



International
Labour
Organization

Livelihoods, Employment and Income for Vulnerable People in North Lebanon

Concept note

Photo: © AFP



**International Labour Organization
Regional Office for Arab States**

CONCEPT NOTE¹

Title:	Livelihoods, Employment and Income for Vulnerable People in North Lebanon affected by the Syrian Conflict The proposed project constitutes an expansion and scale-up of the existing ILO project “Enabling Job Resilience and protecting Decent Work Conditions in Rural communities affected by Syrian Refugees crisis in Northern Lebanon”
Country:	Lebanon
Managed by:	Regional Office for Arab States (ROAS)
Responsible ILO Official:	Frank Hagemann Deputy Regional Director, hagemann@ilo.org
Time frame:	3 years (36 months)
Budget:	The overall project costs USD 5 million, of which ILO has secured USD 500,000.
LCRP:	The project is contributing to achieving the Livelihoods sector outputs of the Lebanon Crisis Response Plan 2015-16

¹ This concept note is shared for informal consultation. The note has not yet passed the ILO internal quality assurance process and is therefore subject to change.

1. Rationale and Justification

The conflict in Syria has having grave social and economic impacts on Lebanon. Nearly 1.15 million Syrian refugees are registered in Lebanon as of January 2015.² At least one in every four people in Lebanon will be a refugee by December 2014, a proportion unparalleled in the world.³ Combined with internal political instability the Syrian crisis has negative repercussions on the Lebanese economy and the labour market at different levels as outlined in Box 1.

While Lebanese labour market conditions before the Syrian crisis were already dire, the effect of this crisis on the labour market is of tremendous concern. High unemployment rates previously coexisted with mismatches in the labour market and a high prevalence of low quality and low productivity jobs. Following the refugee influx, the labour force increased by 50%.⁴ This drastic increase in labour supply combined with a contracting economy has severe negative effects on labour market outcomes. Many of the skills that the Syrian refugees bring into the country are of a traditional type and will mainly contribute to fill low productivity jobs. Therefore, it is likely that the competition for low-quality jobs, which existed before the crisis, will increase and that the share of self-employment and informal wage employment will rise. Almost half of the Syrian refugee workers are involved in agriculture or domestic services, followed by 12% who are working in construction. These are low skilled occupations that provide little income, social protection and job security.⁵ 30% of Syrian refugees are unemployed and only one per household has access to a livelihood opportunity.⁶ Job creation is the Government of Lebanon's central priority.⁷

The heavy presence of refugees in host communities creates enormous challenges to more than 1.2 million Lebanese⁸, severely affecting the living conditions of the population there. This influx of refugee populations has rapidly become a burden for the host communities, which are experiencing an increased cost and scarcity of goods, services and shelter. It has led to price inflation of basic commodities such as food and rent as well as increased unemployment, informality and competition on jobs.

Box 1

Estimated impact of Syrian refugee crisis on the Lebanese economy and labour market

- Doubling of unemployment rate to above 20% by end of 2014, mostly unskilled youth;
- Some 170,000 additional Lebanese to be pushed into poverty (over and above the 1 million currently living below the poverty line) by end of 2014;
- Contracting economy with real GDP growth declining by 2.9% each year entailing large losses in terms of wages, profits, taxes and negative effects on investor and consumer confidence;
- Public services struggling to keep up with demand resulting in a decline in access to and quality of public service delivery;
- Increasing government expenditure by USD 1.1 billion due to the surge in demand for public services in addition to the decline in government revenue collection by USD 1.5 billion. Total estimated fiscal impact of USD 2.6 billion.

World Bank/UN 2013: *Lebanon: Economic and Social Impact Assessment of the Syrian*

² UNHCR 2014: <http://data.unhcr.org/syrianrefugees/country.php?id=122>

³ Including 42,000 Palestine Refugees from Syria and 270,000 Palestine Refugees in Lebanon

⁴ IMF Country Report No. 14/238

⁵ ILO 2013: *Assessment of the Impact of Syrian Refugees in Lebanon and their Employment Profile*

⁶ WFP 2014: *Vulnerability Assessment of Syrian Refugees in Lebanon*

⁷ Government of Lebanon 2013: *Lebanon Roadmap for Priority Interventions for Stabilization from the Syrian Conflict*

⁸ UNDP 2008: *Poverty, Growth and Income Distribution in Lebanon* found 28% of Lebanese to be living below the poverty line (\$4 per day) or 1.2 million people. 350,000 of these currently live in abject poverty (less than \$1 per day).

The vast majority of Syrian refugees inhabit poor agricultural host communities that suffer from historic deprivation and vulnerability. The poverty incidence in the North is 53%, with poverty accentuated even more in the rural regions of the North, namely Akkar and Minnieh-Dinniyeh with an incidence of 64%.⁹ Correlation between poverty and agriculture is significant. One out of five poor persons is engaged in agricultural activities. Lebanon's rural workers in agriculture live in poverty as a result of the major problems facing agricultural production, which are mainly the small size of agricultural holdings, lack of agriculture policies, high production costs and lack of specialized agricultural credit. Women, who make up one third of the agricultural labour force, are particularly disadvantaged by the lack of programmes and interventions targeting them. This leads to their poor representation in all aspects of agricultural production, with negative repercussions on the socio-economic status of their households.

