expansion of existing micro-enterprises in the area the most affected by the conflict.
- Vocational training programmes for the agricultural sector will be implemented, while continuing the vocational training programme for the disabled begun by the first LSER project
- Providing seed funds to implement key local socio-economic recovery and development initiatives, identified and designed by local stakeholders

B. Criteria of disbursement:

To guarantee a participatory identification of priorities for long-term economic recovery and development, ILO will deliver a Local Socio-Economic Recovery and Development (LSER/D) training program to local public, private and civil society stakeholders. Based on the training programmes offered, the local stakeholders will prioritize actions for socio-economic recovery on the basis of the following criteria:

- Impact of the conflict on the economic activity considered
- Whether the most affected and vulnerable stakeholders directly benefit
- The positive impact of the activity on women and female-headed households
- Whether the activity is realistic, viable and produces visible results
- Whether the activity is suitable for immediate implementation
- Whether local stakeholders are involved in activity implementation and monitoring

C. Mechanisms of disbursement:

The ILO will facilitate the implementation of the selected activity by using the following disbursement mechanism:

Sub-Contracts

As a result of the LSER/D training and the provision of technical assistance to local partners, the ILO will subcontract local stakeholders' institutions, such as municipalities, cooperatives, local NGOs and local private institutions. At the same time, local economic fora (and eventually the formalized Economic Sectoral Associations) and UNDP ART Gold RWGs will be involved in the monitoring of these projects. Local subcontractors will report to ILO in conformity with ILO policy and procedures. Sub-contracts will allow ILO to involve and supervise qualified local institutions in the implementation of strategic economic sectors recovery activities (e.g. recovery of integrated economic aspects of a specific sector and multi-services cooperative as provision of production tools, marketing and packaging services, infrastructures, cooperative association guidance for women, business guidance and networking).

Trainings

Direct ILO implementation of the national business management training of entrepreneurs using ILO tools (Business Management Training, GET Ahead, etc), and of local economic recovery and development training. At the request of FAO, UNDP and other UN agencies, ILO will involve UN partners within ILO trainings. Moreover, ILO will identify key local training needs and when necessary will complement its own training package by referring its beneficiaries to FAO Good Agriculture Practices trainings and to UNIDO Agro-Processing Trainings.

Grants

The provision of grants to micro and small entrepreneurs will be done through the local economic fora (until formalization process is complete and Economic Sectoral Associations take over). Further to ILO LSER training, fora will be assisted in identifying, prioritizing and selecting a cluster of municipal micro-enterprises, cooperatives and beneficiaries in a consensual way. A condition of fund disbursement is that each selected group of beneficiaries must attend an ILO entrepreneurship training and will have to submit a Business Plan to the Municipal Forum and ILO. Vulnerable micro-entrepreneurs and cooperatives will then receive grants and tools to facilitate the quick recovery of their income generating activities. Local institutions will report to ILO in conformity with ILO policy and procedures.

Microfinance

ILO has built a strong collaborative partnership with the Al Majmoua microfinance institution. Within the on-going LSER project, loans have been distributed by Al Majmoua to clients from the key sectors, olive oil production, beekeeping, and thyme cultivation. With the support of ILO, Al Majmoua will continue receive further technical assistance as training of their middle management human resources and further funds from ILO to provide upgraded financial services to the community which it serves, mainly micro and small entrepreneurs and cooperative associations.

ILO will support the MFI in introducing micro-leasing, a financial product which reduces credit risk while eliminating the collateral burden and will provide credit lines to support the expansion of entrepreneurs affected by the conflict. In addition to the general criteria mentioned above, the MFI will target:

- micro-entrepreneurs who were affected by the conflict but who already recovered their activities and want to expand their activities.
- micro-entrepreneurs who lost their assets during the war and have difficulties to back a loan contracted before the war.

Targeted beneficiaries and project sites

The main findings of the 2006 ILO-UNDP assessment '*Conflict Impact on Micro and Small Enterprises (MSE)*' highlighted that 80.5% of entrepreneurs are males. The South has the highest share of female entrepreneurs (25%) - mainly because of a higher number of female-headed households resulting from the war (i.e. widows). It was also found that only 27% entrepreneurs were below 35 years. The ultimate beneficiaries will be:

- female-headed households
- young people
- people with disabilities
- micro-entrepreneurs highly affected by the conflict, with particular attention given to young women
- local production units

The Social Development Centres of the MOSA will establish a list of the most vulnerable beneficiaries. To select targeted localities, ILO will take into account the impact of the conflict, the lack of livelihood assistance, the presence of UNIDO and UNDP projects, as well as the Social Development Centres of the Ministry of Social Affairs present in the seven cazas of South Lebanon.

