

# The Path...

## From Local Development to National Policy

### Empowering Municipalities through Local Economic Development (EMLED Program)



**USAID**  
FROM THE AMERICAN PEOPLE



In collaboration with: **Beyond**  
Reform & Development



# **The Path... from Local Development to National Policy**

## **Empowering Municipalities through Local Economic Development**

*Brief Report on  
Lessons Learned from the EMLED program  
Funded by the United States Agency for International Development (USAID)  
Implemented by Relief International in Lebanon (2008 to 2011)*

*This report is made possible by the support of the American People through the United States Agency for International Development (USAID). The contents of this report are the sole responsibility of Relief International and do not necessarily reflect the views of USAID or the United States Government.*

# TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>Preface</b>  | <b>4</b>  |
| <b>Publication Research Methodology</b>                                 | <b>6</b>  |
| <b>Chapter -1- Capturing Learning and Outcomes of the EMLED Program</b> | <b>9</b>  |
| 1.1 The Community-Based Outreach  | 10        |
| 1.2 The Consultative Process  | 23        |
| 1.3 Building Local Capacity   | 29        |
| 1.4 Creating an Enabling Environment                                    | 34        |
| 1.5 Local Financial Interventions                                       | 41        |
| <b>Chapter -2- Development Opportunities for the Future</b>             | <b>49</b> |
| 2.1 Economic Development Opportunities                                  | 50        |
| 2.2 Economic Development Initiatives                                    | 50        |
| 2.3 Cluster Vision  | 50        |
| 2.4 Women's Participation   | 54        |
| 2.5 Youth Participation   | 55        |
| 2.6 Social Development and Entrepreneurship Initiatives                 | 56        |
| 2.7 Stakeholder Cooperation Approaches.                                 | 58        |
| 2.8 Capitalizing on the Lebanese Diaspora                               | 59        |
| <b>Chapter -3 - The Path from Local Development to National Policy</b>  | <b>60</b> |
| 3.1 Context and Background  | 60        |
| 3.2 Citizens as Drivers of Local Economic Development                   | 61        |
| 3.3 Voicing Local Citizens' Needs                                       | 62        |
| 3.4 Expected Impact of an Administrative Decentralization               | 65        |
| 3.5 The Way Forward...  | 66        |

# Preface

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This publication is the result of an exercise of dialogue and reflection, with program partners, key stakeholders, beneficiaries and staff, conducted by Relief International in partnership with Beyond Reform and Development, to collect and compile lessons learned and to capture the outcomes and lessons learned of a three year program aimed at empowering municipalities through local development (EMLED) in Lebanon. This report is an abridged version of a 150 page publication that addresses development organizations, civil society and government agencies across Lebanon.

We would like to take this opportunity to acknowledge the support and participation of municipalities, beneficiaries, local stakeholders, partners, development actors and the Relief International staff whose enthusiastic and proactive participation contributed to the success of this exercise.

We would like to thank USAID and the American people for extending their hand of friendship and cooperation to the people of rural Lebanon, thus giving them an opportunity to realize their dreams of a better quality of life and a sustained source of livelihoods and to partake in global efforts for sustainable development.

The knowledge and experiences emerging from the Lessons Learned exercise have been elaborated through three chapters that essentially highlight the following themes:

## **1. Local Development is based on Constructive Dialogue and Proactive Participation**

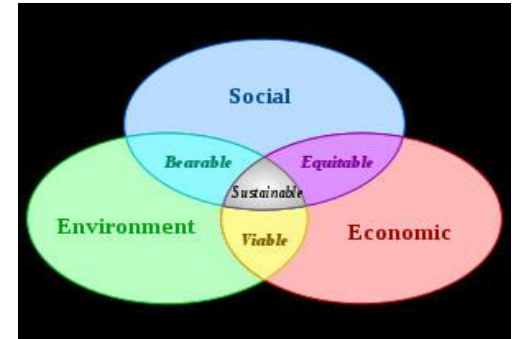
***Development Mantra 1: Constructive and inclusive dialogue among community, civil society and local authorities, that builds reciprocal trust and empowerment, enhances local capacities for making informed choices and nurtures people's will to choose, is an essential prerequisite for good governance and sustainable local development.***

Through community based outreach, consultative processes, local capacity building, creating an enabling environment and carrying out financial interventions across 130 municipalities/ villages in Lebanon, Relief International created platforms and mechanisms of interaction among communities and their municipalities. RI's methodology of facilitating constructive dialogue and proactive participation contributed to increased community engagement and municipality effectiveness for a local economic development based on common local interest and a wider community consensus.

## 2. Economic Development is based on Linking Local Resources to Global Value Chains

***Development Mantra 2: When communities, experts, public authorities and the private sector work in partnership to create the enabling environment that strengthens the social (political, cultural, human), economic and natural capital, providing equal opportunities and permitting healthy competition among economic actors, then economic development becomes a reality.***

Through sector specific value chain analysis in rural economic sectors, Relief International in partnership with International Resources Group, conducted 17 Case Studies: in tourism, mushrooms, dairy, poultry, olive, honey, pine nuts, apple, flowers, kiwi, sweet corn. These Case Studies, based on stakeholder consultations and supported by technical assistance and financial interventions, have created new economic opportunities in Lebanon's target rural areas, contributing to improved local livelihoods and an increase in incomes and jobs. Case studies coupled with investment priorities identified by citizens can help determine real needs and economic opportunities in rural areas.



## 3. National Policies Must be Coherent with Community Needs, Rights and Assets

***Development Mantra 3. Development is Sustainable when National Policies are anchored in People's Vision for development and are coherent with community needs and rights, responding to today's demands while preserving community assets and resources, such that the ability of future generations to meet their needs is not compromised.***

When national policies contribute to empowering communities and foster good local governance through local development, it becomes possible to use local resources efficiently and effectively for sustainable national development. As capacity of people is strengthened and their voices begin to be heard, they become capable of being owners and managers of their resources and of choosing the life they have reason to value. Constraints exist at the policy level that impinge on the rights of people to organize, access information, own and manage assets and participate fully as members of civil society. The more people are involved upstream in the planning and decision making process, inform and improve policies, legislative frameworks and implementation processes and procedures, the more likely they are to own a development intervention, contribute to it and sustain it. Efforts are thus required to create an enabling policy environment that allows all stakeholders to participate as active partners of development processes.

Vrinda Dar,  
Chief of Party, EMLED Program,  
Beirut, Lebanon  
16 June 2011



# Publication Research Methodology

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This publication is based on extensive research conducted between September 2010 and May 2011 across six clusters of villages within the program target areas of Akkar, Jezzine, Jbeil, and Nahr el Bared.

## Research Design and Objectives

The objectives of the research were to:

1. Document and analyze the methods, processes and outcomes of the EMLED program.
2. Identify the gaps and shortcomings in the program processes.
3. Capture the lessons learned at the level of community outreach, consultative process, learning opportunities, enabling environment and financial interventions.
4. Identify and highlight economic opportunities in target regions, particularly opportunities that engage women, youth and the Lebanese diaspora.
5. Link local economic development opportunities with the administrative decentralization policy.
6. Gather recommendations on how government stakeholders could be better involved in local governance and local economic development.

This research was characterized by the following elements:

- Bridging the gap between theory and practice by applying concepts and definitions to challenges and opportunities in Lebanon.
- Employing a participatory framework that engaged key informants in the design of the research, data collection and validation of findings.
- Using continuous dialogue and discussion with EMLED staff members to capture all learning and program limitations.
- Involving experts in during the design and collection of information while also integrating their perspectives.
- Building on the work and findings of development organizations and other key stakeholders that are working on local economic development and local governance in Lebanon.
- Integrating a policy component that has legislative and reform implications for the Lebanese government.

## Research Method

| Type                        | Research Tools             | Target Group   | Information Collected  |
|-----------------------------|----------------------------|--|--|
| <b>Preparatory Research</b> | Desk and literature review | International sources, development reports, comparable country cases and practices.  | Qualitative assessment of literature on local economic development processes: approaches and methods for community based outreach, consultative processes, learning opportunities, enabling environments and financial interventions.  |
|                             | EMLED program assessment   | Relief International, approximately 200 documents  | Processing and assessing the EMLED technical proposal, all quarterly and evaluation reports, donor reports, grants criteria and reports, case studies, value chain analyses, feasibility studies, cluster strategy briefs, success stories, problem trees, round-table reports and diaspora profiling. |
| <b>Field Research</b>       | Five Youth Focus Groups    | 25 Young citizens active in business, civil society and local governance.  | Personal experience in the EMLED program, learning needs, opportunities for development and challenges to their engagement in local governance and economic development.   |
|                             | Five Women Focus Groups    | 35 Active women members in business, civil society, and local governance.  | Personal experience in the EMLED program, learning needs, opportunities for development, and challenges to their engagement in local governance and economic development.  |
|                             | Survey                     | 157 respondents representing all segments of society; political affiliation, educational background, regions, age groups, gender and profession. | Perspectives and understanding of decentralization, requirements from central government agencies, approaches to local development issues and means to overcome challenges in current administrative system.   |
|                             | Five Focus Groups          | Mixed respondents from LED committee members, business owners, grantees, training participants   | Program strengths, shortcomings, recommendations addressing donor organizations, government agencies and private sector, understanding of decentralization processes and local development needs.  |
|                             | 20 Interviews              | Members of municipal councils, business owners, local stakeholders community mobilizes, NGO members.   | Impact of EMLED program, priorities for local economic development, challenges in current administrative system, needs from decentralization process and cooperation mechanisms with other municipalities and stakeholders.  |

| Type                  | Research Tools                          | Target Group  | Information Collected   |
|-----------------------|---|---|---|
| Policy Research       | Interviews                              | Experts and practitioners in academics, development, and civil society. | Recommendations on how decentralization can enhance local economic development, the role of economic development in the decentralization process, challenges and reform prospects in the current administrative system. |
|                       | Legal analysis                          | Proposed laws on decentralization                                       | Review of strengths, weaknesses and approaches of proposals for laws and reforms that fall into the decentralization framework including districting, fiscal, electoral and administrative.                             |
|                       | Literature review                       | Articles, reports, and legal documents.                                 | Cases and challenges in other countries, application of concepts and definitions to Lebanon, and policy path for local economic development and decentralization.   |
| Process Documentation | Work sessions for dialogue and analysis | EMLED staff members, beneficiaries and municipal council members        | Program strengths, weaknesses, outcomes, and impact on local communities.   |
|                       | Ten interviews                          | EMLED staff members and program managers.                               | Program effectiveness, process, outcomes and lessons learnt, impact, challenges and achievements across the target clusters.  |

## Research Limitations

A mix of methodological tools was utilized to enable us to address the subject by capturing global knowledge, program findings and recommendations from the field. We hope this publication inspires future research to address local economic development and local governance more systemically and builds on the findings we have captured. Despite the broad range of information sources and data tools employed, following were the limitations in the methodology and outcomes.

1. Access to information: the research was limited by the authors' ability to access Lebanese government plans, strategies and legislative proposals targeting local economic development and decentralization in Lebanon.
2. Data availability: due to the broad range of activities undertaken during the EMLED program, some information on stakeholders, meetings or grants might be missing from this report.
3. Generalizing the Survey: the sample size of respondents is not sufficient to generalize findings for the Lebanese population.
4. Interview respondents: the wide program outreach made it difficult to interview all actors in the program and collect perspectives and inputs from all beneficiaries



## Chapter -1-

### Capturing Learning and Outcomes of the EMLED Program

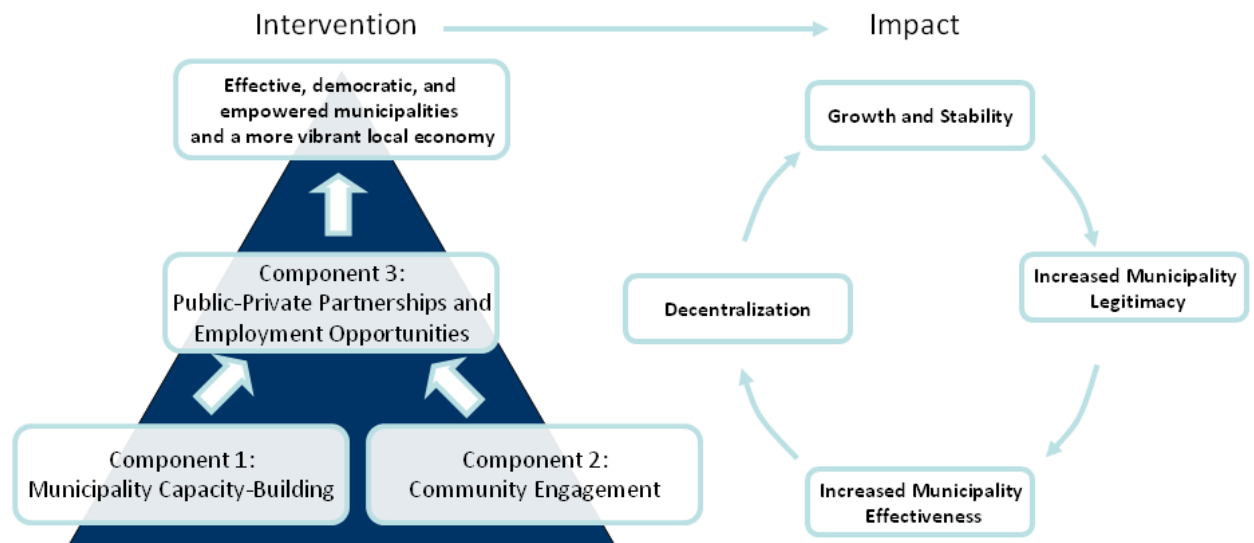
*Constructive and inclusive dialogue among community, civil society and local authorities, that builds reciprocal trust and empowerment, enhances local capacities for making informed choices and nurtures people's will to choose, is an essential prerequisite for good governance and sustainable local development.*

As Lebanon starts moving back onto the economic map of the world, local economic development, in its rural areas, is increasingly a driving factor for Lebanon's overall economic performance and an indispensable pre-requisite for improving the livelihoods of its citizens. With Lebanon's major cities being its largest economic hubs, development in the local rural areas is crucial to the country's sustainable, inclusive and equitable growth. This chapter focuses on the approach of how to engage local economic development stakeholders in identifying their needs and learning new ways of contributing to the development and growth of their villages/municipalities/areas.

During the past three years (2008-2011), the EMLED program (locally called Baladiyat) reached out to local communities in 130 municipalities/villages, aiming at ***“empowering municipalities and a more vibrant local economy, kick-starting a cycle of growth and stability, increased municipality legitimacy, increased municipality effectiveness, and decentralization.”*** The first chapter explores the requirements for local economic development in Lebanon through reflections on the EMLED program and capturing the learning and outcomes over the last three years.

#### EMLED Program Approach

The first chapter is divided into five main sections that showcase learning captured in community based outreach, the consultative process, capacity building, creating an enabling environment, and financial interventions. It is the result of an in-depth desk review of



documents produced by Relief International as part of program implementation in addition to multiple meetings with RI staff and focus groups held with key informants and program beneficiaries. The chapter elaborates the EMLED program approach and results and analyzes its strengths and weaknesses. Each section begins with an overview and standard understanding of concepts and tools, while contextualizing them in the case of Lebanon. Each section provides an overview of what was done, what could have been beneficial to do and a set of recommendations for the way forward.

## 1. The Community-Based Outreach

### 1.1. Setting the Tone

This section looks at how Relief International sought to adopt and implement a community-based outreach approach; a systematic attempt to provide resources and/or services to an *ally network* from within beneficiaries themselves.

*“The community based approach recognizes the community as a unit of identity and the appropriate focal point for implementing programs; the community is both the target and the catalyst for change. Community based outreach involves community members in the design, selection, and implementation of projects. It relies on local community actors to identify and reach out to stakeholders.”*

P. Nilsen. “The theory of community based health and safety programs: a critical examination,” *Injury Prevention* (2006): 140-145

What distinguishes the community based approach is its heavy reliance on ‘informal’ organizations, such as community-based organizations (CBOs) and grassroots associations. These embrace a plethora of small organizations with minimal structures and



personnel, weak hierarchies and voluntary memberships, sometimes family-based, sectarian or politically affiliated with a strong community identity. Local economic development cannot take place without the involvement of these informal organizations. Most of the time, they represent the bonds that keep communities together, and in them lies much of the social, economic, and cultural infrastructure that invigorates and sustains local development. A community-based approach for local economic development requires bottom-up participatory mechanisms with a significant focus on good governance at all levels of government.<sup>1</sup> This approach to outreaching communities includes close collaboration with civil society, private sector, governance structures at various levels (Governorates or Mohafaza, Districts or Caza, Municipalities, Villages, Union of municipalities).