The Syrian refugee crisis shows significant negative impacts on Lebanese agriculture and farmers' income thereby exacerbating pre-existing high structural cost. Agricultural structural cost is high due to the mountainous nature of much agricultural land; a limited domestic market and small, fragmented holdings that exclude economies of scale; a high proportion of hired labour; inefficient or absent irrigation schemes which make life difficult for farmers living in isolated communities where also drinking water is scarce; and intensive use of fertilizers and pesticides, which is encouraged by input suppliers. The economic repercussions and the unstable security situation due to the Syrian crisis have particularly impacted the agriculture economy and its food production capacities. This is especially evident at the border areas of Hermel, Baalbeck and Akkar in Northern and Eastern Lebanon where farmers suffer significant losses in farm income because of forced abandonment of farmlands or limited/un-timely access to fields to plant, irrigate, weed and harvest their crops (as a result of hostilities in border areas). Farmers which have traditionally relied on agricultural inputs and services at subsidized/cheaper rates from Syria today face a sky-rocketing increase in input/production costs and are struggling in keeping up production. In addition there is reduced availability of irrigation water, two to five-fold increases in the price of agricultural inputs, reduced marketing opportunities for traditional export crops, and a corresponding 20 to 40 % net decrease in farm-gate prices. The disruption of trade routes in Syria and Iraq resulted in a decrease in agriculture exports and the dumping of some Syrian products (from the coastal area) on the local market which ended up with a decline in product prices and consequently in farmer's income. Furthermore, environmental issues are of rising concern for agriculture. Steep rises in solid waste production and wastewater pollution, combined with a year of water scarcity and haphazard land use, are detrimentally affecting living conditions and agricultural production opportunities providing low-wage livelihoods for many Lebanese and refugees.¹⁰

This situation is compounded by the fact that competition and pressure on the labour market have led in many cases to the deterioration of wages and working conditions, with an increase in informal employment. There is considerable pressure on the job market – with refugees accepting much lower wages and worse conditions of employment than the local population (including migrant labourers) and with self-employed competing with nationals in certain economic sectors. This contributes to a higher demand for informal workers. Almost all of the Syrian workers are employed in unprotected and potentially exploitative conditions in the informal economy. Data shows that no females and only 5% of males have a work contract. The lack of considerations for occupational safety and health and exposure to hazards is a growing concern in various sectors.¹¹

While a number of employment service providers exist, they are mostly small and their effectiveness is low. There is barely any collaboration and cooperation among them or with the National Employment Office (NEO), which further decreases the effectiveness of service provision.

⁹ UNDP 2008: *Poverty, Growth and Income Distribution in Lebanon*

¹⁰ Ministry of Environment and UNDP 2014: *Lebanon Environmental Assessment of the Syria Conflict & Priority Interventions*

¹¹ ILO 2013: *Assessment of the Impact of Syrian Refugees in Lebanon and their Employment Profile*

Often, there are frictions in matching processes due to inadequate information and segmentation. Career guidance is a critically needed service to help reduce school dropouts, improve motivation and address the fact that a high percentage of youth is not working in the trade that they studied. Career guidance and targeted vocational training can only be provided with proper labour market information. A major weakness of the higher education and Technical Vocational Education Training (TVET) system in Lebanon is its lack of linkages with the national labour market. The outputs of the education and TVET system do not match with the needs of companies. Such mismatches include (i) Programmes for types of trades or occupations of little need, (ii) competencies acquired not matching industry requirements or needs for self-employment opportunities, and (iii) lack of practical experience opportunities for students. Employers have minimal influence in setting competency standards, determining the curriculum, developing the testing and certification system, and managing certain training institutions, among others.

The dire conditions and the competition for livelihood coupled with the political instability and the spill over of the Syrian conflict to the country have raised significant conflicts between the Syrian refugees and their Lebanese host communities. As mentioned earlier the unemployment rate in Lebanon is increasing and is expected to reach 20% in 2014. Young men and women are disproportionately affected making youth one of the most vulnerable groups. A third of Lebanese youth is not unemployed (34%), which constitutes an increase of 50% since 2011.¹² Approximately half of the Syrian refugee youth is economically active, with 50% of them unemployed.¹³ This creates frustration among the youth and results in the adoption of negative coping mechanisms. Youth unemployment furthermore results in the Lebanese youth's adversity towards the Syrian refugees, whom they blame for the situation in addition to pre-existing frustrations regarding perceptions of political corruption, lack of decent jobs opportunities and low wages.