Expected outcomes

The two main outcomes of this project are:

- 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.

Contribution towards the attainment of the MDGs

The project will have a direct contribution to the attainment of the MDGs in Lebanon. There are explicit links between the objectives of the LSER/D project and the 2008 MDG Report for Lebanon and its recommendations:

MDG 1 “Eradicate extreme poverty and hunger”

One recommendation includes the need to strengthen coordination among various actors, such as government, civil society, international organizations and the private sector – this is primarily addressed by the LSER/D project through the evolution of local economic fora into Economic Sectoral Associations, and coordination of activities with the MoSA Social Development Centres.

A new target was added under MDG 1 to “Achieve full and productive employment and decent work for all, including women and young men”. This directly links to the overarching objectives of the LSER/D project, as do a number of the recommendations for achievement of this target. Entrepreneurship is highlighted in the recommendations as being a “viable way out of unemployment and poverty” and stating that “business management training programmes should focus on those willing to start-up a business”, which forms an integral component of the LSER/D project.

Finally, the objectives, outcomes and activities of the LSER/D project are again justified by a final recommendation under this target: “Active Labour Market Policies (ALMPs), including job search assistance, (re)training, entrepreneurship support etc. will support the development of more sustainable employment. Such policies should target women, youth and less educated workers in particular. They should recognize the large numbers of hidden unemployed and reach out to rural areas”

MDG 3 “Promote gender equality and empower women”

Although there are no explicit links with set targets or particular recommendations under MDG 3, the LSER/D project specifically targets women entrepreneurs, female-headed households and young women as primary beneficiaries. Gender concerns are mainstreamed at all levels of the project, to ensure an equal gender balance in all activities.

Timeline of the activities

The project will be implemented over a period of 21 months. A preliminary project work plan can be found in Annex 1. The steps of implementation are presented in Annex 2. As mentioned, this work plan is only indicative and will be finalized during the inception phase of the project.

4. Management Arrangements

Implementation modalities

Given the nature and complexity of the programme in managing activities that involve a number of stakeholders (government ministries, local government bodies, entrepreneurs, rural communities and others) and the need to expand cooperation and improve coordination amongst them, a Project Advisory Committee (PAC) will be constituted. The main functions and responsibilities of the PAC are to:

- Advise the project on strategic directions/decisions and support activities to be provided.
- Ensure the effective cooperation between all key stakeholders.
- Advise on the effectiveness of the ongoing activities, including any adjustments that need to be made to the annual work plan.

Members of the PAC will include representatives from the Ministries of Social Affairs, Labour, and Agriculture; the private sector, represented by the Association of Lebanese Industrialists (ALI) and the Chamber of Commerce of Saida; the General Confederation of Lebanese Workers (CGTL); local production units and civil society; trade unions; association of cooperatives; microfinance institutions;

local economic fora/Economic Sectoral Associations; ILO; and the LRF Steering Committee. The PAC will meet every six months during the project's duration for general coordination and project advisory discussions. Within the PAC, a core group of no more than 15 people representing the Ministries of Labour, Social Affairs and Agriculture, the Association of Lebanese Industrialists and the trade unions will meet on a quarterly basis for closer coordination and more detailed monitoring of project progress. The project will enhance trust, inter-organizational coordination and cooperation through the use of stakeholders' workshops, PAC meetings and PAC core group meetings. It will also seek to build on existing coordination initiatives aimed at strengthening socio-economic recovery in the region. This framework will support the involvement of all relevant stakeholders and will help to ensure national ownership and sustainability of the project.

The project will be implemented in line with existing institutional framework with the Ministries of Labour, Social Affairs and Agriculture as the main national counterparts. ILO will have the overall responsibility for the appropriate use of the recovery funds. In accordance with its administrative rules and regulations, the ILO will take responsibility for decisions regarding staff recruitment, contractual agreements, technical assistance, backstopping and project supervision, procurement of equipment, monitoring and reporting.