<sup>1</sup> Casanova, Fernando. The Dimensions of Local Economic Development in *The role of the ILO in the implementing of Local Economic Development Strategies in a Globalised World* (International Labor Organization, 2009), available from [www.cinterfor.org.uy](http://www.cinterfor.org.uy) [Internet].

The table below compares “Traditional Development Policies” with “Local Economic Development” and analyzes selected reform areas that include the core values of individual actors in the policy process<sup>2</sup>:

| Traditional Development Policies  | Local Economic Development   |
|---|--|
| Top-down approach in which decisions on intervention areas are made at the top.                                   | Bottom-up, equitable, and widespread development based on initiatives usually from grass roots.  |
| Managed by a central administration.  | Decentralized and vertical cooperation between different tiers of government and horizontal cooperation between public and private bodies.   |
| Sector based approach to development.   | Territorial approach to development (locality, <i>milieu</i> ).  |
| Development of large industrial projects to stimulate economic activities.  | Maximizing the development potential of each area to stimulate a progressive and continuous adjustment of the local economic system and dynamics to changing economic environments. Build on local value chain actors and organizations. |
| Financial support, incentives, and subsidies as the main factors for attracting economic investment and activity. | Providing key conditions and an enabling environment for the development of economic activity and investment and mobilizing private and public resources for value chain investments.  |

## 1.2. The Relief International – Lebanon (RIL) Way

The community-based approach used by the EMLED program was a crucial component of program impact. Various beneficiaries described the program as the “most responsive” and “closest to the people”, praised the relevance of program interventions and trainings as “*not conceptual but actually targeted what we needed.*”

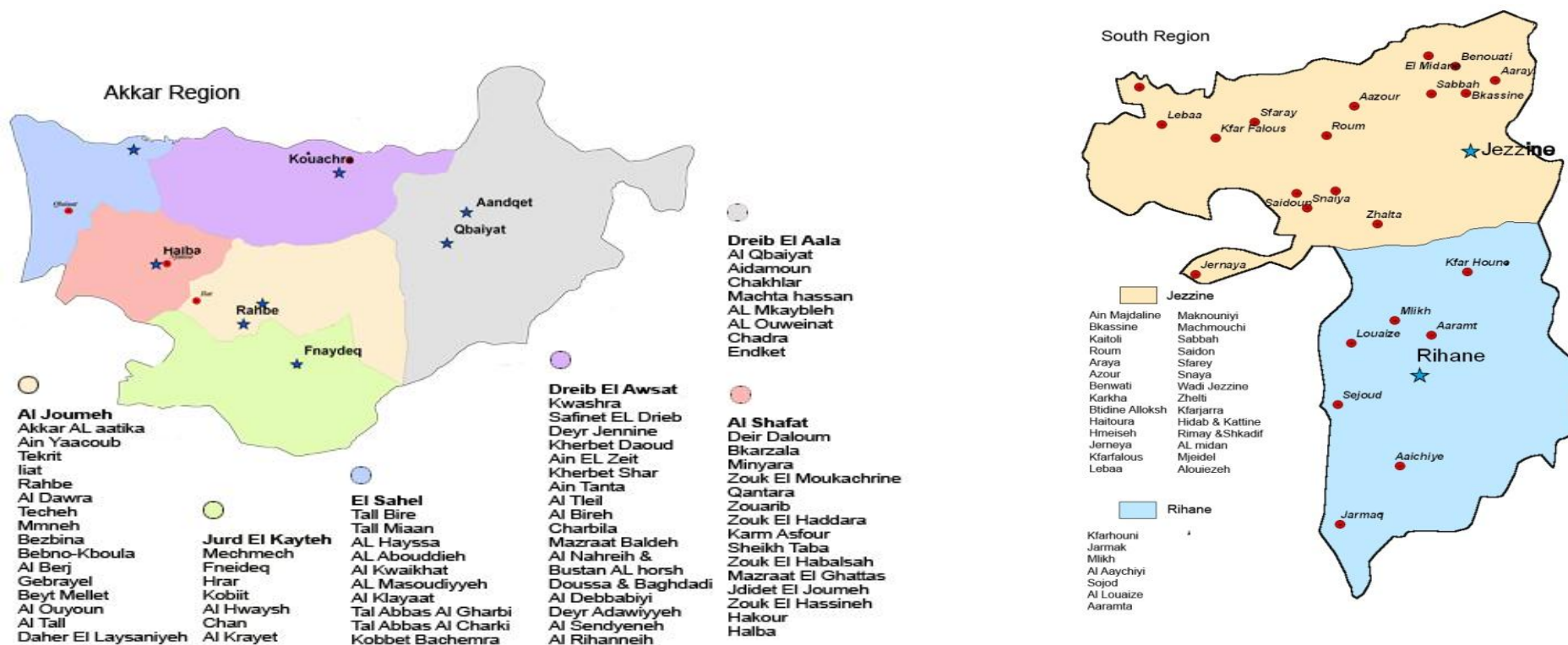
### 1.2.1. Selection of Villages.

The choice of the 130 target municipalities/villages was based on several criteria including: (i) the fit with USAID’s country program strategy; (ii) poverty, unemployment, and regional disparity in rural areas in the North; (iii) lack of municipality capacity to lead on local economic development initiatives; and (iv) the third ring villages surrounding the NBC camp.

<sup>2</sup> Ibid.

### 1.2.2. Clustering Villages

Target villages were grouped into geographic clusters and small municipalities were combined with bigger ones to create economically viable geographic entities. The process gave full ownership to the municipalities and assured horizontal learning among them, in addition to facilitating coordination with various local and regional stakeholders. Target municipalities were grouped into nine clusters: Jezzine, Rihan, Jbeil, Dreyb Alaa, Dreyb Awsat, El Joume, Jered El Kayteh, Sahel Akkar, and Nahr El-Bared.



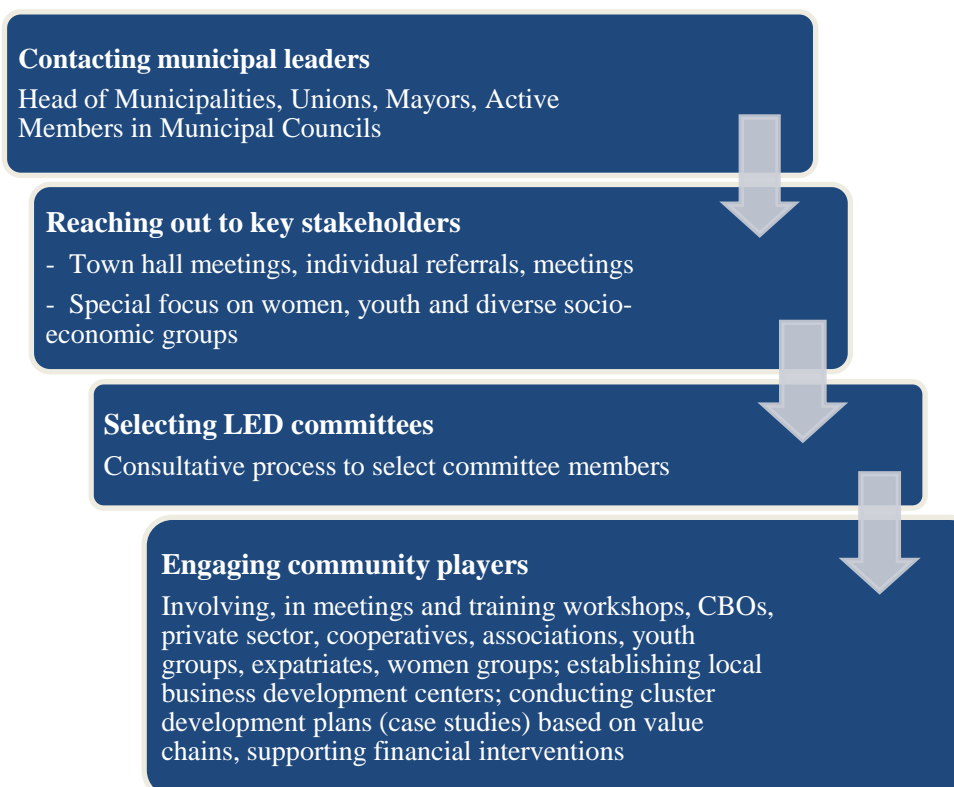
### 1.2.3. Engaging Stakeholders

RI outreached a diverse range of stakeholders to establish a community-based group, called the Local Economic Development (LED) Committee, comprising 10-15 motivated and dedicated persons that would represent community interests population and be the focal point for the local economic development process. These individuals became an integral part of the program implementation process, identification of capacity building needs, community outreach, and project selection. The table below presents a pattern followed during the formation of LED committees. Depending on specific village characteristics, the program staff customized their choice of entry points and target audiences for outreach.

### 1.2.4. Communication Mechanisms

During its different phases, the EMLED program relied on a range of communication mechanisms to target and outreach and to share and receive information from local stakeholders:

- Internal Mechanisms such as frequent internal reporting by program staff on program progress, writing success stories and quarterly reports.
- Knowledge-Sharing Mechanisms such as stakeholder conferences, round tables with experts, entrepreneurs and local authorities and public institutions; Local Economic Development Committee meetings; training workshops; grant solicitation meetings.
- External Mechanisms such as the knowledge sharing portal - [www.ebaladiyat.org](http://www.ebaladiyat.org) - linking development actors, stakeholders, private sector, general audience, government, media.
- Indirect Mechanisms such as capacity building among municipalities in designing communication messages, logos, economic data mapping, and websites.





- Mass Events Mechanisms such as program launching, inaugurating business projects, organizing trade fairs, with representation of senior public officials.
- Direct Follow-Up such as regular meetings with stakeholders for feedback and exchange.
- Value Chain Studies and Cluster Development Plans such as business linkages and networking among actors and organizations participating in key value chains

### 1.3. Program Highlights

The community-based approach employed in the EMLED program enabled RIL to reach out a large array of stakeholders.

#### EMLED Program – Significant Numbers

|      |   |
|------|---|
| 121  | Municipalities involved                                 |
| 9    | Villages without municipalities                         |
| 212  | Grant projects  |
| 79   | Public Private Partnership Projects                     |
| 131  | Loans for Villages neighboring NBC                      |
| 33   | Cooperatives/ NGOs/associations receiving grants        |
| 20   | LED committees  |
| 3626 | Persons directly benefiting from project activities     |
| 405  | Expected Jobs created and/ or sustained                 |
| 702  | Mayors/ municipal members trained                       |
| 646  | Women trained in leadership skills, confidence building |
| 472  | Microenterprises receiving BDS services                 |
| 38%  | Women beneficiaries                                     |





## Economic Sectors Covered by Grant Projects

The EMLED program supported economic activities in several sectors, fostering a variety of opportunities for diverse range of stakeholders.

|                               |  |
|-------------------------------|--|
| <b>Agro-buisness</b>          | <ul style="list-style-type: none"><li>• Livestock (poultry, dairy)</li><li>• Flowers and Herbs: flowers, medicinal plants</li><li>• Horticulture: kiwis, apple, pine nuts, olive</li><li>• Agriculture: sweet corn, mushrooms, green houses</li><li>• Food processing: juices, jams, pickles, rose water, cheese, yoghurt</li></ul>                        |
| <b>Tourism</b>                | <ul style="list-style-type: none"><li>• Eco-Tourism: hiking trails, park, tourism info centers, travel agencies</li><li>• Food and Beverage: Snack corners, traditional food restaurants, catering units, patisseries, bakeries</li><li>• Hospitality: B&amp;B, other lodging,</li><li>• Rehabilitation: old structures, manufacturing eco-lodge</li></ul> |
| <b>Manufacturing</b>          | <ul style="list-style-type: none"><li>• Handicrafts and ceramics</li><li>• Small Manufacturing Units: Iron, Charcoal, jewellery, paint, Shampoo, Vinegar</li></ul>   |
| <b>Services</b>               | <ul style="list-style-type: none"><li>• Printing, photography, car maintenance, sewing workshops, textile, library</li><li>• Trading and shops</li><li>• Construction business</li></ul>   |
| <b>Health &amp; Education</b> | <ul style="list-style-type: none"><li>• Laboratory equipment, dietician clinics, dental scan, cardiology machine</li><li>• Kindergarten, Library</li></ul>   |
| <b>Public Works</b>           | <ul style="list-style-type: none"><li>• Crossroad Mirrors, bus stop sheds, municipal building rehabilitation for public use</li><li>• Public gardens</li><li>• Sports grounds and playgrounds</li><li>• Public theater</li></ul>   |
| <b>Others</b>                 | <ul style="list-style-type: none"><li>• Printing, archiving and digitizing equipment</li><li>• Topography equipment</li></ul>  |

## 1.4. Learning by Doing

This section describes program learning and other observations from communities involved in the program.

### 1.4.1. Observations on Program Implementation

The RI prerequisite for the community-based approach is participatory assessment and mapping of local needs, resources, and assets prior to designing and implementing any intervention in a village. The skills required for such an approach include Stakeholder Communication; Participatory Assessment and Implementation; Dialogue and Consensus Building; Participatory Action Research; Trust-building with the Community; Vision and Strategy Design for Sustainability; Business and Economic Planning; Project Management and Supervision; Monitoring, Evaluation, and Documentation. The project team also requires in-depth knowledge of donor rules and regulations to ensure standardization, speed, and consistency in implementing activities and processes, and must share this information with the target population. This approach necessitates a careful balance of understanding regulations while learning to convey them, in the right context and in simplified language to direct and indirect beneficiaries.

### 1.4.2. Observations on Community Dynamics

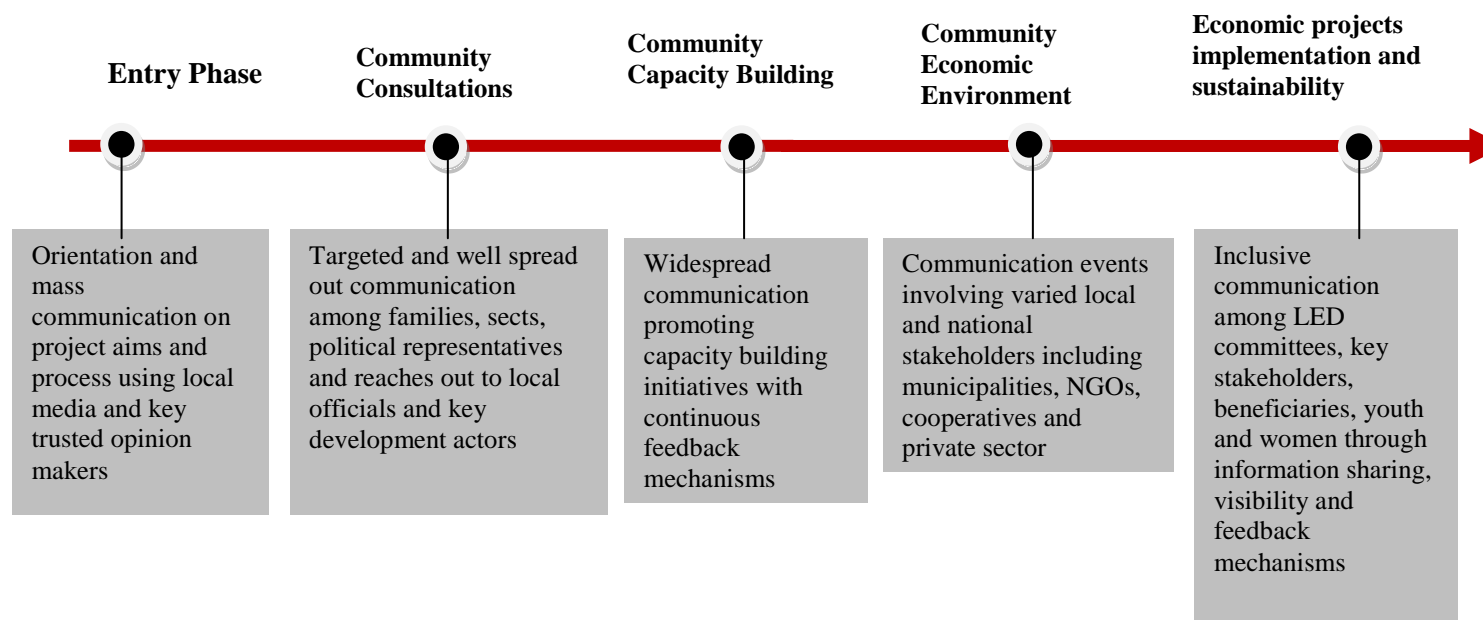
In rural areas, LED initiatives must take into consideration the complexity and characteristics of local communities. Based on understanding the social, political, and economic environment, RIL adapted the pre-set agenda to suit and support local needs, allowing it to partner with various community actors, fostering their outreach and ensuring program visibility.