The proposed project is a scale-up and expansion of the ILO's "Enabling Job Resilience and protecting Decent Work Conditions in Rural communities affected by Syrian Refugees crisis in Northern Lebanon" project, which is funded by core ILO resources (US\$1 million) under the Area of Critical Importance (ACI) on Decent Work in the Rural Economy. Experience to date highlight that the ILO's approach to livelihoods support and its technical assistance are highly welcome and critically needed. The existing project enjoys a high degree of local ownership.

Rising social tensions between the crisis-affected groups call for a more inclusive approach to livelihoods development as the ILO's Local Economic Development approach offers. This project will benefit from the groundwork laid by the current ILO activities allowing to immediately commencing interventions aimed at restoring and improving livelihoods and increasing employment and income generation for vulnerable people. As part of the existing project stakeholder consultations showed that the ILO's technical assistance is demanded and needed in order to improve the effectiveness of employment service provision as well as to gear skills training to respond to employers' demands.

2. Strategic fit

Link to P&B, DWCP and CPO

The project 'Livelihoods, Employment and Income for Vulnerable People in North Lebanon affected by the Syrian Conflict' is linked to the **Country Programme Outcome (CPO) LBN103: Productive employment created through local economic development and sustainable enterprises.**

¹² World Bank/UN 2013: *Lebanon: Economic and Social Impact Assessment of the Syrian Conflict*

¹³ UNFPA, UNICEF, UNESCO, Save the Children, UNHCR 2014: *Situation Analysis of Youth in Lebanon Affected by the Syrian Crisis*

It will contribute directly to the P&B Outcome 1 Employment promotion. The CPO LBN103 is aligned to the Area of Critical Importance (ACI) for Decent Work in Rural Economies.

The proposed project is furthermore part of the UN Inter-Agency **Lebanon Crisis Response Plan (LCRP) 2015-16**. It directly contributes to achieving the targets for the outputs 2, 3, 4 and 5 of the Livelihoods of the LCRP (please see Annex 1 for details). Moreover, **the proposed project is aligned to the Government of Lebanon's central priority of job creation as outlined in the 'Lebanon Roadmap or Priority Interventions for Stabilization from the Syrian Conflict'** (12 October 2013).

3. Project strategy

The protracted crisis has not only left over 1.15 million Syrian refugees in dire need of livelihoods, but also diminished the livelihoods of 1.2 million poor and vulnerable Lebanese. The proposed project 'Livelihoods, Employment and Income for Vulnerable People in North Lebanon affected by the Syrian Conflict' addresses two key issues in creating livelihoods for vulnerable Lebanese and Syrian refugees alike:

1. Address inefficient and partially ineffective provision of employment services in North Lebanon coupled with insufficient labour market interventions targeting unemployed youth; and
2. Increase employment and income generation opportunities while fostering social cohesion to avoid escalation of tensions between refugees and host communities.

The project is based on the Making Markets Work for the Poor (M4P) approach in order to ensure sustainability of economic gains and employment created for the poor and vulnerable. M4P is concerned with changing the way market systems work so that market systems offer more opportunities and benefits to poor and vulnerable people. For markets to work better for poor people, they need to facilitate the access of the poor to assets, and enable and empower them to use these assets to generate livelihoods and to reduce vulnerability. The project's task is to facilitate change in the market systems to work more effectively and sustainably for the poor, which will improve their livelihoods and consequently reduce poverty and increase resilience. The M4P approach entails enhancing the capacity of local service providers to cater for the needs of market/value chain actors, rather than directly providing services. This supports market or value chain actors to build a sustainable network, which in itself builds resilience and increases preparedness against shocks.

The project incorporates institutional strengthening of its partners. It acts as a facilitator, focusing on technical assistance, coordination, networking, and information. By adopting this approach, the project develops its partners' capacity to do and deliver, rather than to do and deliver directly. The project focuses on sustainability and scale, which means striving for both systemic change and developing a clear vision of the future beyond the project lifespan. Change is facilitated with an emphasis on long term sustainability, which can be driven by market system stakeholders. The project has a facilitative rather than an interventionist role. Acting as a "catalyst for change" encourages more players to take part in the market systems (i.e. crowding in), and leads to greater local ownership and more relevant and sustainable change and impact. Interventions facilitated by the project aim to address the prior identified underlying causes of market underperformance as found through the value chain analysis conducted prior to interventions.

The project targets vulnerable groups in North Lebanon who are negatively affected by the Syrian refugee crisis – Lebanese host communities and refugees alike, in particular unemployed youth,

and vulnerable farmers and agricultural workers in the selected value chains as well as other vulnerable groups who are part of the selected value chains. These vulnerable groups will be recipients benefitting from on-the-job-training programmes, upgrading of informal apprenticeships or from targeted value chain interventions such as training or creation of market linkages.

The project's direct recipients and partners are the Ministry of Education, Ministry of Agriculture, Ministry of Labour, employment service providers, local vocational training providers, enterprises hosting apprentices as well as local economic development stakeholders such as municipalities, local government institutions/representatives and civil society (in particular relevant local NGOs) who benefit through targeted technical assistance, institutional development and capacity building interventions.