In consultation with the Ministries of Labour, Social Affairs and Agriculture, the project will set up a Project Management Unit (PMU), which will be responsible for the day-to-day implementation and coordination activities. The PMU will be based in the UN Hub in Tyre and will organize weekly coordination meetings with UNDP and UNIDO. The organizational and operational structure of the PMU will be designed to ensure that the project management team has the capacity to effectively conduct its day-to-day operations and to make any amendments necessary to the project's action/activity plans so as to ensure that consistent progress is made during the project implementation phase.

The current ILO LSER National Project Coordinator (NPC) will continue to head the PMU. He will be responsible for the technical aspects of the project and the coordination of its activities in line with the counterparts' priorities and ensuring proper cooperation with other on-going programme. He will be assisted by the existing LSER technical team, comprised of international and national experts, community workers and support field staff. The LSER technical team will assist the NPC in the supervision of daily field operations, ensuring that all contractual obligations are met in the different project sites, follow up on progress made by each project component and make the necessary contacts and efforts to ensure implementation meets the targets set by the project.

Monitoring and evaluation

The project will be subject to monitoring, review, reporting and evaluation processes in line with the prevailing ILO policies and procedures. In particular,

- At the project outset, an inception report will be prepared detailing a comprehensive workplan and any suggested changes to the envisaged activities.
- The PMU will prepare regular quarterly progress reports on project activities detailing progress achieved in terms of the scheduled programme of work, the problems and constraints emerging over the period, and recommendations for correcting them. In addition, a detailed workplan will be prepared identifying activities to be implemented for the following period. Each report will be sent to the LRF Steering Committee (Beirut) and the PAC for information, review and recommendations for appropriate action that needs to be taken. At the same time, Semi-annual progress reports will be submitted to the LRF Steering Committee (UNDP NY) for their review.
- ILO technical staff and project consultants will undertake field visits to project sites and prepare technical reports detailing the project's progress, achievements/findings, and lessons learnt. These field reports will be made

available, upon request, to the donor as well as to other collaborating projects and partners.

- After 12 months, the project shall prepare and submit to the counterparts and to the donor a mid-term report for review and approval. This mid-term report will assess the progress made in the first half of the implementation phase. Risk assessments will be reviewed and the workplan may be subject to adjustments to reflect the lessons learnt in the first half of project implementation. The mid-term report may recommend complementary measures required to improve project performance and further the achievement of the project's expected objectives.
- An external independent evaluation will be conducted at the end of the project to assess the extent to which the project's activities have been carried out, the outputs produced, and the progress made towards achieving the immediate, medium, and the expected longer term development objectives of the project. It will also make recommendations for any future follow-up actions that may help to support the sustainability of the project.
- In addition, the beneficiaries themselves will be involved in the monitoring of the project, after undergoing capacity building training.

5. Analysis of risks and assumptions

Sustainability

This project is designed to support the socio-economic recovery and development of all war-affected areas of Southern Lebanon. A major focus is on the empowerment of the local stakeholders, particularly within the dominant economic sectors in the seven cazas of South Lebanon. Stakeholder commitment to design, implement and monitor LSER/D projects to create sustainable jobs and enterprises, and foster an appropriate socio-economic environment conducive to development, can be considered as the real driving force behind the project and the sustainability of its planned activities. The focus of this project is on the key economic sectors of South Lebanon because that is where the greatest potential for long-term job creation lies.

The project will adopt a holistic and participatory approach at all stages, involving all stakeholders at various levels - from planning to implementation and monitoring of activities. The participatory approach utilized will ensure consensus among stakeholders during the project, while strengthening local cooperation and fostering social dialogue in the long term. Local economic fora in each targeted sector will evolve into Economic Sectoral Associations able to design, implement and monitor long-term economic development plans for each sector, with initial project support. Project activities are aimed at strengthening local governance entities to empower them to independently lobby, mobilize and monitor LSER/D projects.

The role of the Project Advisory Committee (PAC) and the PAC core group will be essential to ensuring project sustainability. The PAC will collect information on lessons learned throughout the course of project implementation, and subsequently internalize lessons learned through the compilation of best practices. These collected best practices will be widely disseminated, along with the replication guidelines also designed by the PAC, at the national level. The local economic fora will ensure coordination at the community level in each economic sector and will be strengthened to identify, develop, mobilize resources and implement projects for the local communities.

As part of project activities, ILO will strengthen local institutions by providing to their members Training of Trainers (TOT) sessions on business management, cooperative management and technical skills training. These institutions will then be contracted by ILO to deliver direct trainings to beneficiaries. Moreover, the formalized Economic Sectoral Associations will be independent organizations that continue to operate in South Lebanon.