| Socio-Political Factors Impacting Local Development |   |
|---|---|
| <b>Political Dynamics</b>                           | Political alliances and rivalries can positively or negatively affect the outreach process. It is crucial for interventions to appear unbiased and independent of existing dynamics, while working to ensure a balanced approach to local actors. It is advisable to reach out and inform political actors of the program, while relying on multiple sources of information to validate project ideas, proposals, and economic opportunities. |
| <b>Sectarian Dynamics</b>                           | Projects that include a capacity building and/or financial component need to carefully weigh village sectarian dynamics since these can potentially lead to conflicts, tensions, and unhealthy competition among citizens. It is important to reach out to all confessional groups and maintain a position of independence, political neutrality, transparency and impartiality.  |
| <b>Family Dynamics</b>                              | Families play an important role in local governance and economic development. It is important to map families according to their economic, social, and political influence. A family power map can help assess outreach levels and type of message conveyed to each family.   |
| <b>Gender Dynamics</b>                              | The role, participation, and presence of women in the economic, political and social dimensions of local development; their access to and ownership of economic assets; and their skills and knowledge levels impact the direction, possibility, and effectiveness of a gender sensitive local development.   |

| <b>Socio-Political Factors Impacting Local Development</b>                 |              |   |
|--|--------------|---|
| <b>Value Chain Governance</b>  | <b>Chain</b> | The decision making and rule setting structures and other aspects of the value chain enabling environment establish parameters for investors, farmers, processors, transporters, and marketers in local value chain links.  |
| <b>Age and Education</b>   | <b>and</b>   | The average age, among the local population, of active and participating citizens and their education levels, determines the long term vision, speed, nature and effectiveness of interventions   |
| <b>Village Dynamics</b>  |              | Village sensitivities can be subtle components that either enable or prohibit economic cooperation across regions. It is important to be aware of historical facts and specificities when proposing or launching projects.  |
| <b>Natural Resources</b>   |              | Local economic development projects should aim at maximizing and investing in sustainable use of Lebanon's natural resources. EMLED program intervention has revealed that natural and environmental resources are potential common denominators that encourage cooperation while also being a sustainable resource for investment.   |
| <b>Small Businesses</b>  |              | Local businesses form the backbone of the Lebanese economy and play a vital role in promoting new ideas. They are the key drivers of local economic growth, especially within value chains. Agricultural input suppliers, processing plants, shops, bakeries, snack corners, garment stores and other service agencies are regularly used by local citizens and provide added value to local products. Local business owners have strong networks and access to the community. These locations can be used to advertise the project while also being an important recipient of funds. |
| <b>Major Industries</b>  |              | Major industrial units are an important information source for key sectors and value chain analyses need to be conducted in order to effectively understand their impact on local development, explore economic opportunities and strengthen economic sustainability.   |
| <b>Major Employers</b>   |              | In addition to stimulating economic growth and supporting income and livelihoods, these employers help outreach local workforce. Organizations could collaborate with these actors as interface with local workforce.   |
| <b>Business Capacity and Competence</b>                                    |              | By involving a range of actors with varied experiences and competence and by developing a comprehensive and tailored capacity building program, international organizations can intervene and provide support effectively, thus helping strengthen business competitiveness, especially within value chains.  |
| <b>Basic Needs and Service Requirements (utilities, health, education)</b> |              | Availability of or lack of access to basic needs and services affects the credibility and validity of project processes, messages and communication. Where basic needs are lacking, local interventions must include mobilization of direct sponsorships for infrastructure projects or support local voices to advocate and lobby for appropriate central government response. A positive step would be service provision for advancing value chain development.   |
| <b>Municipal Budget</b>  |              | Municipal annual budgets reflect the ability of local councils to undertake project activities and support interventions through cost-sharing.  |

### 1.4.3. Communication Strategies to Increase Program Outreach

The following illustrates communication strategies required at different times during an economic development project and suggests some activities that increase community involvement and avoid single entry approach.



#### 1.4.4. Economic Development Stakeholders in Lebanon

The project approach allowed the identification of the major stakeholders engaged in community outreach. The graph below divides stakeholders into four categories as observed during the program, the relationship with each being a strategic choice and varying through the program life.

| <b>Partners</b>                                       | <b>Characteristics. <i>High Influence and High Importance.</i><br/>Must be on board for local economic development processes and are a key to the success and sustainability of a LED project</b>  |
|---|--|
| <b><i>Mayor or Head of Municipality</i></b>           | <ul style="list-style-type: none"> <li>• Strong knowledge of village, families, community and local entities</li> <li>• Often seen as biased and with low appeal to local opposition</li> <li>• Helps program staff be familiarized with local entities, strengths and weaknesses, and select priority sectors of intervention</li> <li>• Is an important key to understanding and obtaining local knowledge</li> </ul>  |
| <b><i>Municipal Council Members</i></b>               | <ul style="list-style-type: none"> <li>• Have strong connections and networking with local citizens</li> <li>• May not represent all groups, communities, or political affiliations</li> <li>• Act as an entry point for program staff and network with local communities and help select program target beneficiaries and activities</li> <li>• Are an important key to local knowledge and can reaffirm or contest Mayor's recommendations</li> </ul>  |
| <b><i>Cooperatives</i></b>                            | <ul style="list-style-type: none"> <li>• Have a value chain and sector-specific focus and reflect local needs</li> <li>• Can be a one man show, often not very active, with low access to funding and low membership rates</li> <li>• Help articulate worker demands, assist in increasing the resonance of fund provisions and in making the funding opportunities accessible to individual farmers</li> </ul>  |
| <b><i>Ministry of Interior and Municipalities</i></b> | <ul style="list-style-type: none"> <li>• Is an important source of information on villages and municipalities</li> <li>• May not be responsive to the needs of local councils</li> <li>• Assists program staff in gathering data and contacts in villages, and facilitating administrative issues</li> </ul>   |
| <b><i>Influential Individuals</i></b>                 | <ul style="list-style-type: none"> <li>• Could be key figures in solving value chain growth constraints</li> <li>• Helpful in reaching bystanders or uninterested citizens to engage in local development</li> <li>• May be driven by self-interest and can potentially block the program</li> <li>• If champions of a just and sustainable development, can help reinforce legitimacy and convince local community of program objectives and interventions</li> </ul>   |
| <b><i>Union of Municipalities</i></b>                 | <ul style="list-style-type: none"> <li>• Allow for outreach to multiple municipalities</li> <li>• May not represent all villages or municipalities in the area</li> <li>• Provide program staff with regional characteristics, acquiring contacts and facts about the needs of a region</li> <li>• Have greater budgets for providing financial support to economically important initiatives</li> <li>• If homogeneous in terms of geography, economic resources, social base, can be a key creating an enabling environment for sustainable development</li> </ul> |

| <b>Beneficiaries</b>   | <b>Characteristics. <i>Low Influence and High Importance</i></b><br><b>Not necessary major influencers of local socio-economic and political dynamics but potentially able to mobilize key players (including direct project beneficiaries)</b>   |
|--|---|
| <b>Local Businesses (Input suppliers, producers, service providers, transporters, finance institutions, marketers)</b> | <ul style="list-style-type: none"> <li>• Showcase main employers and provide access to local entrepreneurs and local labor force</li> <li>• Are often run by a few business owners and not always beneficial to the local economy</li> <li>• If dependent on local resources and/or interested in the local economy, can be catalysts to local development and advocate to the national government</li> <li>• Open doors for program staff to local markets and help identify gaps in businesses</li> </ul> |
| <b>Youth NGOs</b>  | <ul style="list-style-type: none"> <li>• Ensure the role, quality, and extent of youth participation in local governance issues and effective civic engagement</li> <li>• Suffer from low access to funding, weak relations with municipal councils, and inadequate space in local governance</li> <li>• Help program staff engage with youth; identify their needs, strengths, and vision; and build their capacity</li> </ul>   |
| <b>Women NGOs</b>  | <ul style="list-style-type: none"> <li>• Enjoy strong appeal among women and potentially represent women's voices in local communities</li> <li>• May not be active in local economic development issues</li> <li>• Can create a link between the program activities and women's needs and livelihoods</li> </ul>   |
| <b>Local Media</b>   | <ul style="list-style-type: none"> <li>• Has the ability to report on local needs and reach decision-makers</li> <li>• Is often politicized and/or focused on entertainment news</li> <li>• Enables news to reach local citizens in an efficient and quick way</li> </ul>   |
| <b>Diaspora</b>  | <ul style="list-style-type: none"> <li>• Can help steer financial investment and skills support to local families, businesses, and households</li> <li>• May be uninterested or unwilling to support the program</li> <li>• Can create international awareness on local economic priorities and community needs</li> <li>• Can help give national or regional resonance to local voices</li> </ul>  |



| <b><i>Interlocutors</i></b>                   | <b>Characteristics. <i>High Influence and Low Importance</i><br/>Can influence stakeholders or provide key information important in understanding community power dynamics, interests and needs</b>   |
|---|---|
| <b><i>Political Party Representatives</i></b> | <ul style="list-style-type: none"> <li>• Engagement can help bring visibility and appeal to the program</li> <li>• Have the potential to oppose the program or create a partisan image of program activities</li> <li>• Can provide program with strong links between local issues and national political agenda</li> </ul>   |
| <b><i>Members of Parliament</i></b>           | <ul style="list-style-type: none"> <li>• Engagement can help program staff gain legitimacy and act as good entry points to the region</li> <li>• May block entry for program staff or provide partisan and biased information about local economic needs</li> <li>• Can carry local demands to Parliament and public institutions through media, legislation, and policy proposals</li> </ul> |
| <b><i>Religious Groups</i></b>                | <ul style="list-style-type: none"> <li>• Participation helps reach local communities and provides connections to local charity groups</li> <li>• May negatively affect the impartiality of program staff and provide one-sided information</li> <li>• Help program staff gain entry point to local community organizations affiliated with religious groups</li> </ul>                        |
| <b><i>Moukhtar</i></b>                        | <ul style="list-style-type: none"> <li>• Provide a strong entry point due to close connections with families and local community actors</li> <li>• May provide partisan information that does not represent local needs</li> <li>• Assist program staff in gaining contacts and information on village history, main stakeholders, and administrative processes</li> </ul>                    |
| <b><i>Family Associations/Businesses</i></b>  | <ul style="list-style-type: none"> <li>• Allow the program to reach a large number of member families</li> <li>• May be biased and dominated by a few large families</li> <li>• Give support to program staff by opening doors to meet with families active in the local economy</li> </ul>   |

| Connectors                    | <b>Characteristics. <i>Low Influence and Low Importance</i></b><br><b>Have outreach capacity in introducing LED actors, external to local groups and individuals</b>  |
|-------------------------------|---|
| <i>Sports Clubs</i>           | <ul style="list-style-type: none"> <li>• Constitute hubs where youth and non-government organizations are present</li> <li>• Could be neglected and have limited resources and outreach</li> <li>• Are important entry points to establish rapport and good contacts</li> </ul>   |
| <i>CBOs</i>                   | <ul style="list-style-type: none"> <li>• Harbor local activists and have appeal to grass-root actors</li> <li>• May not be focused on local economic development issues</li> <li>• Provide visibility and good networking opportunities</li> </ul>  |
| <i>National/Regional NGOs</i> | <ul style="list-style-type: none"> <li>• Chambers of Commerce, Industry, and Agriculture at both levels</li> <li>• Possess the capacity for outreach with experience that can popular in villages</li> <li>• May be far from local economic development themes and have low membership rates in local community</li> <li>• Can carry local issues to national platforms with government or international organizations</li> </ul> |

#### 1.4.5. Representation of Local Community

EMLED program was designed to ensure maximum local representation through the creation of LED committees, giving them significant decision making roles in grant identification and other key project components. However, reliance on a single entry-point approach and geographically widespread villages within clusters did limit wide and inclusive community representation in LED committees. While not being from target villages did facilitate the program staff in being neutral and objective in interventions, they needed more time to learn about and respond to village dynamics. Establishing vital close ties locally before beginning program implementation is considered vital. The lessons learned process revealed that a better way to ensure representation would have been to: (i) involve the largest number of members in committees at a cluster level; (ii) ensure that the largest number of villages were represented in cluster level LED committees.; (iii) conduct special dialogue sessions with youth to assess their needs; (iv) address and focus on women's issues also separately; (v) engage more private sector representatives; (vi) strengthen presence of cooperative members; (vi) Seek recommendations from key local players, besides municipalities. Although partnering with municipalities brings legitimacy and strength to the program, it is equally important to engage with and support other marginalized segments within the community so as to offset the impact of local family, sectarian or political dynamics.



## 2. The Consultative Process

### 2.1. Setting the Tone

This section defines the requirements of a consultative process and strategies to involve the largest number of stakeholders. Building trust with the community and enabling local ownership of a local economic development process requires an inclusive, continuous and consistent consultative process during the community-based outreach and has a direct impact on the efficiency and impact of local economic development. Broadly defined, community consultation is the process of working collaboratively and in dialogue with and through groups of people affiliated by geographic proximity, special interest, or value chains to address issues affecting the well-being of the same people. The process aims at building alliances and coalitions bringing together diverse stakeholders to work on common goals. The “aims, the scope, the intended time span, the history: all have an important influence on the consultation.”<sup>1”</sup>

The consultative process aims at reaching an agreed upon outcome based on representative input and active participation from concerned stakeholders.

Michael Hatcher, *Community Engagement: Definition and Organizing Principles from the Literature* (2008), available from <http://www.cdc.gov/phpo/pce/part1.htm> [Internet]

In Lebanon, the municipality represents the local administration that exercises, within the scope of its work, powers entrusted by the law (Article 1). The Lebanese Municipal Code (Decree-law no. 118/1977) effectively entrusts a large scope of authority for municipalities on local affairs. Municipal councils act as a link between local communities and the central government. With regards to local economic development, municipalities enjoy the following prerogatives in Lebanon (selected from Article 49):

- The municipal budget, including transferring and opening credits.
- Different types of loans for carrying out specific projects that have been studied.
- Determining the rates of the municipal taxes according to the law.
- Approval and rejection of donations and ordered funds.
- Public programs for works, aesthetics, cleaning, health affairs, water projects, and lighting
- Planning, improving, and expanding the streets; establishing gardens and public places; and executing designs related to the municipality.
- Establishing shops, parks, racing places, playgrounds, toilets, museums, hospitals, dispensaries, shelters, libraries, popular residences, wash houses, sewers, waste drainage and others.
- Contributing to the tuition fees related to the public schools pursuant to the provisions of these schools.
- Contributing to the fees of projects of public interest.

- Regulating transportation of all types, determining its fees if necessary within the municipal area, with observance of the provisions of the laws in force.
- Supporting the needy and disabled people and assisting clubs; associations; and other health, social, sports, and cultural activities.
- Controlling educational activities and work progress in public and private schools as well as drawing up reports to the competent educational references.
- Supervising public utilities and drawing up reports regarding the work progress thereof to the concerned administrations

However, municipal councils suffer from three major challenges limiting their role as facilitators for local economic development:

- Municipal electoral law based on a majoritarian system often brings to local government family, confessional, or political majorities
- Central administration diminishes local governments' ability to make local decisions independently of political or confessional clientelism.
- Weakness in local mechanisms to involve local stakeholders in decision making processes such as active municipal committees and town hall meetings.
- Weak to non-existent links to private sector actors in value chains.



## 2.2. The Relief International – Lebanon (RIL) Way

The EMLED consultation process aimed at assessing community needs, expanding outreach in the local context, local strategy development, selecting participants for LED committees and capacity building workshops, and finally selecting grantees and projects. This went hand in hand with researching the clusters, producing strategy briefs, and presenting plans for economic interventions.