The project's ultimate beneficiaries are

1. **Female and male youth** aged between 15 and 30 through paid on-the-job training as well as upgrading informal apprenticeships and dual system training opportunities leading to sustainable employment;
2. **Female and male job seekers** by assisting them in better accessing productive employment, decent work and income opportunities as a way to lift their well-being and minimize their unemployment insecurities through improved employment services and vocational training;
3. **Women and men who own and/or manage Micro Small and Medium Enterprises (MSMEs)**, including farmers by increasing income from and employment in the selected value chains;
4. **Women and men, including youth, who work in MSMEs** as paid or unpaid employees or workers – Lebanese as well as refugees – that benefit from value chain interventions;
5. **Women and men, in particular youth, who want to start a MSE.**

The proposed interventions target at least 1,660 direct beneficiaries, approximately 1,000 of which will benefit from new or upgraded employment and the rest from temporary employment and/or increased employability through skills training.

In addition to the direct beneficiaries, the project is designed to reach a large number of indirect beneficiaries: Approximately 1,100 job seekers are expected to be placed in an employment over the 3 years. Interventions benefiting the income generation will provide income to households, thus multiplying the impact from one person to households at large (average household size in Northern Lebanon as per CAS 2007: 4.75 persons). Furthermore it is expected that other enterprises/farmer adopt practices introduced to those part of the direct beneficiaries. The 50 communities targeted through Local Economic Development will benefit from increase social stability. **Overall, the project expects to indirectly benefit approximately 50,000 people, Lebanese and Syrian refugees, in Northern Lebanon.**

The existing project has established broad-based partnerships, which will be widened as part of the proposed project. This includes the government, especially the Ministry of Labour, the Ministry of Education, Ministry of Agriculture, the employers' and workers' organizations (Chamber of Commerce, Industry and Agriculture in Tripoli (CCIAT), Association of Lebanese Industrialists and the National Federation of Employees and Workers in Lebanon (FENASOL)), municipalities and civil society representatives whose cooperation is crucial in the identification of future skills requirements and the integration of this information into the planning of education and skills training provision and/or driving local economic development.

The development goal of the project is to restore and improve livelihoods, create productive and decent employment and increase income generation through sustainable enterprise development and by improving the employability of vulnerable groups.

3.1 Immediate Objectives

The project has two immediate objectives:

1. **Improved access to employment opportunities and livelihoods for youth and other vulnerable groups in North Lebanon**
2. **Increased employment and income generation in target agricultural sectors in Akkar and Minnieh-Danniyeh**

The first immediate objective addresses the problem of inefficient and partially ineffective employment service and the lack of labour market interventions for youth. The project will provide immediate short-term livelihoods to refugee and Lebanese youth while working on structural changes in the labour market to ensure sustainability in the long run. Empowering and expanding employment service centres will serve in building bridges between job seekers and employment opportunities. At the same time recruitment practices will be changed towards more competency based approaches, and centers will have specific strategies on the services to provide to employers focusing on productivity improvements and working conditions. Job seekers, and in particular youth, will be better assisted to improve their employability prospects and better equipped to address skills being sought by employers. Employment service centres will improve access of job seekers to work opportunities while ensuring sustainability of placement through regular and systematic follow-up of referrals.

Experience to date shows that the project's technical assistance to employment service providers is much needed and demanded. Staff of employment service providers are actively participating including in the development of brochures and provide suggestions for further training and workshops beyond the project's initial plans.

Anticipating future skills needs is the first building block of better employability and skills strategies for youth to open up job opportunities. This will support many young people who currently face difficulties in finding a job because of the mismatch between their education/training and labour market requirements. Based on labour market demand information, the successful Dual System can be applied to another sector with high future demand, expanding job opportunities for unemployed youth. Upgraded or formalized apprenticeship and on-the-job-training schemes furthermore help youth to enter the market. In particular market-based on-the-job training schemes offer livelihoods opportunities for Syrian youth refugees, while providing them with useful skills for the future. Moreover, a targeted training promoting entrepreneurship as a career path will be implemented through selected vocational training providers.

The second objective addresses the need to create sustainable productive employment through agricultural value chain development embedded in an inclusive Local Economic Development (LED) approach. In the two North Lebanon cazas most affected by the crisis – Akkar and Minnieh-Danniyeh, local stakeholders (including municipalities, government, refugees, employers' and workers' organisations or cooperative representatives, NGOs) will learn to discuss local economic development and identify and prioritise interventions in order to overcome bottlenecks identified through value chain analysis. Based on the M4P approach, interventions will target in particular those constraints with potential to unleash economic opportunities for the vulnerable. Many farmers slipped into underemployment due to the consequences of the Syrian crisis, while refugees and Lebanese workers compete over low-wage jobs with poor working conditions. The project will work on at least two agricultural value chains, selected by the stakeholders, in Akkar and Minnieh-Danniyeh that show employment creation potential. Working with local service providers and entrepreneurs, these LED interventions will increase the level of employment within and income

generated through the value chain, benefitting farmers, workers and other value chain actors. At the same time, the inclusive approach of LED increases social cohesion among communities affected and antagonised by the crisis.