The LSER/D project will be integrated into current and planned activities under the first LSER phase and will utilize existing local structures and institutions, which improves project sustainability. Furthermore, the project will include a sustainability workshop (organized by the PAC) to gather the various stakeholders involved in the design, implementation and monitoring of projects, to draft a work plan comprised of the different mechanisms and measures that ensure sustainability of project activities after completion.

Risks

The volatile political and security situation in the country could negatively impact project implementation. The Government and the international community are taking all necessary steps improve the political environment and promote socio-economic recovery and development. The project was developed in close consultation with the authorities and development partners, limiting possible risks due to existing consensus. Furthermore, representatives of beneficiaries will be involved in all decision-making processes at each stage of the implementation. These measures will minimize project risk and help to enhance ownership, trust, and sustainability. To avoid underperformance by local partners, further capacity building activities will be undertaken. A comprehensive risk management and mitigation strategy will be developed at the beginning of the project.

6. Project Budget

CATEGORY	UNIT COST	NUMBER OF UNITS	TOTAL COST
1. Personnel			
Socio-Economic Recovery Expert	16,500	5.0	82,500
National Project Coordinator	6,852	21.0	143,850
Programme Assistant (SME/MF)	3,300	10.5	34,650
Programme Assistant (Disability)	3,300	21.0	69,300
Programme Assistant (Trainer)	4,300	21.0	90,300
M&E Officer	3,500	10.5	36,750
Administrative Assistant	3,000	21.0	31,500
Driver	1,800	21.0	37,800
Consultants			40,000
2. Contracts			
Sub-contracts			250,000
Micro grants			200,000
Revolving funds/ Micro-Finance			175,000
3. Training			177,652
4. Transport			2,500
5. Supplies and commodities			
6. Equipment			5,000
7. Travel			4,000
8. Miscellaneous (including security costs)			26,474
9. Agency Management Support			92,724
Programme support at 7%			
TOTAL PROJECT BUDGET			1,500,000

7. Progress Report

Reporting UN Participating Organisation: ILO

Country: Lebanon

Programme/Project No.: LEB/07/01/UND

Programme/Project Title: Local Socio-Economic Recovery in War-Affected Areas in South Lebanon

Reporting Period: October-December 2008 (last quarter)

I. PURPOSE

Through its participatory approach, the project is implementing socio-economic recovery activities in Bint Jbeil. 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 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 stakeholders (public, private and civil society stakeholders) in identifying and providing direct services to recover sustainable livelihoods.
2. Contributing to local economic recovery of Bint Jbeil through the rapid implementation of integrated socio-economic activities (with a focus on micro and small enterprise recovery, employment and income generation revival).

The project has partnered 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, and particularly those working in Bint Jbeil. It also established partnerships with international institutions, including the Italian ROSS programme and INTERSOS.

II. RESOURCES (as at 31 December 2008)

Category	Budget	Expenditures	Commitment balance	Allocation balance
ILO contribution				
1. Personnel (Project staff and consultants)	\$115,000	\$62,500		\$52,500
Sub-total (ILO contribution)	\$115,000	\$62,500		\$52,500
LRF contribution				
1. Personnel (Project staff and consultants)	\$352,312	\$343,069		9,243
2. Contracts	\$495,057	\$437,579	\$55,714	\$1,764
3. Training	\$102,359	\$85,793	\$4,400	\$12,166
4. Transport	\$5,000	\$5,000		

5. Supplies and commodities				
6. Equipment	\$121,609	\$121,514		\$95
7. Travel	\$7,034	\$6,175		\$859
8. Miscellaneous	\$25,141	\$22,893		\$2,248
9. Agency Management Support	\$74,596	\$71,541	\$4,208	\$1,847
Sub-total (LRF contribution)	\$1,183,108	\$1,093,564	\$64,322	\$28,222
TOTAL PROJECT BUDGET	\$1,298,108	\$1,156,064	\$64,322	\$80,722

III. RESULTS

Progress made during the period under review:

Capacity building:

- The projects that were developed/implemented came as a result of the Local Appraisal Competitive Advantages workshops for the olive oil and beekeeping sectors.
- The local beekeeping forum meets regularly to facilitate coordination and networking among the stakeholders of each sector.