### LED Committee Selection

LED committee members were selected by the EMLED program team over a period of time through the consultation process and activities were undertaken to engage community members. Each cluster of villages had one LED Committee selected from a mix of villages, municipalities, occupation, gender, and age. It varied from village to village depending on the local context, dynamics, proactive municipality, willingness among people to volunteer, etc.

**Economic Development Training of Trainers:** training municipal officials and key stakeholders on topics of business development, basics of local development, strategic planning, project design, public private partnerships.

**Value Chain Approach based on Sectoral Case Studies:** ensuring each cluster development plan includes a case study and a value chain analysis involving key stakeholders and supporting their role and competitiveness in production, processing, and marketing.

**Mayor's Economic Development Workshop:** targeting heads of municipalities on topics of local governance, development, participatory approaches, transparency and accountability, strategic planning, vision formulation, public private partnerships

**Establishment of Local Economic Development Committees:** involving members of municipal councils, women and youth, private sector representatives and civil society actors, collaborating to identify priorities, needs, strengths, feasible projects, training on project design and public private partnerships.

### 2.2.1. Municipal Representation in LED Committees

The charts below show the details of community representation in LED Committees:

|         | Active Locals | Heads of Municipality | Member Municipality | Representing | Total |
|---------|---------------|-----------------------|---------------------|--------------|-------|
| Jezzine | 1             | 7                     | 4                   |              | 12    |
| Rihan   | 2             | 4                     | 3                   |              | 9     |
| Jbeil   | 10            | 0                     | 4                   |              | 14    |
| NBC     | 16            | 0                     | 0                   |              | 16    |

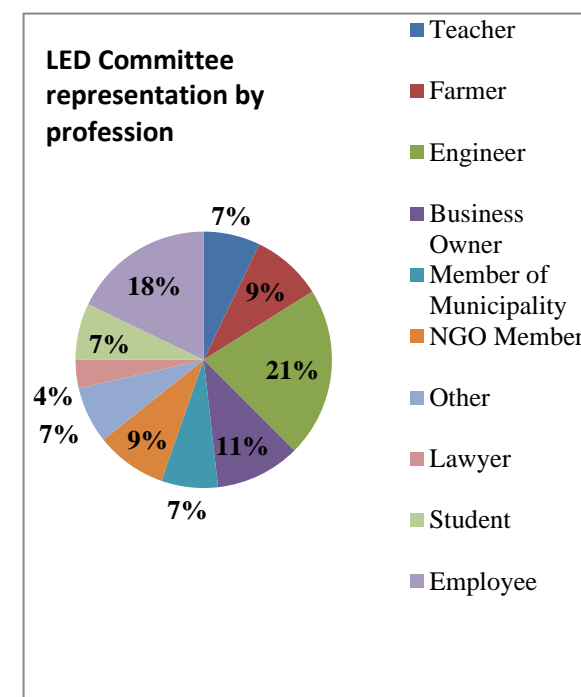
### 2.3. Program Highlights

The consultative process gave local communities a means to express priorities and concerns on their livelihoods and also contributed to engaging local communities, businesses, municipalities, government institutions, and international donors.

*“I feel I have a home in every village I visit in Lebanon. The project helped me learn about my country culturally, economically and politically,”* Baladiyat staff member.

Multiple consultative mechanisms were put in place and applied before starting the implementation of any activity, allowing assessment and analyses of each cluster’s characteristics, assets, and needs and making it possible to provide appropriate and feasible support to local economic development opportunities.

Strategy briefs, developed by RI, were based on SWOT analyses and problem trees through a participatory process with LED committees and were ratified with municipalities. RI’s program partner, International Resources Group (IRG), conducted case studies as part of Cluster Development Plans through value chain studies based on proactive stakeholder participation and feedback. This action-research methodology distinguished the program approach. The following consultative tools used were important mechanisms to collect the voices of local citizens and identify potential projects for funding:





| Consultative Tools  | Outputs  |
|---|--|
| <b>Needs assessments</b>  | Problem trees were developed at a cluster level for eight clusters, and one each was developed for youth and women.  |
| <b>SWOT analysis</b><br>(Strengths, Weaknesses, Opportunities, Threats) | SWOT analyses and recommendations were presented for each of the eight target clusters and one for each municipality in the target NBC third ring villages.  |
| <b>Developing Strategy Briefs</b>                                       | Seven strategy briefs were developed for clusters and one for youth, defining cluster visions, opportunities, challenges and strategies for local economic development.  |
| <b>Designing Cluster Development Plans</b>                              | Seventeen value chain case studies were conducted across 12 sectors, including mushrooms, dairy, ecotourism, olive oil, apples, rainwater harvesting, kiwi, flowers, sweet corn, poultry, honey, pine nuts. Consultative meetings, action plans, technical assistance and specific in-kind grants were implemented for these CDPs. |
| <b>Government Business Round Tables</b>                                 | 210 people attended roundtables - including key stakeholders from Akkar, experts, municipalities, community members, private sector, businesses, financial institutions, local and international NGO and government  |
| <b>LED Committee Meetings</b>   | Each cluster LED committee organized regular meetings to identify, assess, and provide support to local economic initiatives and projects.   |
| <b>Meeting key informants, municipal heads and members</b>              | Program staff met regularly with municipal heads and members, key stakeholders and trusted opinion makers in each cluster.   |
| <b>Knowledge Sharing Portal</b>   | A portal ( <a href="http://www.ebaladiyat.org">www.ebaladiyat.org</a> ) was developed to ensure access to information for all stakeholders and people interested in Lebanon rural municipalities. The portal received a total of <b>483,181 hits from 103 countries</b> around the world.  |
| <b>Youth Forum</b>  | The program helped created a platform for youth dialogue, capacity building, participation in local governance, and involvement in the program.  |

## Job Creation

EMLED program contributed to the creation of 405 jobs, including sustained livelihoods of grant beneficiaries and a mix of part time, seasonal and full time jobs.

*“This project raised our morale, self-confidence and social visibility. I have learned skills that can be used beyond the current grant we are implementing”* Female Grantee from Jezzine

### 213 Projects Awarded

|     |   |
|-----|---|
| 103 | projects proposed by municipalities                         |
| 65  | projects proposed by grantees                               |
| 29  | projects proposed by LED committees and community referrals |
| 16  | projects proposed by case studies consultants               |

## 2.4. Learning by Doing

The establishment of LED Committees was initially perceived as central to the consultative process for ensuring community representation and participation in local economic development processes. The team gradually increased reliance on networking to identify and validate grantees and build the capacity of local actors to design, request, and implement grants.

### 2.4.1. Improving LED Committee Effectiveness and Efficiency

The following is a list of suggested practices, based on EMLED team learning, that would contribute to increasing the community participation in and efficiency of LED committees.

| Challenges of LED Committees           | Recommendations  |
|--|--|
| <b>Village Representation</b>          | <ul style="list-style-type: none"> <li>Define selection criteria for cluster committee members that ensure representation by maximum number of villages.</li> <li>Choose a focal person per village and establish a communication mechanism between the focal persons and the LED committees.</li> </ul>   |
| <b>Decision Making Process</b>         | <ul style="list-style-type: none"> <li>Build committee capacity on decision making processes and tools.</li> <li>Facilitate the formulation of SOP (standard operating procedures) within committees.</li> </ul>   |
| <b>Member Turnover and Absenteeism</b> | <ul style="list-style-type: none"> <li>Rotate the meeting place to facilitate access to people from different villages, including those who may just want to “sit in” and observe the proceedings of the meetings.</li> <li>Design an incentive plan for committee members to recognize their work and increase their motivation, such as diem rates, allowances, visibility and social networks.</li> </ul> |
| <b>Grants Selection</b>                | <ul style="list-style-type: none"> <li>Define selection criteria of projects and educate members on it.</li> <li>Design a matrix of targets for types of projects to be selected by industry, sector, private sector, and NGOs, gender, and youth.</li> <li>Build a culture of choices based on maximum benefit and sustainability.</li> </ul>   |
| <b>Grants Management and Timeline</b>  | <ul style="list-style-type: none"> <li>Develop realistic work plans per committee, taking into consideration the time needed for management cycle of quality grants .</li> </ul>   |
| <b>Women and Youth Participation</b>   | <ul style="list-style-type: none"> <li>Mainstream women and youth indicators, including member recruitment, grants selection, and capacity building activities.</li> <li>Design an outreach plan that complies with women and youth needs, culture, interest and motivation.</li> </ul>  |
| <b>Private Sector Involvement</b>      | <ul style="list-style-type: none"> <li>Create and plan private sector participation within committees by providing them with business interests and opportunities.</li> <li>Establish interest-based networks among the private sector and local businesses through existing business development centers and/or other mechanisms in the clusters.</li> </ul>  |
| <b>Knowledge Sharing</b>               | <ul style="list-style-type: none"> <li>Organize multi-stakeholder activities for knowledge sharing related to LED Committee work procedures and economic opportunities.</li> <li>Organize evaluation meetings for committee members to learn from the process they implement and share their learning.</li> </ul>  |

### 3. Building Local Capacity

#### 3.1. Setting the Tone

This section defines capacity building as a means for creating learning opportunities and empowering actors through local economic development. It introduces the approaches and challenges in designing and implementing capacity building activities and showcases the way Relief International used these as a tool to ensure proactive stakeholder participation.

Building local capacity is at the heart of economic development. Individuals, organizations, and communities are permanently challenged to adapt to a rapidly changing environment by improving their performance, competitiveness, participation, growth, and sustainability. Capacities to engage in improved economic production, processing, and marketing are also critical. Capacity building must include mentorship activities that accompany target groups through all stages of an economic development project, thus allowing for continuous community learning. In Lebanon, civil society organizations, public institutions, and municipalities are exposed to a large number of capacity building programs hosting a wide range of topics funded by the international community (USAID, UN Agencies, European Union). Most often, capacity building programs are driven by the mandate of the institution/organizer providing it, rather than by community needs and rights and weak coordination among provider agencies often leads to duplication of efforts. In order that civil society and community-based groups contribute to social and economic development, the following need to be taken into account<sup>3</sup>:



- Capacity building should aim at facilitating local debates and dialogues and identifying priority development needs among participants.
- Programs must aim at creating more synergy, information-sharing, and collaboration among target groups.
- Capacity building programs should be enhanced and customized to suit the Lebanese context and participant needs.
- Capacity building programs should aim at setting clear selection criteria to enhance the benefit for participants.
- Capacity building programs in Lebanon require systematic follow-up mechanisms.
- An overemphasis on ‘training’ should be coupled with other learning opportunities including coaching, mentoring, and on the job skills development for target groups.
- Capacity building programs should expand to reach more rural areas outside major cities.
- Capacity building activities must be developed in collaboration with stakeholders and within sector-specific studies

<sup>3</sup> Adapted from “Assessment of Capacity Building Needs of NGOs in Lebanon,” United Nations Development Program, Beirut 2009.

### 3.2. The Relief International – Lebanon (RIL) Way

The EMLED program aimed at providing economic and business development skills, skills and knowledge development for youth and women and improved civic engagement as the three main themes within the framework of local development and municipal governance. It was a combination of approaches aimed at creating wider learning opportunities and providing specialized technical assistance including production, processing, and marketing. The training workshops were tailored to enhance business skills, strategic planning, civic participation, leadership skills, basic ICT, public private partnerships, and vocational skills. In addition, the program team followed-up with target groups, coaching them on proposal writing, project startups, feasibility studies, and constructive interaction with municipal councils. A combination of formal learning opportunities with informal on-the-job mentorship was helpful in supporting the efforts of the target population across the clusters.

#### Stakeholders participating in learning activities

|               |                           |
|---------------|---------------------------|
| 98            | Heads of Municipalities   |
| 604           | Municipal Members         |
| 715           | Youth                     |
| 646           | Women                     |
| 201           | LED Committee Members     |
| 749           | Community Members         |
| 124           | Certified Master Trainers |
| <b>Total:</b> | <b>3,137 participants</b> |

*“RI staff members pointed out the opportunity to apply for a grant. However, I was very hesitant as my husband and I can barely write in English and were not used to the standard rules and regulations. RI field staff were patient, assisted in designing the project, developing our ideas and improving the way we put things on paper and in business plans. I will be forever grateful.”* Woman Grantee from Jezzine



The EMLED program utilized diverse outreach and learning mechanisms, depending on the kind of skills and competence to be strengthened, the education and the social characteristics of participants, and the local context. These included: town hall meetings, training workshops, coaching, conferences, forums, evaluation meetings, work sessions, on-the job and/or farm based training, one to one business advise, and other support to economic activities. The program provided multiple training workshops for program stakeholders as follows:

| Stakeholder                        | Training Topics  |  |
|------------------------------------|--|--|
| <b>Community Members</b>           | <ul style="list-style-type: none"> <li>• Business Planning and Project Design</li> <li>• Training of Trainers</li> <li>• Technical Skills</li> <li>• Social and Interactive Theater</li> </ul>                                       | <ul style="list-style-type: none"> <li>• Fundraising</li> <li>• Local Economic Development</li> <li>• Public Private Partnerships</li> <li>• Production, Processing, marketing</li> </ul>                      |
| <b>Youth</b>                       | <ul style="list-style-type: none"> <li>• Social Media and Public Relations</li> <li>• Business Development</li> <li>• Training of Trainers</li> <li>• Technical Skills</li> <li>• Tourism Guide</li> <li>• Writing Skills</li> </ul> | <ul style="list-style-type: none"> <li>• Interviewing Skills</li> <li>• Citizenship Journalism</li> <li>• Strategic Planning</li> <li>• ICT and social media networking</li> <li>• Needs Assessment</li> </ul> |
| <b>Women</b>                       | <ul style="list-style-type: none"> <li>• Leadership and Business Skills</li> <li>• ICT</li> </ul>  | <ul style="list-style-type: none"> <li>• Conflict Resolution</li> <li>• Communication, confidence building</li> </ul>  |
| <b>Municipal Heads and Members</b> | <ul style="list-style-type: none"> <li>• Training of Trainers</li> <li>• Introduction to Local Economic Development</li> </ul>   | <ul style="list-style-type: none"> <li>• Basic Economic Skills</li> <li>• Public Private Partnerships</li> <li>• Strategic Planning, Project design</li> </ul>   |
| <b>LED Committees</b>              | <ul style="list-style-type: none"> <li>• Public Private Partnerships</li> <li>• Marketing and business linkages</li> <li>• Feasibility Study</li> </ul>  | <ul style="list-style-type: none"> <li>• Strategic Planning</li> <li>• Local Economic Development</li> </ul>   |

### 3.3. Program Highlights

Municipal officials who attended trainings on the basics of economic development, strategic planning, program design, and PPPs found them very relevant for supporting local economic development. Workshops targeting community members addressed topics relevant to participation and proactive role in local governance and economic development. Participants found practical and technical training more helpful than training on conceptual issues since these were found effective in helping business start-ups or advancing existing businesses.

#### Topics Reported as Most Helpful in Participant Feedback



| Community  | Women   | Youth   | Municipal Officials  |
|--|---|---|--|
| <ul style="list-style-type: none"> <li>• Proposal writing and Project Design</li> <li>• Local economic development</li> <li>• Communication</li> <li>• Training of trainers</li> <li>• Fundraising</li> <li>• Technical skills</li> <li>• Social and Theater skills</li> </ul> | <ul style="list-style-type: none"> <li>• Communication</li> <li>• Conflict resolution</li> <li>• Leadership</li> <li>• Needs Assessment</li> <li>• Strategic planning</li> <li>• Social Media</li> <li>• Embroidery and sewing</li> <li>• Hospitality management</li> </ul> | <ul style="list-style-type: none"> <li>• Social media and Public relations</li> <li>• Proposal writing</li> <li>• TOT</li> <li>• Technical skills</li> <li>• Vocational trainings</li> <li>• Writing skills</li> <li>• ICT</li> </ul> | <ul style="list-style-type: none"> <li>• Economic Development</li> <li>• Strategic Planning</li> <li>• Public-private partnerships</li> <li>• Project design and proposal writing</li> </ul> |

### 3.4. Learning by Doing

#### 3.4.1. Observations on Efficiency of Learning Opportunities

The main challenges, as expressed by focus group participants, limiting the efficiency of learning activities were:

- Some participants were restricted from activities due to local sensitivities and favoritism.
- Some workshops, especially the technical ones, involved participants with differences in backgrounds, education and expected roles in local economic development.
- Training revealed knowledge gaps among participants (such as IT skills, language skills, and management skills).
- Some foreign trainers had limited knowledge of local context and needs and experienced language difficulties when interacting with participants.
- Some participants could not apply the learning they received due to lack of follow-up or difficulty in adapting it to local context.
- Some learning provided was less important to participants and did not really match their needs.