First LED dialogues were held in order to select the sectors (potato and leafy greens) and to validate and contribute to the findings of the value chain analysis. Stakeholders highly appreciated the inclusive approach of the ILO project. They were actively engaged in selecting the most suitable sectors adhering to the M4P criteria, identifying constraints and opportunities in the value chains and showing potential for increasing employment and income generation for the poor and vulnerable.

The ILO's current project is already working on LED/VCD in Akkar on the potato and leafy greens sectors, with the value chain analysis conducted. First priority interventions will be implemented in early 2015. This project will capitalise on the work already done and scale up efforts, while expanding efforts to Minnieh-Danniyeh, an area that is historically underserved.

3.2 Outputs

Immediate Objective 1: Improved access to employment opportunities and livelihoods for youth and other vulnerable groups in North Lebanon

Building on the current ILO's North Lebanon livelihoods project's activities providing technical assistance to all employment service providers in North Lebanon, the proposed project will scale up and deepen the technical assistance. In particular, the project will strengthen the employment service providers in conducting skills forecasting to ensure provision of market-driven services.

Labour market demand information obtained through skills forecasting will be used for specific interventions targeting Lebanese and refugee youth groups to provide short- and long-term job opportunities. The second output under this immediate objective will support selected North Lebanon service providers to establish paid on-the-job training schemes for Lebanese and refugee youth groups in areas promising as shown by skills forecasting. These on-the-job trainings will provide paid decent work opportunities combined with targeted skills training for female and male youth who increasingly struggle to find jobs and whose livelihoods opportunities are limited.

In addition to this immediate response, **the project will work with employers' organisations and trade unions to upgrade informal apprenticeship in relevant sectors showing high labour demand.** These interventions will not only benefit the vulnerable apprentice by providing improved skills training and career opportunities as well as better working conditions, but also the employer by improving the company's productivity.

The project will use information from the skills forecasting to choose one promising sector to apply the Dual System technical vocational education and training in collaboration with the Ministry of Education, NEO and other relevant government institutions to respond to the competence needs and qualification requirements of the labour market.

Seeing that the labour market will not be able to absorb all job seekers, entrepreneurship offers promising careers. The project will thus furthermore engage with local vocational training providers to introduce the ILO entrepreneurship training 'My First Business' (MFB) designed to motivate female and male youth to choose self-employment as a career path and providing them with a skills set to start a business. With MFB vocational training providers offer a more comprehensive training programme to trainees who are interested to acquire technical and business skills thereby preparing them for self-employment.

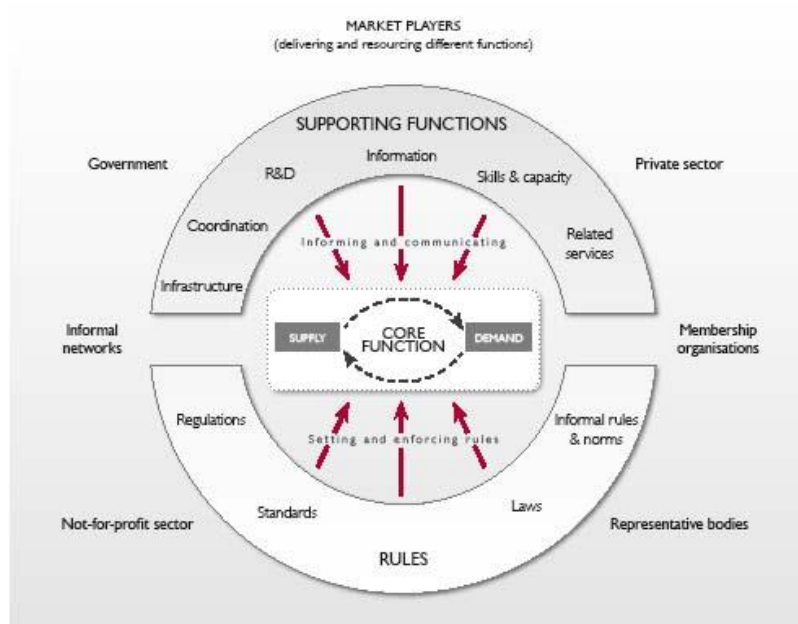
Immediate Objective 2: Increased employment and income generation in target agricultural sectors in Akkar and Minnieh-Danniyeh

The project will facilitate and guide LED dialogue in Akkar and Minnieh-Danniyeh encouraging stakeholders to engage with each other, and jointly identify and prioritise LED interventions in the selected value chains. The LED dialogue in Akkar will be continued throughout implementation of interventions in the vegetable sector to ensure ownership of all stakeholders and allow for continued involvement and monitoring. In Minnieh-Danniyeh this LED dialogue will first need to be established and supported in selecting an agricultural sector with growth and employment creation potential.