Micro-finance and small enterprise development:

- 47 additional beneficiaries received micro-loans from Al Majmoua (total: 101 including eight people with disabilities).
- Three business management training sessions for 60 entrepreneurs were conducted for beneficiaries in the thyme, handicrafts, beekeeping and construction sectors.
- Support (equipments and beehives) was provided to two beekeeping centers in the South to increase the centers' queen bees and honey productivity.
- Grants from ILO and loans from Al Majmoua were provided to eight people with disabilities to start or improve their business.

Ongoing 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
- Cooperative Association for Beekeepers in Nabathieh Mohafaza (Al Shifa)

Project final independent evaluation:

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 shared with the LRF Steering Committee and disseminated during a stakeholders’ workshop organized in December 2008.

Project bridging phase:

Based on the recommendations of the evaluation, a three-month bridging phase (January-March 2009) with ILO funds amounting to US\$ 150,000 was approved by the ILO to ensure the achievement of all planned results and to ensure the sustainability of the project beyond its completion date. The project’s sustainability relies on the capacity building of local institutions to design recovery projects and raise the funds for their implementation in Bint Jbeil – a programming methodology that will be replicated in other cazas and governorates nationwide. The strategy being developed will analyze the potentialities of the olive oil and beekeeping sectors on the Lebanese market.

To meet the immediate needs of men and women affected by the crisis, a number of additional activities will be implemented in Bint Jbeil in the next three months. The work will include:

1. Production of Replication Guidelines that will illustrate the contributions of ILO LSER Project in the recovery of the caza.
2. Training of trainers (TOT) session in cooperative management will be offered to the local cooperatives, in collaboration with the Directorate General of Cooperatives.
3. Vocational training (previously targeting mainly the disabled) will be expanded to the agricultural sector and in particular on natural disease treatment for bees and Queen Bees’ rearing and upgrading.
4. Reorganization of the local economic forums to formalize sectoral coordination and evolve into Economic Sectoral Associations
5. Booklet of People with Disabilities’ component which will illustrate ILO LSER Project’s experience in integrating the people with disabilities from Bint Jbeil caza in the market.
6. Provision of grants and loans to some people with disabilities to start or upgrade a business.
7. Organization of a sustainability workshop in February 2009 to ensure the smooth transition of the project’s findings and achievements to the local community. Its recommendations will be integrated in the final project report that will be submitted to the LRF Steering Committee.

Main achievements since August 2007:

- **270 vulnerable households** have regained their main source of income
- **One local economic forum** (beekeeping) was created
- Two sectoral local economic recovery strategies were developed by local economic fora
- **251 permanent jobs** and **184 temporary jobs** were created

- **101 entrepreneurial activities** have been supported
- **8 grants** for future activities have been allocated to local entrepreneurs
- **3 microfinance institutions** have been supported
- **101 loans** have been provided, with 80-100 estimated in the near future
- **Six public, 43 private and 32 civil institutions** have been trained in LSER methodology
- **Two municipal sub-projects** have been approved
- **40 people with disabilities** have received a combination of skills and business management trainings
- **34 villages** from Bint Jbeil caza were reached.
- **996 direct beneficiaries** were targeted.

Impact assessment:

A substantial amount of resources has poured into recovery and reconstruction work following the Israeli hostilities. The extent to which reconstruction activities will have 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 about one-third of the resources for disbursement to affected men and women to use as business starting capital. Some of the funds are being used as direct grants, but one third of the amount is being disbursed through loans in collaboration with Al Majmoua, a renowned micro-finance institution with significant capacity and an established record in implementing this type of initiative. The institution is using a wide range of ILO's policy, operational tools, case studies and good practices adapted to the specific context. Adequate provisions have been 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.

Job creation: Through a series of integrated sectoral interventions, about 251 permanent jobs and 184 temporary jobs have been created.

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.
- Collaborative initiatives between central authorities MOL, MoSA, municipalities, academia, local institutions including employers' associations and workers' organization are systematically promoted.
- Staff 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 olive oil and beekeeping sectors facilitated (public, private, civil society).
- Started to establish the basis for local governance in these sectors 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.

Strategic Partnerships:

- The project benefits from a multidisciplinary framework of intervention for ILO, UN and local stakeholders in Bint Jbeil.
- The project attracted interest from international and Arab donors towards the identified priority sector (ROSS, Spain, and the Kuwaiti Fund).
- Al Majmoua, through its Oxfam-funded project, is complementing ILO projects by providing two strategic complementary services for disabled 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 FAO 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. 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.