### 3.4.2. Recommendations to Increase Learning Impact

The learning initiatives enabled the program team to learn the following better practices:

| Challenges for Building Local Capacity | Recommendations  |
|--|--|
| <b>Learning Efficiency</b>             | <ul style="list-style-type: none"> <li>• Design and disseminate a competency framework for targeted groups prior to any training intervention.</li> <li>• Conduct a needs analysis to help match learning needs with the competencies expected to be developed.</li> <li>• Integrate follow-up action or initiative after each learning activity.</li> </ul>   |
| <b>People Participation</b>            | <ul style="list-style-type: none"> <li>• Invite participants through a written invitation and a face-to-face visit.</li> <li>• Provide a clear description of participant background, function, and expected roles.</li> <li>• Send invitations through multiple stakeholders to the same community to increase outreach and community representation</li> </ul>   |
| <b>Choice of Learning Providers</b>    | <ul style="list-style-type: none"> <li>• Match local, national, and international trainers/experts prior to learning activities to limit language and contextual challenges.</li> <li>• Brief the learning providers prior to learning initiatives</li> <li>• Facilitate the adaptation of agenda, material and methods before and during learning activities to increase intervention quality of the provider.</li> </ul> |
| <b>Soft and Technical Competencies</b> | <ul style="list-style-type: none"> <li>• Integrate soft development, such as relationship management, team and service skills, along with technical training, to increase local business viability and success.</li> <li>• Provide follow-up and mentorship activities on technical skills</li> </ul>  |
| <b>Learning Vehicles</b>               | <ul style="list-style-type: none"> <li>• Provide more coaching activities to participants with specific technical needs</li> <li>• Ensure a longer term consulting plan for organizational development processes in local businesses.</li> <li>• Organize training workshops for soft and technical skills development on topics that require local knowledge sharing, especially post grant provision</li> </ul>          |

### 3.4.3. Suggested Future Learning Topics

Participants suggested the following list of recommended topics:

|             |                                   |                                     |                                 |                            |
|-------------|-----------------------------------|-------------------------------------|---------------------------------|----------------------------|
| Teamwork    | Financial Planning                | Project Design and Proposal writing | English Skills                  | Strategic Planning         |
| Marketing   | Health Awareness and Healthy Diet | Computer Skills                     | Planning and Setting Priorities | Needs Assessment           |
| Fundraising | Gender Based Violence             | Vocational Skills for Women, Youth  | Women Rights and Citizenship    | Women Political Leadership |

## 4. Creating an Enabling Environment

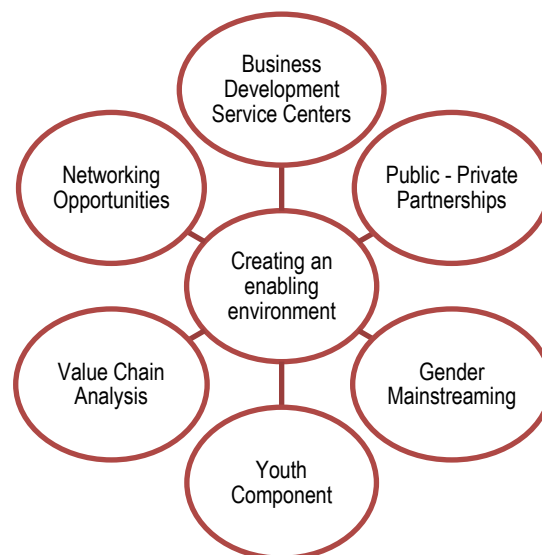
### 4.1. Setting the Tone

“Enabling environment” comprises those components of an overarching system that allows the private sector, public institutions and civil society groups to collaborate on stimulating and fostering local economic development. It includes those legislative, social, financial and economic frameworks that encourage investment, private initiative, and socially equitable communities at a local level. According to UNCTAD, an “enabling environment” is the expression that encompasses government policies focusing on creating and maintaining an overall macroeconomic environment that brings citizens, government, suppliers and consumers together to cooperate. The components of an “enabling environment” focus on national and local government actions, sound economic policy, regulatory frameworks and transparency, all of which create an environment conducive to private and public sector engagement in local economic development. In Lebanon, it must include the following factors:



- Regional or cluster level institutions dedicated to economic development.
- Involvement of local community and social actors locally in setting macroeconomic policy framework.
- Local institutions that are capable of and can articulate priorities and reduce investment risk.
- Availability and accessibility of research and information.
- Legal and economic mechanisms that address equity issues and facilitate access to resources required for economic development.
- Favorable Macro policy mechanisms cascading down to the micro level
- Establishing an independent fund to support local economic development initiatives.

The environment for local economic development in Lebanon must go hand in hand with providing institutional, political and programmatic support for building and sustaining local economic initiatives through job creation, education, and development of new enterprises. The EMLED program provided a mix of interventions types to create a context conducive to local economic development, as reflected in the graph below:



### Dimensions of Effective PPP

Public-private partnerships (PPPs) describe a government service or business venture funded and operated through a partnership among government and one or more private sector companies. An ideal-typical public private partnership makes high demands on the partners in terms of their commitment of resources, coordination of decision-making, and exposure to risks.

Public-private partnerships are further defined as: “Relationships among government agencies and private or nonprofit contractors that should be formed when dealing with services or products of highest complexity. In comparison to traditional contractor- customer relationships, they require radical changes in the roles played by all partners.”

Wendell C. Lawther’s 2002 report, “*Contracting for the 21st Century: A Partnership Model*,” New York, 2002.

## 4.2. The Relief International – Lebanon (RIL) Way

The program team formed strategic partnerships with key stakeholders to facilitate the creation of an enabling economic environment within communities. It took the following initiatives:

1. **Four Business Development Service Centers** established to facilitate business start-ups and expansions, access to resources (financial, quality standards, technical assistance), support growth, business linkages and networking with existing business ventures.
2. **17 Case Studies and Value Chain Analysis in 12 economic sectors**, leading to Cluster Development Plans, providing comprehensive understanding to industries and highlighted partnership opportunities.
3. **7 Strategy Briefs were developed for the 8 clusters, including one for youth** detailing cluster vision, profile with a problem tree, a SWOT Analysis and strategy recommendations. These documents were essential in integrating local economic development initiatives in each cluster within a strategic framework.
4. **48 Success Stories** were documented and shared within the clusters and on the Knowledge Sharing Portal, opening opportunities for investments and partnerships and providing successful business models for local economic development.
5. **79 PPP initiatives** were identified as a result of different activities including training, business government round tables in Naher el Bared camp area, LED committees, stakeholder consultations, and private sector representatives in addition to the two major Trade Fairs “Live Akkar”.
6. **131 micro-loans** were disbursed in 19 villages affected by the 2007 Naher El Bared conflict
7. **Two trade fairs** were organized to showcase products and services of local entrepreneurs and to create a platform for networking, exchange, and business linkages between local and national businesses.
8. **Cost share** was required from all grant beneficiaries and this helped establish partnerships between local businesses and local governments and fostered a shared responsibility towards local economic development.
9. **The Portal [www.ebaladiyat.org](http://www.ebaladiyat.org)** helped create a knowledge sharing platform and provide a common space for activities and opportunities between the different clusters, businesses, individuals and the Lebanese Diaspora.
10. **140 youth were engaged** through training in the use of social media for civic engagement.



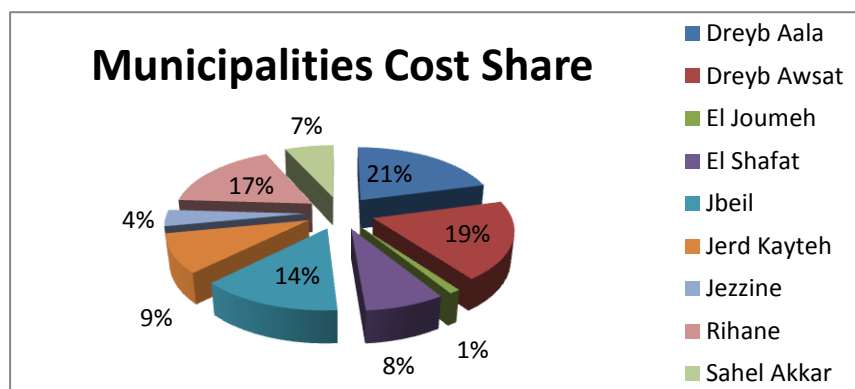
## 4.3. Program Highlights.

### 4.3.1. Community Entrepreneurial Mindset

The program brought to the limelight the existence of small businesses and provided space and opportunity for people to discover new economic opportunities that stimulated their entrepreneurial spirit and economic success.

*“Some activities allowed participants to show their products to the public”* said a community member, giving an example on how existing products and businesses found new opportunities.

In Akkar, the owner of a local flower store praised the project; *“Relief International invited me to speak about my business in one of the round-tables. This was the first time anyone had taken interest in my work. Suddenly, I had tens of young men and women applying for jobs in my small store.”*



### 4.3.2. Bridging Political and Sectarian Divides

The EMLED approach created space for and stimulated positive social and cultural dynamics and achieved a bridge between local communities through:

- Targeting villages across different sects and religious backgrounds;
- Engaging with groups following different political allegiance;
- Engaging with communities from different educational and socio-economic strata;



- Applying an inclusive approach, especially with women and youth
- Conducting events and activities in clusters on a rotational basis.
- Overcoming political disruptions during the three-year program implementation.
- Maintaining program focus during municipal and parliamentary elections and under potential security risks.

One strong asset was the program's ability to spread a culture of reciprocal benefit, identifying common opportunities for local livelihoods and economic benefits. Cost-share provided by municipalities helped bring municipal councils closer to people's needs. Direct interface helped overcome the partisan image of some municipalities and the EMLED model helped empower citizens and businesses to articulate their demands from municipalities.

#### 4.3.3. Individual versus Group Projects

Another interesting approach that merits an in-depth analysis is the decision to support individuals as compared to large groups (either private companies or associations). While working with groups can help decrease emphasis on personal gains and increase the inclusion of more people thus spreading benefit beyond an individual or his/her family, working with groups carries more risk as group dynamics may not necessarily be constructive or sustainable. In some cases, a group with a shared idea may only be able to work together for a limited amount of time thus threatening the existence of the organization or new business. Family owned businesses often prove to be more stable over time, particularly in rural areas. The economic resonance of the program also helped promote innovative social entrepreneurship ideas to address local challenges while creating business opportunities.



In Rihan, a natural **cave was equipped** for opening to public visits. The project was based on a feasibility study conducted for a private public partnership initiative wherein the private sector invested to manage and maintain a public natural resource by opening it to public visits. This project led to the creation of a business that will contribute to local economic development. According to Rihan Head of Municipality, *"EMLED-Baladiyat opened our eyes to investors who were willing to support the village economy. This helped us overcome government bureaucracy and think of creative means of fundraising to renovate the cave."*



#### **4.3.4. Value Chain Analysis: Process and Implications**

Seventeen case studies were conducted using value chain analyses across 12 economic sectors that are major sources of livelihoods to rural Lebanon. These case studies were a vital tool in the EMLED program to foster local interest in exploring new approaches and opportunities in economic development that create an enabling environment for economic transactions and more focused financing. These case studies were conducted by RIL's program partner, IRG. Sector-specific economic data was analyzed in order to identify technical assistance and grant support interventions that increased the competitiveness of local farmers/ entrepreneurs in each value chain. The Value Chain Approach was utilized to:

- Collect data from round table meetings and consultation sessions, assess and analyze it, make recommendations for short and long term strategic interventions;
- Organize workshops and facilitate the design of action plans to further develop key economic activities in specific rural areas;
- Establish networks and linkages within specific market segments to support a value chain;
- Develop a marketing plan for the selected case studies;
- Provide technical assistance to address skills and knowledge gaps among stakeholders within the value chain;
- Partner with local organizations to assist in marketing and business linkages;
- Facilitate PPPs at a local level between small businesses and municipalities;
- Attract external investments to support the development of a specific economic activity;
- Raise awareness among municipal councils on local assets, resources and opportunities;
- Identify and implement in-kind grants that increase competitiveness within a specific value chain.

#### **4.3.5. Success Stories**

The EMLED program team documented 48 success stories to promote best practices and models of entrepreneurship, cooperation, and economic development. A total of at least 491 individuals were able to restore their income sources and improve livelihoods as a result of EMLED program.

#### 4.4. Learning by Doing

The program promoted an enabling local economic environment through a mix of community and municipality empowerment and grant intervention. The table below highlights factors essential to ensuring project sustainability and implications on local economic growth:

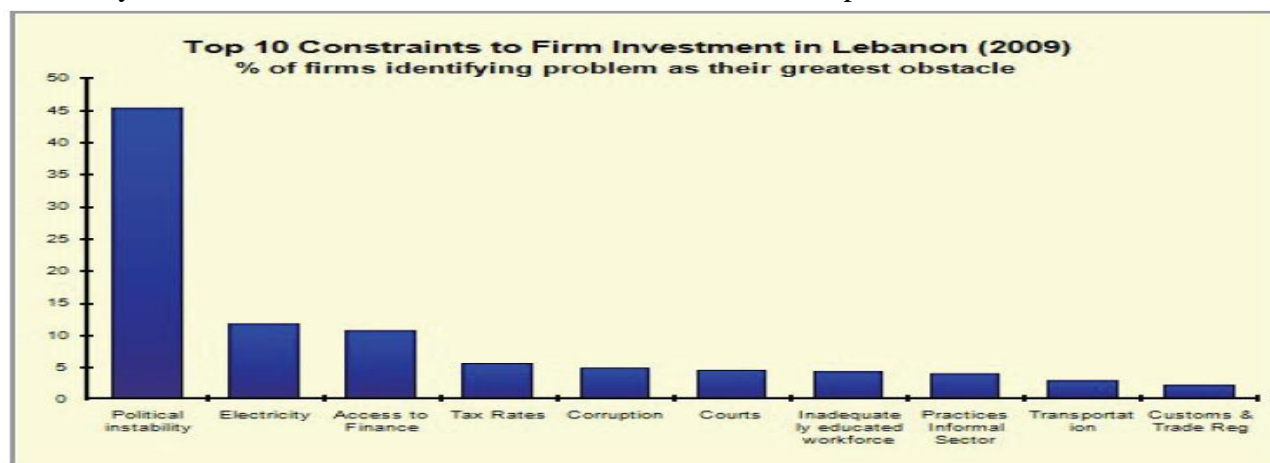
| Environment Factors  | Implications on Economic Development   |
|--|--|
| <b>Bureaucratic procedures and centralized public services</b> | Some grantees are unregistered NGOs or businesses, working as informal entities. Registration costs and tax basket don't provide incentives for economic development.<br>Many procedures needed for municipalities and businesses are done in Beirut, placing time and cost pressure on local businesses.<br>Some business procedures are unclear and leave space for interpreting and/or favoritism and corruption. |
| <b>Weak public institution support</b>                         | The program must engage with concerned ministries and public administration to provide the necessary support; e.g. Ministry of Social Affairs, Ministry for Interior and Municipalities, especially those less responsive to program needs (facilitating procedures, promoting, inaugurating projects, providing coverage when needed)   |
| <b>Unclear National Economic Policy</b>                        | The national economic policy is not clear on allowing a better alignment of local policies to feed into the country's objectives.  |
| <b>Weak local and national media coverage</b>                  | Success stories could not attract significant national media to increase grantee and stakeholder visibility and credibility.   |
| <b>Political affiliations and impact on PPPs</b>               | Municipal heads and businesses struggle to strike a balance between their economic interest and political affiliation, hindering PPP opportunities from materializing.   |
| <b>Need for early value chain analysis</b>                     | The value chain analyses could have been more helpful if developed in early stages of the program and used for stimulating targeted economic investments.  |
| <b>Lack of business competence and educational system</b>      | Most community members lack basic business skills as these are neither provided in schools nor through informal education putting a high risk on start-ups or making SMEs lose growth opportunities.   |
| <b>Public private cooperation culture</b>                      | Public and private entities often lack reciprocal trust and have negative perceptions of each other. Some public institutions have personal economic and financial interests in the private sector. There is a tendency to abuse status and office for private gain in some public institutions.   |
| <b>Weak Diaspora participation</b>                             | 146 Lebanese abroad in Africa, Europe, United States and the Gulf were profiled along with sectors of interest. It would have been important to reach out to these individuals and propose investment opportunities as cost-shares investments.  |

## 5. Local Financial Interventions

### 5.1. Setting the Tone

This section describes the different modalities of financial interventions required to support local economic development. Once local citizens are consulted and engaged and the environment is conducive, financial support for local communities can go a long way in improving their livelihoods. Access to finance is a critical component of increasing the competitiveness of local enterprises, creating employment opportunities, raising family income, and reducing poverty. However, financial interventions through national or foreign sources (investors, banks and donors) require a strategy that links funding to strengthening policy and legal frameworks and building local capacities so that an enabling environment is created and citizens can further their livelihoods. Access to finance from internal and external sources that support social and economic development includes direct grants, micro credits and loans with low interest rates.