Once stakeholders in Minnieh-Danniyeh agreed through the LED dialogue on a sector, the project will support a local stakeholder previously trained through the current ILO livelihoods project to conduct a value chain analysis indicating the sectors' constraints and opportunities.

Graph 1: What is the market system?

Below is a graphical representation of the market system. At the centre are the value chains that bring products and services to the market. The environment is formed by supporting functions (such as business development services, vocational training and finance) and rules and regulations relevant to the chain. The broader environment around this affects the immediate environment as well as setting its own conditions.



The bulk of efforts under this objective will go towards upgrading the two targeted value chains through the implementation of targeted interventions prioritized by the LED dialogue in order to overcome bottlenecks in the value chain and its markets system contributing to increase employment opportunities and household income. Graph 1 depicts the market system of a value chain. Interventions can target any of the functions shown, depending on the bottlenecks identified in the value chain analysis. The project will identify private sector service providers and design business models that enable them to become drivers of change. Guided by the M4P approach, prioritise interventions that improve livelihoods and upscale employment of vulnerable people involved in the value chain, including Lebanese farmers, refugee workers and others. Interventions will furthermore aim at improving working conditions and the situation of children working in these sectors.

4. Achievements to date

The current “Enabling Job Resilience and protecting Decent Work Conditions in Rural communities affected by Syrian Refugees crisis in Northern Lebanon” project works in two main areas:

1. Improving labour market intermediation;
2. Increasing the income generation and employment creation potential of an agriculture value chain through local economic development.

1. Labour market intermediation

The project focuses on providing technical assistance to existing employment service centres (ESCs) including the National Employment Office (NEO) in North Lebanon in order to increase their efficiency and effectiveness.

To date, the project has provided tailored training in labour law, management of ESCs and labour market information. A brochure on labour law has been developed that will shortly be provided to the ESCs to support them in their daily work. Further training on ESC outreach is planned, as well as enabling ESCs to provide career counselling services built upon existing research of labour market opportunities.

The project is currently working on institutionalising a cooperation mechanism among ESCs in North Lebanon. A preliminary agreement on cooperation areas has been achieved in December, with specific steps towards institutionalisation planned for end of February.

2. Local Economic Development / Value Chain Development

The project selected Akkar for its Local Economic Development (LED) interventions based on vulnerability and other criteria. The LED dialogue is conducted in collaboration with the North Lebanon Local Economic Development Agency (North LEDA). Based on short-list of eligible agricultural sectors determined by the M4P criteria as well as the potential for employment creation, stakeholders selected the vegetable sector, more specifically the **potato and leafy greens value chains**.

The project built the capacity of five selected local organisations active in Akkar on how to conduct value chain analysis (VCA) and formed a research team with staff of these five organisations as well as an international consultant tasked with training, mentoring and guiding the research team. The team presented preliminary value chain analysis findings for validation to the stakeholders in January. With the final VCA report due end of February, the LED stakeholders will in early March be trained and supported in identifying and prioritising LED interventions in order to upgrade the potato and leafy greens value chains.

Preliminary findings of the VCA show significant constraints at the productions level in both value chains, as well as untapped export opportunities to Europe for Akkar’s potatoes. Furthermore, child labour and inadequate working conditions represent critical decent work deficits in both sectors – across the value chains – that will need to be addressed.

5. Comparative advantage

With employment creation as a goal, steady economic development and ultimately full employment is at the core of the proposed project, supporting the achievement of the right to work for all. The ILO's engagement in private sector development stems from the fact that most employment opportunities are created by micro, small and medium sized companies and that there is a correlation between the size of an enterprise and working conditions, the smaller the more precarious the working conditions tend to be. The ILO therefore promotes enterprise development not as an end in itself, but as a means towards the creation of decent work, and extends the decent work concept to vulnerable and marginalized groups.

The ILO brings tripartite constituents together for social dialogue and consensus building. This firmly strengthens the central role of employers' and workers' organizations, co-operatives, and business membership organisations. Dialogue between the public and private sector has been the starting point for Local Economic Development (LED) programmes since the early nineties. Over time, the ILO has developed a strong knowledge and capacity in LED strategies. The ILO possesses a range of tools that can be used to address specific needs at the micro, meso and macro level. Many LED initiatives are being implemented through value chain development where the ILO has built another area of strong knowledge and capacity, assisting governments and other stakeholders in identifying industries, sectors or clusters, which offer a distinct comparative advantage as well as employment creation potential. **Past ILO Local Economic Development projects in Lebanon have shown that this approach has high potential to improve livelihoods and social cohesion during crisis situations, along with the ILO's participatory approach to value chain development.**¹⁴ The ILO furthermore benefits from a trusted relationship with the Ministry of Agriculture.

Through ongoing engagement and earlier projects the ILO has established an excellent relationship with the Ministry of Labour, in particular the National Employment Office (NEO) and Ministry of Education. The ILO has provided technical support for the set-up of emergency employment services and for enhancing the capacity of the National Employment Office following the war of 2006. Support has been provided to develop and implement competency-based approaches within NGOs providing vocational training. Other initiatives focused on targeting the labour market inclusion of young people with disabilities and refugees, linking skills with productivity and wages, as well as providing work experience through apprenticeship provision, testing and certification. In Lebanon, the ILO has the reputation to be the organisation to provide technical assistance in the areas of employment service provision and vocational training. For instance, UNDP, UNHCR and International Rescue Committee (IRC) are currently building upon the ILO's technical assistance for employment service providers they support.

The ILO has well established relations with constituents - government institutions, in particular Ministry of Labour and Ministry of Agriculture, employers' organisations (CCIAT, Association of Lebanese Industrialists) and workers' organisations (FENASOL), academic institutions, youth groups and civil society organizations. This project will be built on the global knowledge and experience the ILO has while integrating lessons learnt from other projects in the Arab States, in particular youth

¹⁴ See evaluation reports including ILO 2009 (Hala Dakhil and Roel Hakemoeler): Report of the independent final evaluation of the project Local Socio-Economic Recovery in War-Affected Areas of South Lebanon;
ILO 2009 (Ziad Moussa): Final Evaluation of ILO's component in the MDG-F program "Conflict Prevention and Peace Building in North Lebanon";
ILO 2011 (Kerry Abbott): Independent Evaluation of 'Supporting Local Socio-Economic Recovery and Development in War-Affected Areas of South Lebanon (Phase II)';
ILO 2011 (Ziad Moussa): Independent Final Evaluation: Enhancing Local Employment, Skills and Enterprises in Nahr El Bared.

employment projects and the tools it has developed/adapted in Arabic.

6. Indicative budget

The total estimated budget for this 3-year project is USD 5 million of which ILO has secured USD 500,000 in addition to existing ILO funds.

Output	Indicative budget	Targeted beneficiaries/ expected results
<i>Immediate Objective 1: Improved access to employment opportunities and livelihoods for youth and other vulnerable groups in North Lebanon</i>		
1.1 More effective ESCs have the capacity to conduct skills forecasting	USD 880,000	At least 25% annual increase in the number of job seekers matched with an employment opportunity. At least 3 skills demand studies show employment opportunities for youth.
1.2 400 vulnerable youth benefit from paid on-the-job training and skills training	USD 656,250	400 vulnerable Lebanese and Syrian youth receive temporary income and increase their employability
1.3 100 vulnerable youth provided with a path to formal employment through upgraded informal apprenticeship	USD 500,000	100 vulnerable youth - At least 70% of youth graduated from the apprenticeship are either hired by their craftsperson/business owner or start a micro enterprise
1.4 Increased formal vocational training opportunities for youth through another sector added to the Dual System technical vocational education and training	USD 571,750	100 youth directly benefit through formal Dual System technical vocational education and training. Formal career path opened for all youth.
1.5 Vocational training centres provide innovative youth entrepreneurship training	USD 213,600	100 vulnerable Lebanese and Syrian youth have the basic skills to start a business
<i>Immediate Objective 2: Increased employment and income generation in target agricultural sectors in Akkar and Minnieh-Danniyeh</i>		
2.1 Local Economic Dialogue platforms guide value chain development in Akkar and Minnieh-Danniyeh and contribute to improved social cohesion	USD 357,250	At least 50 communities take active ownership in and drive their economic development
2.2 At least 3 agricultural value chains are upgraded producing increased employment and income generation	USD 2,321,150	630 target enterprises (incl. farmers) increase and/or improve their products/production and have new clients/markets. At least 150 workers, in particular children, benefit from improved working conditions (elimination of worst forms of child labour in target sectors).

7. Other information

6.1 Management arrangements

The project will be staffed by an international Chief Technical Advisor, two National Project Coordinators, one responsible for the employment service component and one for the LED/VCD component as well as an administrative assistant. The Chief Technical Advisor along with the administrative assistant will have the office in the ILO ROAS office in Beirut to be close to counterparts at the national level as well as the Decent Work Team. The two National Project Coordinators will have the office in Tripoli to be close to local counterparts and beneficiaries. Frequent travel by the CTA to Tripoli and implementing locations is included.

The Decent Work Team of the Regional Office for Arab States (DWT-Beirut) will provide technical backstopping support. ENTERPRISES is a collaborating unit.

6.2 Monitoring and Evaluation

The project is committed to continuous and stringent monitoring and evaluation. Baseline assessments will be conducted prior to major interventions: A baseline assessment is foreseen in particular to determine employment and household income levels of ultimate beneficiaries prior to support through value chain development. Any training conducted includes a pre-and post-test to assess the trainees' learning.