Within the Lebanese context, rural areas face the challenge of limited access to finance and are unable to sustain local businesses in agriculture, industry, tourism, education and others. Much of the efforts to provide loans and technical assistance for small-to-medium enterprises are focused in



and around Beirut and Mount Lebanon. Moreover, the current government administrative structure leads to a gap in relations between rural and central institutions. The micro-finance industry in Lebanon is still nascent, microcredit and SME lending still being the major weight of the microfinance portfolio. As per Lebanese Central Bank requirements, micro-finance institutions cannot receive deposits even when they become financial institutions. Below are some of the major challenges and constraints for economic investments in Lebanon<sup>4</sup>:

<sup>4</sup> World Bank, *Business Environment Snapshot for Lebanon*, 2010.

## 5.2. The Relief International – Lebanon (RIL) Way

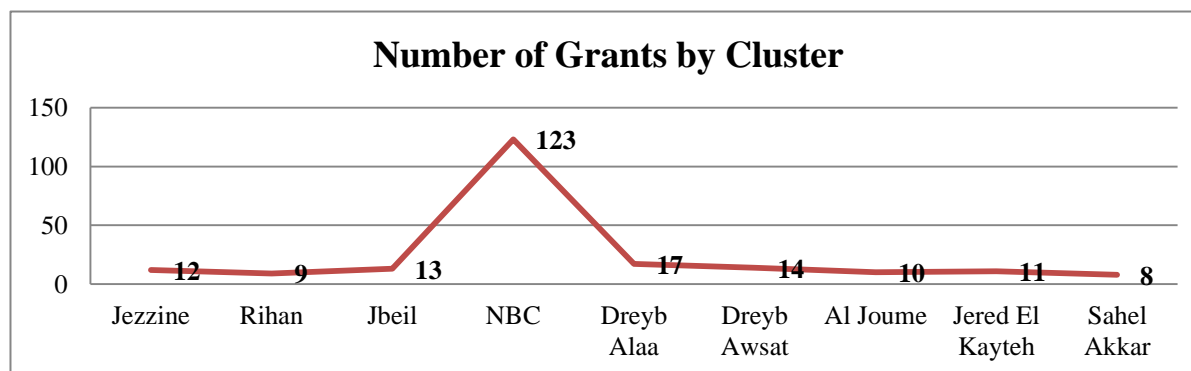
Municipalities constitute the cornerstone for local economic development in the EMLED program. The program was designed within a framework of empowering local councils, enhancing partnerships and building the capacity of small enterprises. The program required contributions from municipalities through providing land, local assets, cost-sharing, and infrastructure support. The program provided a mix of financial interventions for local businesses through grants and micro-credit loans. EMLED also introduced and emphasized the role of public-private-partnerships and succeeded to raise a total of **\$2,723,643 in private capital investment** to support economic development projects in the target municipalities.. A total of **99 new businesses** were established as a result of the sector-specific case studies based on the value chain approach. Almost 42% of the projects and 44% of the funds invested in grant projects were part of interventions done within the value chains.

### 5.2.1. Selection Criteria for Grants

Identifying individuals, groups, NGOs, businesses and other potential grant recipients is a major challenge in economic development programs. It is important that the process be conducted transparently and be locally perceived as fair and beneficial. The program was adapted and customized over three years, relying majorly on continuous communication and contact with local communities. The grant project selection process comprised of the following steps:

1. Program staff members first explained objectives of the grant component and the application process to potential applicants, through municipalities and LED committees.
2. Requests for grant applications were circulated among potential applicants and/or posted in municipalities.
3. Program team conducted a series of trainings on the application process for grant funds and on required documents (concept note, procurement quotations, business feasibility study), sometimes even assisting applicants closely throughout the process.
4. Applicants were first required to submit concept notes along with a feasibility study, registration proof of their business, procurement quotations, in addition to personal identification.

The grants were distributed across the target clusters as detailed below:



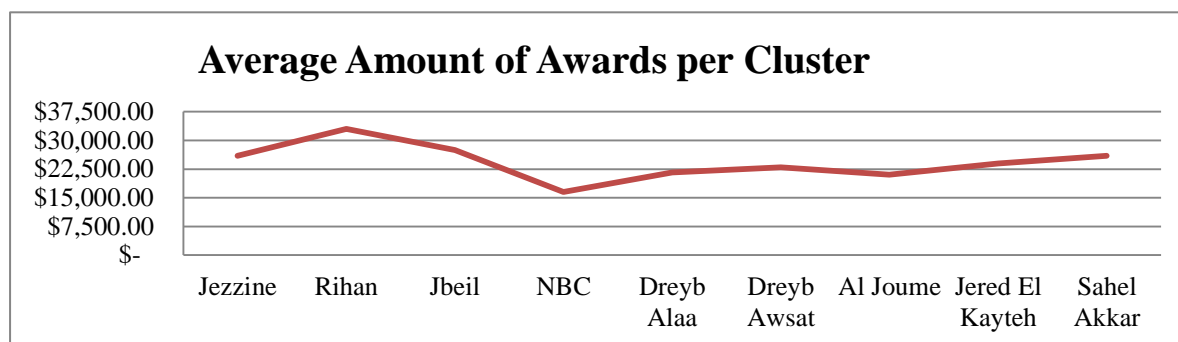
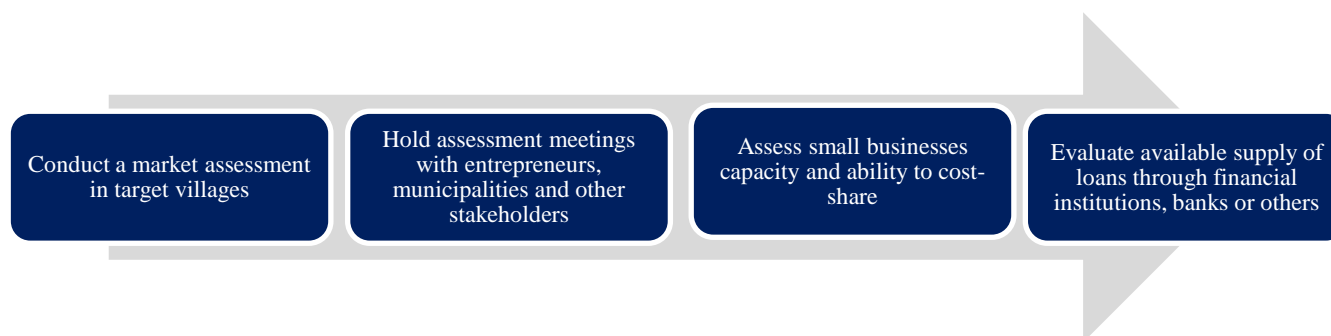
### 5.2.2. The Micro-Finance Component

The EMLED program included a micro-finance component, aimed at poverty alleviation, disbursement of which was restricted to 19 third ring Naher el Bared Camp (NBC) villages. It was considered to be a financial intervention mechanism allowing small scale financial support through easy fund transfer to the non bankable sector, especially for marginalized social groups, like women and youth who suffer from lack of access to financial institutions and fund sources. In fact, the micro-finance component played a vital role in revitalizing the economic life-cycle of the small businesses in the targeted villages. It was also an important tool for local entrepreneurs to rebuild confidence and cross confessional collaboration after the 2007 Naher el Bared conflict. RI facilitated loan funds of a total value of **\$1,486,300** in the target areas and directly disbursed \$599,600 as loan funds. .

*"I believe that every dollar I can bring to this region is a life-saving dollar... The line between hunger and income generation can be removed simply by showing people how to fill out an application..."*  
Relief International Staff Member

Existing micro-finance providers in Lebanon include (i) Individual investors who impose high charges on clients that are unable to meet legal requirements and are obliged to borrow money informally; (ii) Non-government micro-finance lenders such as Al Majmouaa; (iii) Banks with strict eligibility requirements.

Appraisal and approval of micro-finance loans was carried out as follows:



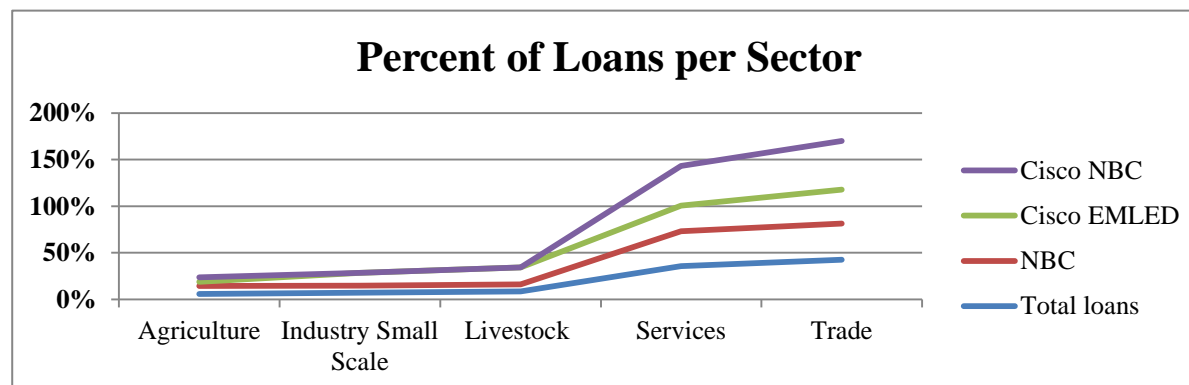
*"The USAID grant gave me a huge boost. I am very proud of my achievements. I have a good reputation and my produce is 100% organic and of high quality. Customers wait for my produce. I am providing something that is healthy and much in demand."* RI loan beneficiary in Halba

The approach was successful due to the following factors:

- It focused on youth, women and new start-ups that other financial institutions were not willing to invest in. The program opened the door for new ideas with less experienced individuals.
- It imposed flexible requirements and conditions on lending where other financial institutions followed a more commercial approach.
- Average loans were up to \$7,000, where other financial institutions do not distribute more than \$3000 per individual.
- Program staff helped local entrepreneurs and business owners design their plans and feasibility studies and facilitated access to other lending schemes, helping loan applicants in submitting **45 loans** to other micro-finance institutions. One of the support functions of the Business development Center established in Halba, as part of the EMLED program, by BIAT (Business Incubator Association of Tripoli), is facilitating access to loans in rural areas of Akkar.

### 5.3. Program Highlights

Financial interventions in the EMLED program were a key component aiming at empowering municipalities and investing in local businesses. The micro-finance loans were distributed along the following sectors, indicating a mixed focus and a diverse range of products and services:





## 5.4. Learning by Doing

### 5.4.1. Recommendations on Grants Management

A good grants management policy provides accessibility to program objectives, requirements, selection criteria and operating procedures. This allows better programmatic transparency, credibility, and a better matching with expectations. The following emerged as lessons learned to improve the process of identifying and selecting recipients for financial support:

1. Defining and diffusing grant selection criteria clearly to program staff, municipal officials and local communities helps minimize confusion, enhance efficiency and overcome misperceptions;
2. Conducting a structured and in-depth value chain analysis in order to identify grant interventions ensures viability, sustainability and wider economic resonance of grants;
3. Developing and educating stakeholders on proper program communication mechanisms and decision making layers decreases resistance and subjectivity;
4. Applying the grant selection criteria consistently and transparently helps avoid partiality, especially in environments where community equilibrium is delicate;
5. Defining an authority matrix that includes multiple stakeholders and allows checks and balances between entities deciding on grants selection limits;
6. Designing selection criteria that match the program objectives and increase access of targeted groups and businesses;
7. Empowering LED Committees and making the process transparent so that they are at the center of decision making for grant project selection.

### 5.4.2. Observations and Recommendations on Micro-Finance Loans

Following are some recommendations for planning and implementing financial interventions:

- Grants and micro-credit loans are two different approaches that were simultaneously used in the NBC area. This potentially led to confusion among communities and created problems in procuring repayments. Whereas microcredit is tied and requires interest for institutional sustainability and efficiency, grants are largely untied funds. It is recommended that the lending and grant component remain separate and be managed under a separate umbrella;



- Donor decisions regarding the distribution of funds should be done at the earliest possible stages in the program since clients ask for loan renewals and additional amounts;
- Disbursing money in a short time frame negatively influences the type and quality of borrowers;
- The lending in NBC was mainly concentrated in and around Halba. , . Future programming must target rural areas suffering from lack of access to markets and existence of financial institutions;
- The absence of a central risk department and information exchange in the microcredit sector, similar to the one for commercial banks, posed a major challenge and resulted in cross lending. Many clients were taking loans from several institutions at the same time;
- The challenge of disbursing microfinance funds in Akkar is aggravated by lack of basic infrastructure, awareness, education and income deficits;
- Women and youth are among the least targeted beneficiaries for economic development initiatives and require a more strategic and targeted focus to ensure they are heard and able to submit applications for financial support;
- Prior to opening the door for grants or loan applications, it is important that there be a phase of ‘educating’ potential applicants on business planning, market studies, risk assessment and sustainability;
- It is important for programs to address poverty and socio-economic development from a macro-level that seeks to empower local citizens in obtaining future funding and diversifying financial sources;
- As part of outreach and assessing potential recipients of financial support, knowledge of local actors must aim at cross-checking information and background checks;
- Short-term investments can boost the economy only through short-lived cycles. It is important for financial interventions to select projects that can have future returns such as irrigation, transportation, education, health and others.

## 6. Trends and Insights

Based on the analysis of documents and publications produced by Relief International, in Lebanon, during program implementation and supported by the feedback collected through field research, following are the trends and insights that could be helpful for future local economic interventions.

### 6.1. Community-Based Outreach

- When designing the selection criteria of villages, include demography, socio-economic needs, confessional diversity, geographic distribution, common resources, and economic interests;
- Build on lessons learned and best practices of previous local economic interventions;



- Share program objectives and related interventions with key local authorities and community members.
- Develop an orientation program on grant policies and procedures and build local capacity to address major local economic development skill gaps.
- Identify a local champion who has the potential to become the key catalyst for change in the community.
- Develop an outreach strategy to mobilize local communities and increase program impact and scalability.
- Assess and analyze local community dynamics to ensure proper representation in LED committees and reduce resistance risks.
- Ensure multiple points of entry including municipalities and other stakeholders to minimize the risk of local dependence on specific partners, overcome political polarization, and ensure fairness
- Assess and analyze the full range of value chains and actors to ensure that economic interventions are effective and efficient.

## **6.2.Consultative Process**

- Develop operating procedures including scope, functions and responsibilities of LED Committees;
- Design a participated action plan with specific objectives, outputs, and timeframe for LED committees;
- Prepare a sustainability plan for LED committees right from the beginning;
- Establish a social media network for consultations and knowledge exchange;
- Design women and youth specific consultations and activities to increase their participation and civic engagement mechanisms;
- Plan a cultural adaptation program for the organizational staff to increase confessional and political awareness;
- Ensure LED committee member cohesiveness and synergy to target team building and conflict prevention activities;
- Gain understanding on local dynamics so as to contribute to consensus and peace building;
- Establish mechanisms for giving greater legitimacy to the LED committees.

## **6.3. Building Local Capacity**

- Design local competency frameworks that include technical, interpersonal, entrepreneurial and social components as a base for shaping local capacity building programs;
- Develop quantitative and qualitative impact measures for capacity building programs that are congruent with the competency framework that can assess their political, economic and social impact;
- Assess levels of competence within communities before engaging with providers to better prepare them for local interventions;
- Map previous capacity building programs and gain an understanding on related impacts.