With regards to the value chain interventions the project will furthermore conduct an impact assessment to assess the project's impact on beneficiaries in terms of increase in employment and household income.

An independent final evaluation of the project will be conducted through an independent consultant at the end of the project's duration.

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Annex 1:

The 'Livelihoods, Employment and Income for Vulnerable People in North Lebanon affected by the Syrian Conflict' as part of the

Lebanon Crisis Response Plan (LCRP) 2015-16
Regional Refugee and Resilience Plan (3RP)

LCRP Outputs and activities	ILO project outputs & activity description	Requested Budget in US\$	Target population and other indicator information
Output 2: Workforce employability improved			
Activity 2.1: Support the activities (including access to market information; career guidance; counseling; job matching; etc) and strengthen the capacity of employment services centers and the establishment of new centers where needed.	Output 1.1 The activity will target active employment service centres in Northern Lebanon. There are around 12 not-for-profit local and national agencies in the region serving various listed targeted population. An estimated number of 35 employment officers will benefit from the capacity building activities. The aim is to annually increase the number of job seekers that receive employment services in North Lebanon are matched with an employment opportunity by at least 25% (10% women).	USD 444,500	N/A
Activity 2.2: Provision of competency based vocational skills (re-) training programmes, including dual system technical vocational education, in particular for women and youth, based on market demand and supply	Output 1.4 The ILO will use information from prior conducted labour market demand surveys to develop new sectors for the competency-based dual system training, working with the Ministry of Education and employers' organisations.	USD 327,250	3 competency-based training programmes 100 beneficiaries
Activity 2.3: Implementation of (paid) internship, on-the-job training or apprenticeship programmes for youth within Lebanese entities	Outputs 1.2 and 1.3 The ILO proposes 2 activities under this activity, both building upon close collaboration with employers' organisations: 1. Paid short term on-the-job-training in companies, combined with skills training in areas informed by labour	USD 1,176,250	On the job training: 400 over 2 years Apprenticeship: 100 Total: 500 beneficiaries

	market demand survey. This activity provides short-term income for Syrian refugee and Lebanese youth (50%/50%) who have little prospects for a job with the expectation that these jobs would become offered to trainees as long term employment. 2. Upgrading informal apprenticeships in two promising sectors, including measures to increase the productivity and improve working conditions. This is a systemic intervention targeted to increase resilience.		
Output 3: Capacity of the MSMEs sector to create jobs is improved.			
Activity 3.1: Provision of business management training and business development services, including marketing, book keeping, accounting, legal support, community based management training, procurement support etc.	Outputs 1.5 and 2.2 At least existing 100 entrepreneurs benefitted from training as part of the value chain interventions (Activity 4.1), and at least 100 aspiring youth entrepreneurs benefit from training. (at least 30% women) The business management training for youth entrepreneurs will be an innovative course integrated in vocational training centers.	USD 427,250	Total 200 beneficiaries
Output 4: Competitive integrated value chains (VC) strengthened and upgraded			
Activity 4.1: Implement integrated VC programmes	Output 2.2 The project will scale up commenced agricultural value chain development activities in the potato and leafy greens sectors in Akkar and expand value chain development to another agricultural sector in Minnieh-Danniyeh. Value chain interventions are based on the M4P approach and value chain analysis conducted by the project. All interventions are guided by Local Economic Development dialogue (Activity 5.4). The goal is to increase target household income and to create	USD 2,108,000	20 VC interventions 600 farmers and workers 30 exporters 150 children 80 trainees (extension services providers) Total 860 beneficiaries

	employment.		
Output 5: Policies, strategies and plans supporting job creation, MSMEs and livelihoods.			
Activity 5.4: Development of participatory local economic development plans with public and private actors.	Output 2.1 At least 30 municipalities in North Lebanon within the agricultural value chains. LED plans for each value chain will be developed. The LED dialogue involving all stakeholders including Syrian refugees and other marginalized groups will guide and monitor the implementation of value chain interventions.	USD 357,250	2 LED plans
Activity 5.6: Support to the Ministry of Education for competency based vocational training and expansion of dual system & upgrading informal apprenticeship (together with Education sector)	Outputs 1.3 and 1.4 As part of this activity, the ILO works with Ministry of Education as part of adding sectors to the competency-based Dual System technical vocational education training, as well as in order to upgrade informal apprenticeship in two sectors.	USD 307,250	3 competency based trainings developed 30 government staff trained
Activity 5.7: Conduct sector surveys and set up data collection systems for knowledge management in the Livelihoods sector	Output 1.1 At least 3 skills demand studies in emerging economic sectors conducted. Electronic web-based data system for labour market information and career guidance developed.	USD 452,250	1 data collection system developed 3 sector surveys
Total		USD 5,600,000	Total direct beneficiaries: 1,660 persons
Current budget available for 2015 (ILO funds)		USD 600,000	
Other funds secured by ILO		USD 400,000	
Total budget needed (2015 – 2017)		USD 4,500,000	