## **6.4. Creating an Enabling Environment**

- Educate municipalities on their role in creating an enabling environment;
- Mainstream ICT as a component for local economic empowerment;
- Promote partnerships between villages through joint projects and initiatives;

- Promote collaboration and exchange between similar organizations and industries around economic development policies;
- Promote success stories as best practices and a means to invite local communities to embrace an entrepreneurial mindset;
- Integrate capacity building on advocacy to ensure that local voices are brought across to decision makers at the national level;
- Integrate value chain analysis findings on needs with the enabling environment to advance investment in local business and growth in income

#### **6.5. Local Financial Interventions**

- Give local communities an access to funding based on and maintaining a balance between domiciled and residents;
- Identify local economic interventions through value chain analysis and support grant beneficiaries in establishing business and market linkages while always including grantee participation and cost share through resource contributions;
- Provide targeted economic support to women and youth in terms of access to and ownership of resources;
- Develop a mix of financing tools: grants, micro loans with clear policies and procedures targeting a mix of start-up and existing SMEs, assist people in evaluating business feasibility and establish linkages so as to create sustainability.
- Develop clear criteria to grants selection and share them widely within communities.
- Provide incentives for group start-ups to promote local collaboration on economic interests

## Chapter -2- Development Opportunities for the Future

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***When communities, experts, public authorities and the private sector work in partnership to create the enabling environment that strengthens the social (political, cultural, human), economic and natural capital, providing equal opportunities and permitting healthy competition among economic actors, then economic development becomes a reality.***

The EMLED program worked for three years with municipalities in marginalized rural areas across Lebanon, “to increase employment and income through public-private partnerships (PPPs), and promote effective collaboration between municipalities and communities.” EMLED provided capacity building and financial support for local economic development to municipal officials, local businesses, and communities “to assist in building their engagement with youth, women, entrepreneurs, public and private sectors, and the Lebanese Diaspora.”

This chapter identifies economic and social opportunities that are conducive to development in Lebanon. The chapter uses the term ‘opportunities’ to refer to existing or potential initiatives that can invigorate local economic growth and provide financial returns for local citizens. In sharing these initiatives and cases, the chapter aims at providing an overall orientation for local economic development. The findings are based on evidence and primary data generated from local citizens in 130 target municipalities/villages, demonstrating the work carried out for the past three years.



Lebanese villages suffer from a lack of local access to finance and weak government strategies for local development. However, the villages included in the target clusters can benefit from investments in the sectors of agriculture, tourism, light industry, services and livestock. While most villages face problems in infrastructure, they also have rich natural resources and environmental assets. In addition, there are a number of social opportunities that citizens, municipalities and development organizations can support to enhance local economic development. The chapter highlights these ‘socially’ entrepreneurial initiatives that can support the work of municipalities and local businesses. The methodology employed to uncover existing or potential sectors relied on thorough case studies and value chain analyses. Primary data was generated using focus groups, interviews, data collection, and field observations in the villages of Akkar, Jezzine, and Jbeil.





*“Like any Lebanese citizen, my vision for my region is for it to be safe, stable and offer a promising future for my children. If you look around, you see that we live in the exact opposite reality...”* Woman Entrepreneur in Jezzine

## 1. Economic Development Opportunities

The program target clusters and villages demonstrate inadequacies in infrastructure, financial resources and in human and technical capacities. Economic opportunities highlighted in the EMLED program can go a long way to invigorate and sustain local development. This section is divided into proposed initiatives and the approach and activities that can be undertaken to enhance local economic development. Based on above observations, RIL found that municipalities, clusters of municipalities or a union of municipalities can play a key role in setting strategies, planning and pursuing funding opportunities for sustainable local economic development. This section presents the process and outcomes of cluster development plans and the value chain analyses as means of prioritizing economic interventions that serve local communities. The role of municipal councils as well as central government agencies is crucial at each of the phases of planning, executing and evaluating economic initiatives at the local level

## 2. Economic Development Initiatives

The EMLED program undertook a series of work sessions with Local Economic Development (LED) Committees to design and develop “Strategy Briefs” for each cluster. These briefs included a cluster vision, situational analysis and recommendations of actions to foster economic opportunities available in each of the clusters. The Strategy Briefs provide a roadmap for the cluster based on local citizens’ aspirations and resources available in the villages

## 3. Cluster Vision

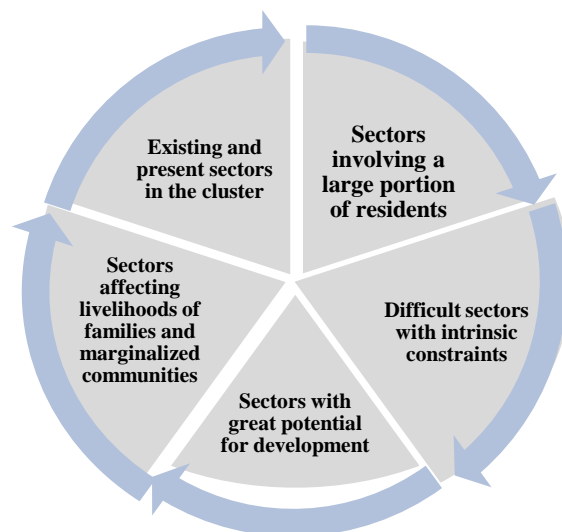
Relief International developed cluster level strategies in dialogue with LED committees and municipality members through a consensus based participated process. The common development vision that emerged from this process and that was shared among clusters was ***“sustained local development that improves people’s access to essential services (health, education, water, energy, etc.), and is based on increase in public and private investment in the promising local sectors and on preserving social assets, thereby stimulating local employment and incomes and***



*reducing migration from the area.”* This process facilitated by Relief International helped communities identify development challenges, strengths, needs and obstacles and helped define better the economic sectors that provided or could potentially provide an important source of local livelihoods.

### 3.1. Cluster Development Plans

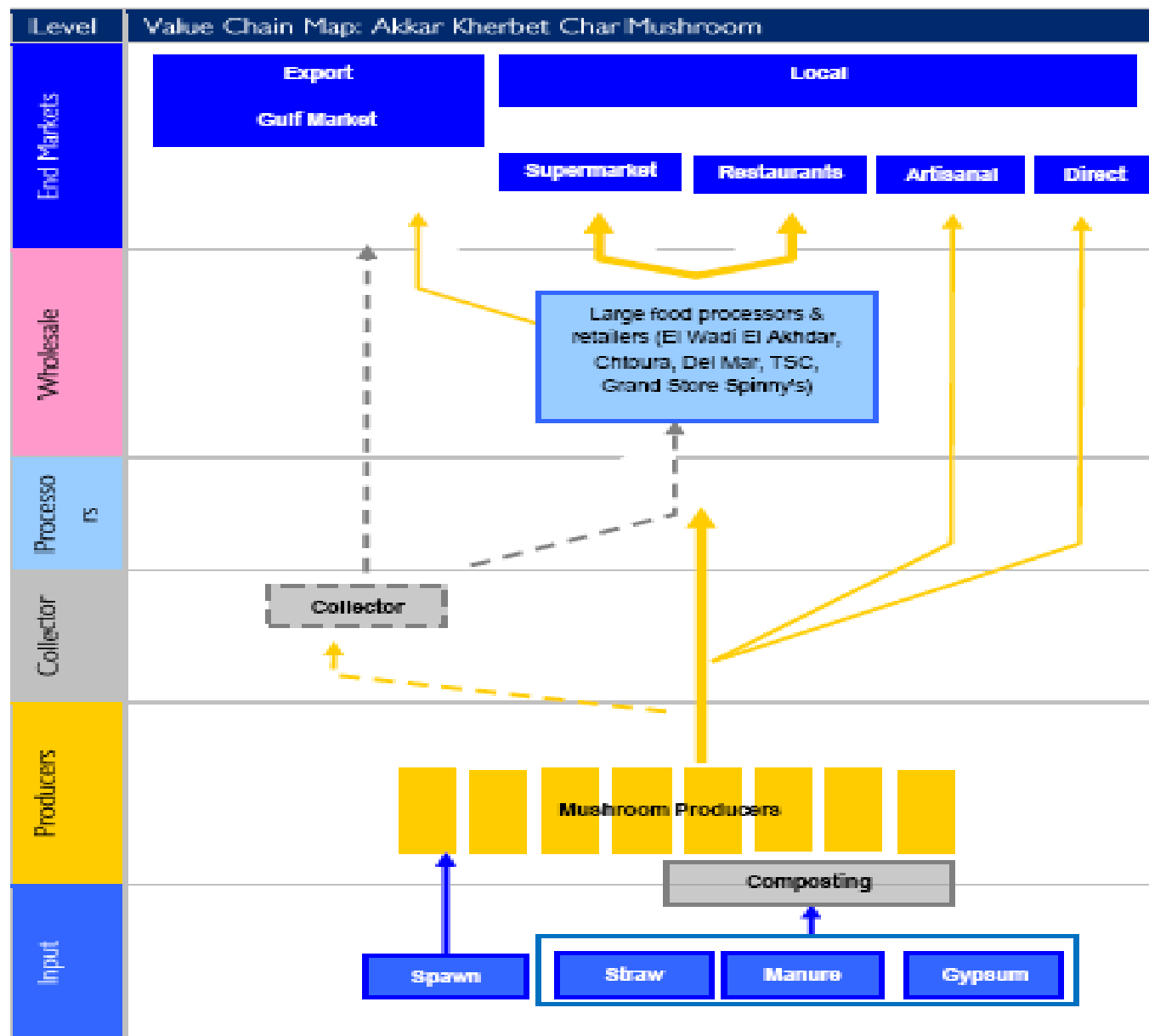
Relief International, in partnership with International Resources Group, conducted seventeen Cluster Development Plans, based on value chain analyses for 12 rural economic sectors across 9 target municipal clusters. These economic sectors were identified during the strategy development process conducted by RI in collaboration with the LED committees. These studies aimed at increasing local competitiveness through (i) assessing the potential of specific sectors in contributing to economic development of the cluster, (ii) identifying opportunities and constraints in each sector; (iii) drafting strategies and action plans to support the development of a sector or a specific component of the economic activity. The plans provide stakeholders, private sectors, international organizations and government agencies with innovative and informed perspectives for effective engagement. One of the success factors was that knowledge of local strengths, weaknesses, and opportunities was based on ground facts provided by stakeholders. Sectors were ranked according to priority, local resource availability, the extent of resonance of economic influence and the impact on local livelihoods. Priorities were ranked in the following manner:



Following are the clusters and sectors for which Cluster Development Plans were undertaken:

| Sectors               | Clusters   |
|-----------------------|--|
| Olive Oil             | Naher El Bared                                   |
| Flowers               | One plan for Naher El Bared and Sahel Akkar      |
| Sweet Corn            | Sahel Akkar                                      |
| Mushroom              | Dreyb El Awsat                                   |
| Poultry               | El Joume   |
| Honey                 | El Joume   |
| Kiwi                  | Jered El Kayteh                                  |
| Pine Nuts             | Jezzine  |
| Rain water harvesting | Jbeil  |
| Eco-tourism           | Dreyb Aala, Jezzine, Rihane, Jbeil               |
| Apples                | Dreyb El Aala, Jezzine                           |
| Dairy                 | Dreyb El Awsat, Jered El Kayteh, Jezzine, Rihane |

Value chains constituted one of the most important and effective approaches to enhancing local economic development, increasing incomes and restoring livelihoods, especially when interventions followed a stakeholder participated process, supported local competitiveness in pioneer sectors helping them tap wider markets , enjoyed active municipality participation and contribution and created business and market linkages. Below is the Value Chian for Mushroom cultivation:



The process for each Cluster Development Plan was thus conducted:

1. *Field Outreach*: to understand local needs and avail of local technical expertise;
2. *Stakeholder Round Tables*: to bring together the maximum number of stakeholders involved in the selected value chain, get business data and feedbacks on context, dynamics and economic potential of the sector and entrepreneurs;
3. *Asset Mapping and Needs Assessment*: to better understand the size of the sector, proportion of local citizens involved, local technical and intervention needs and production processes.
4. *Individual Consultations*: aimed at filling the information gap and meeting with key stakeholders in the value chain to collect data.
5. *Analysis of the Value Chain*: developing a strategy to overcome critical constraints in a specific sector, increase competitiveness, and highlight the most lucrative opportunities. Key elements included input suppliers, producers, wholesalers, and markets.
6. *Intervention to Increase Competitiveness*: Interventions were conducted in a transparent, accountable manner and in close coordination with municipalities, local businesses, concerned public agencies and under continuous guidance of value chain consultants.

The Interventions included:

- Enhancing technical knowledge and skills through series of targeted tailor made training workshops and exposure visits;
- Addressing equipment and business establishment needs through in-kind grant contributions;
- Increasing collaboration through collective work, creating cooperatives, networking, and group capacity building for actors in the value chain;
- Supporting networking and business linkage events;
- Developing marketing plans and linking local producers with retailers, wholesalers and other market actors.

#### 4. Women's Participation

The EMLED program included a special focus on empowering women, ensuring their representation in various phases of the project, from LED committee participation to receiving grants. EMLED experience revealed that empowering women and empowering youth economically, socially and politically and in terms of building knowledge, skills, spaces and livelihoods, requires targeted and tailor made programming (not only mainstreaming). The program also highlighted the need for developing women's capacity specifically to help them gain greater access to and ownership of productive resources (for ex. equipments within economic value chains they participate in) and for providing them with space and support to propose and realize their own initiatives. Women represent over 50% of the Lebanese electorate, yet are the least represented in local governance and are one of the most marginalized segments of local economic development. Women's participation must be enhanced and they must be considered a local resource that can strengthen and add value to production, services and economic initiatives at the local and national levels. Women



were noted as highly enthusiastic and eager to engage more in local economic cycles. Women welcomed the program approach and special focus on building their capacities and supporting their livelihoods. Women took active part in the trainings that focused on a combination of soft skills (communication, conflict resolution, and leadership) and technical ones (sewing, embroidery, ICT).

*“The program activities made me feel like my voice mattered, which is something I never felt from my family or from the municipal council. Baladiyat helped raise local awareness on the role that women can play socially and economically...”* Baladiyat woman grantee in Jezzine

## 5. Youth Participation

Lebanese youth remain among the most marginalized social group in the country. In government and municipalities, youth are the least represented. This strongly affects young citizens’ ability to voice concerns, overcome challenges, and partake in democratic decisions that affect their lives and influence economic development. The Lebanese government still has not adopted a clear Youth Policy that can respond to the economic, social, and political gaps and grievances that young citizens suffering from. This has resulted in attitudes of carelessness, pessimism, and lack of confidence among some youth who look for alternatives elsewhere like immigration, violence, or political clientelism. Lebanese youth must be looked at not only from the perspective of the need to enhance their participation, but also as a local resource that is crucial for local economic development. It was evident in all villages within the targeted clusters, that skills and energies of the youth were not sufficiently cultivated and included in the labor force and the overall economic cycle. Responsive municipal councils have a positive effect on youth’s ability to participate in local governance. The urgent need is to engage youth in the value chain and the development process to avoid losing them either to emigration, or keeping them unemployed / under-employed.

The EMLED model allowed youth to be engaged through participation in (i) Local Economic Development committees; (ii) tailored workshops and capacity building programs to suit their needs; (iii) grants on local economic development projects; and (iv) micro-finance and loans for small businesses. According to the youth focus groups, the main issue confronting today’s youth in Lebanon is the low level of motivation, leadership, and sense of citizenship among them. The three major factors youth consider as being responsible for hampering their development prospects and opportunities are high emigration, marginalization and high unemployment largely caused by: (i) low investment in rural areas; (ii) lack of access to quality education; and (iii) low consideration of meritocracy strengthening the negative impact of these factors on the already high unemployment levels.

*“This program helped me learn how to approach our municipality. I learned that I can play a role in sharing our priorities as young citizens, we are not actively engaged in cleaning and maintenance for the local forest and I feel I am making a difference...”* Young LED committee member in Akkar

The youth believe that there are two factors that contribute immensely to making the social and economic environment unattractive for potential investors: (i) the lack of national level promotion of rural resources, especially tourism; and (ii) the preference of youth to be employed as salaried labor force rather than be entrepreneurs/investors. Lack of access to quality education in rural areas is a major hurdle to availing or creating local employment opportunities. Other factors include gender discrimination in access to education, absence of good quality higher education institutions in rural areas and low family incomes. Youth are often unaware of potential job opportunities and demands of the labor market, because they lack career counseling and knowledge to make informed career decisions. Their knowledge and skills often do not correspond to the Lebanese job market demands. Marginalization among youth is also due to: (i) sectarian and political conflicts reinforced by local leadership; (ii) few collaboration networks among the youth; and (iii) low levels of political participation among youth at all levels of governance. These problems are associated with (a) the absence of youth as major players at community-level decision-making; and (b) insufficient communication between public institutions and youth.

*“How am I expected to finish my education, find a job and open a house when we barely have roads to reach my village? The municipality is more concerned with building walls than schools...”*

Young activist in Kobayet

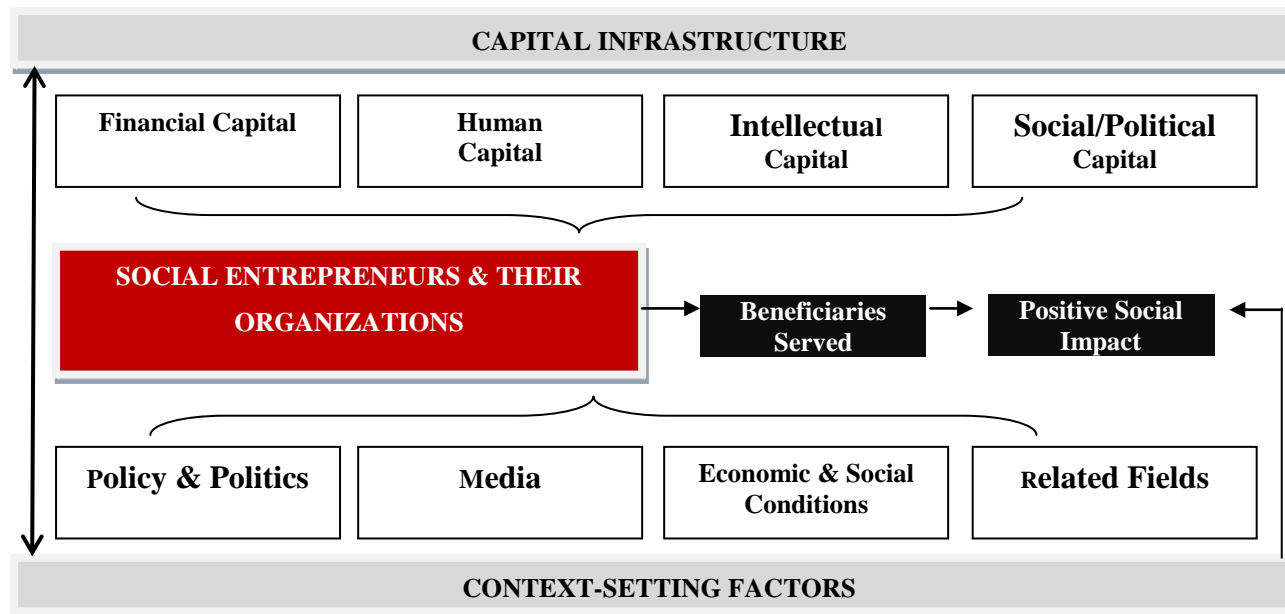
## **6. Social Development and Entrepreneurship Initiatives**

Based on the socio-economic and cultural characteristics of Lebanese villages, each target cluster faces challenges as well as opportunities. Cluster profiles display factors that inhibit sustainable local economic development (weak infrastructure, unemployment, low investments) and those that can enable local economic development. The search for local opportunities calls for a need to rethink the way citizens, the government, and development organizations perceive challenges and their capacity to develop income-generating activities in a socially responsible manner.

EMLED provided a platform for groups and individuals aspiring to develop their communities and playing a role in achieving it, thus paving the way for several social opportunities. Through a participatory process, the program helped citizen groups become more aware of the role of local governance and more active in planning for local economic development. The program also fostered a ‘socialization’ process, bringing together individuals from conflicting villages and diverse confessional background to debate and plan to develop their communities. Citizens felt empowered to begin projects and small businesses that would improve livelihoods, create jobs, and address social problems. In fact, citizens, civil society groups and international organizations in collaboration with the private sector can play a large role in establishing and maintaining social initiatives to support local economic development.



## The Entrepreneurial Environment<sup>5</sup>:



<sup>5</sup> Skoll Foundation, “Developing the Field of Social Entrepreneurship” The Center for the Advancement of Social Entrepreneurship (Duke University, USA), 2008.

## 7. Stakeholder Cooperation Approaches.

The EMLED program helped showcase the ways in which the private sector, the non-profit sector, and motivated Lebanese emigrants can be involved in local-level economic projects. Lebanese municipalities enjoy large prerogatives yet are often the victims of a slow administrative centralized system. Expanding partnerships and networks can empower the municipality's role in local economic development. Future programs must engage with Lebanese abroad as a key partner in identifying opportunities. At the same time, municipalities can work with local businesses to attract investment.

The EMLED program helped demonstrate different ways in which cooperation can advance local economic development and allow the engagement of civil society, businesses, and international organizations to support the work of government and municipalities.

Given the nature of Lebanese rural villages and their common challenges, the following initiatives are considered important for enabling local communities to better cooperate and to rely on mutual efforts to achieve sustainable local economic development.

| Level of Cooperation          | Initiatives   |
|-------------------------------|---|
| <b>Research Capacity</b>      | <ul style="list-style-type: none"> <li>• Conduct common research projects to get statistics on needs and future challenges.</li> <li>• Establish independent research entity in each cluster.</li> <li>• Establish youth and women NGOs and committees and empower existing ones.</li> </ul>  |
| <b>Knowledge Sharing</b>      | <ul style="list-style-type: none"> <li>• Establish joint technical committees among villages to study agricultural, environmental, and infrastructural issues.</li> <li>• Convene local economic development committees on a regional level.</li> <li>• Organize workshops on sectors development rotating between municipalities.</li> </ul>   |
| <b>Project Implementation</b> | <ul style="list-style-type: none"> <li>• Activate the work of unions of municipalities and increase number of member municipalities.</li> <li>• Identify common local needs and develop regional projects.</li> <li>• Develop vocational schools' capacity to serve regional projects.</li> <li>• Coordinate training efforts to include languages, IT, communication skills, marketing skills, business planning skills, agricultural production, proposal writing, entrepreneurship, technical support trainings (sewing, flower cultivation, handicrafts...), first aid, participation in local governance...</li> </ul> |
| <b>Access to Funding</b>      | <ul style="list-style-type: none"> <li>• Joint applications to international donors.</li> <li>• Establish regional funding sources generated through the municipalities.</li> <li>• Develop income-generating enterprises through public-private partnerships.</li> <li>• Attract private investors, foreign sources, and Lebanese diaspora funding.</li> </ul>   |
| <b>Access to Markets</b>      | <ul style="list-style-type: none"> <li>• Assign annual agricultural days.</li> <li>• Establish exhibitions on a rotational basis.</li> <li>• Link with markets in Beirut and the Arab World.</li> <li>• Use social media to market products.</li> <li>• Undergo planning to segment markets among villages.</li> </ul>  |

## 8. Capitalizing on the Lebanese Diaspora

The EMLED program included a component on assessing the prospects for involving Lebanese expatriates in local economic development. The component included developing a surveying instrument to identify the names of five Lebanese expatriates in each village who are considered successful businessmen living abroad. An emigrant prospect template was developed to give a profile of emigrants who have either contributed to and/or are willing to contribute to the development of their villages. The observations collected through the EMLED program highlight the following indicators for future initiatives aspiring to involve the Diaspora:

- Most Lebanese emigrants continue to network with their villages through their family members.
- Most Lebanese emigrants have contributed to their villages in many different sectors.
- Lebanese emigrants showed a willingness to contribute to their villages. An increased Diaspora participation in local economic development based on common local vision and greater credibility of local governments would contribute greatly to local economic development.
- Families of Lebanese emigrants like to show the success and wealth of their family emigrant members.
- Lebanese emigrants like to show their success and wealth particularly in their villages.
- Positive jealousy arouses friendly competition among the inhabitants of the villages, which can play a positive role in generating funding for village projects.
- 

The results of the survey showed that:

- ✓ 95% of the profiled emigrants could be considered as potential actors or investors in local development partnership.
- ✓ Of these prospects, above 70% are emigrants who have already contributed to their villages are willing to contribute again.



## Chapter -3-

### The Path from Local Development to National Policy

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*“The economic system is a free system that guarantees individual initiative and private ownership. Culturally, socially, and economically-balanced development is a mainstay of the state's unity and of the system's stability. Efforts (will be made) to achieve comprehensive social justice through fiscal, economic and social reform.” (The National Reconciliation Charter of Lebanon – Taef Accord, 1989)*

***Development is Sustainable when National Policies are anchored in People’s Vision for development and are coherent with community needs and rights, responding to today’s demands while preserving community assets and resources, such that the ability of future generations to meet their needs is not compromised.***

#### 1. Context and Background

Administrative decentralization in Lebanon is a priority policy for reform required by the Lebanese constitution as well as a necessity for social justice, sustainable development, and economic prosperity based on equality between citizens and national cohesion in all regions. The 1977 law, in Lebanon, stipulates that any work having a public character or utility within the area of the municipality falls under the jurisdiction of the municipal council. Some of the expenditure allocations listed in the law include the provision of health services, town planning, infrastructure development and education.

Administrative decentralization cannot be treated only through a political lens but should be thought of from a social, cultural, and economic perspective. It is the role of the central government to reform the administrative system to better serve local communities, enabling them to participate politically and economically to improve the quality of their lives and contribute to their country’s growth. Citizens in local communities also have a responsibility to voice their demands and advocate for a decentralization policy that ensures their rights and interests. This can effectively empower local councils and ensure citizens’ participation in the process. Developing and implementing decentralization policy can be enhanced if local communities are included in setting the agenda, identifying priorities and enforcing the law.

In the book issued in January 2001 by the Ministry of Interior, “Administrative Decentralization in 100 questions”, it is defined as “the administrative system that provides the Lebanese people in different regions with more authorities to manage their local affairs and to set their own priorities at the level of services, public benefits, infrastructure and development projects.”

Development organizations the world over have favored decentralization as a development strategy. The premise is the belief that mainstreaming decentralization brings government closer to the people and involves the grassroots in governance issues. In the Lebanese context, development organizations have helped raise awareness, hold consultations, issue studies and reports and provide financial and technical assistance to municipalities. Yet a clear framework for implementing decentralization is highly needed to advise the Lebanese government on the opportunities and challenges that such a policy entails.

Between September 2010 and May 2011, a research was conducted with 130 municipalities, including 15 focus groups, meetings with 30 key informants and experts, in addition to a survey with 157 participants aiming at answering the following question: What are the local economic requirements from an administrative decentralization process?

This chapter is built on the premise that local councils are the cornerstone for the design, enactment and implementation of decentralization in Lebanon. Based on global knowledge and national context, it is no longer possible to envision a decentralization process that is not inclusive of local needs, economic realities, and the overall political system in Lebanon.



## 2. Citizens as Drivers of Local Economic Development

Citizens at the local level can become the drivers of administrative decentralization if their demands and priorities are advocated with government. During the interviews, responses to “How can local economic development speed decentralization?” spanned from higher local engagement, to better municipal responsiveness to an enhanced focus on economic development issues.

| Local Engagement  | Municipal Responsiveness   | Focus on Economic Development   |
|---|--|---|
| <ul style="list-style-type: none"> <li>Strengthened connection between municipalities, businesses, and local citizens.</li> <li>Potential to provide knowledge and evidence from local villages that can feed into government policy.</li> <li>Ability to change the stances of political leaders to suit local needs.</li> <li>Local businesses can create pressure groups to implement new laws.</li> <li>Economic opportunities can design government strategies.</li> </ul> | <ul style="list-style-type: none"> <li>More empowerment because of greater financial capacity.</li> <li>Successful local businesses can affect political decisions.</li> <li>Municipal Unions can begin to cooperate at a local level and push towards policies to support local cooperation.</li> <li>Helps push the ‘districting’ according to local needs, local production, and social characteristics.</li> <li>Facilitates consensus building within municipalities.</li> <li>Collaboration on projects and issue-identification can lead de-facto to decentralized decision-making system.</li> </ul> | <ul style="list-style-type: none"> <li>Can highlight industries and sectors to be invested in.</li> <li>Potential to develop local policy that is responding to most productive sectors.</li> <li>Affecting local elections to make them more about local industry rather than family and sectarian ties.</li> <li>Can highlight actors within the value chain that lack financial support.</li> <li>Can feed into agricultural, educational, and health policies.</li> <li>Can support women empowerment through economic capacities to become more active politically.</li> </ul> |

### 3. Voicing Local Citizens' Needs

Local communities have been voicing many local needs, expectations and recommendations to improve local governance responsiveness, develop local economy, and build social cohesion. The following recommendations were collected throughout the research as priorities to be addressed in parallel to an administrative decentralization process. These recommendations are in addition to others that were highlighted throughout Chapters 1 and 2 of this report.

| Stakeholders                      | Recommendations   |
|-----------------------------------|---|
| <b>Ministry of Interior</b>       | <ul style="list-style-type: none"> <li>Propose new districting based on village socio-economic characteristics.</li> <li>Increase funding amounts and efficiency to municipalities.</li> <li>Undertake a neutral unbiased approach to processes and administrative procedures.</li> <li>Ensure security in regions and better law enforcement.</li> <li>Establish e-databases for municipalities.</li> <li>Develop online portals to report on local violations of the rule of law.</li> <li>Allow municipalities to build partnerships with the private sector to support LED, or even to implement profit-making projects.</li> <li>Stop illegal destruction of old buildings.</li> </ul> |
| <b>Ministry of Agriculture</b>    | <ul style="list-style-type: none"> <li>Monitor and regulate chemical products and medicine sales and distribution in regions.</li> <li>Develop and activate agricultural guidance and agenda.</li> <li>Expand and build on the success of the Green Project.</li> <li>Subsidize agricultural products for small farmers.</li> <li>Support and monitor agricultural cooperatives and shut the inefficient ones</li> <li>Implement and monitor standards and certification for local products (ex: Global Gap).</li> <li>Take off the taxes on raw materials used by farmers.</li> <li>Limit competition from products coming from nearby countries.</li> </ul>                               |
| <b>Ministry of Culture</b>        | <ul style="list-style-type: none"> <li>Invest in cultural/religious tourism projects.</li> <li>Implement projects to preserve heritage and old buildings.</li> <li>Provide publicity and visibility for local cultural assets and sites.</li> </ul>   |
| <b>Ministry of Industry</b>       | <ul style="list-style-type: none"> <li>Fund factories for milk production and derivatives .</li> <li>Support local projects for storage of agricultural products.</li> <li>Facilitate building factories to store and dispense extra production (potatoes, tomatoes, etc.)</li> </ul>   |
| <b>Ministry of Transportation</b> | <ul style="list-style-type: none"> <li>Enhance transportation routes to rural areas.</li> <li>Link marketing of local products to new roads/highways.</li> </ul>  |



| Stakeholders                | Recommendations   |
|-----------------------------|---|
| Ministry of Finance         | <ul style="list-style-type: none"> <li>▪ Ensure more equitable and transparent financial distribution between municipalities.</li> <li>▪ Avoid delays in payments for salaries and equipment.</li> <li>▪ Reimburse non-budgeted costs that arise due to emergency.</li> </ul>   |
| Ministry of Tourism         | <ul style="list-style-type: none"> <li>▪ Develop a tourism map for rural areas.</li> <li>▪ Support eco-tourism initiatives.</li> <li>▪ Help finance eco-lodges, small hotels, and guest-houses.</li> <li>▪ Help advertise and market local tourism sites.</li> <li>▪ Develop the field of eco-tourism and add the hiking guides on the classification of recognized guides.</li> </ul>  |
| Ministry of Economy         | <ul style="list-style-type: none"> <li>▪ Facilitate procedures for import and export.</li> <li>▪ Provide direct loans or grants to local businesses.</li> </ul>   |
| Ministry of Youth           | <ul style="list-style-type: none"> <li>▪ Facilitate the registration of youth NGOs in the region.</li> <li>▪ Support sports centers in the region.</li> <li>▪ Facilitate funding opportunities by providing data on donors and other funding sources.</li> </ul>  |
| Cabinet of Ministers        | <ul style="list-style-type: none"> <li>▪ Enact the decentralization law.</li> <li>▪ Allocate a higher budget for public service provision for rural areas.</li> <li>▪ Endorse the annual budget on time.</li> <li>▪ Facilitate decisions for municipalities.</li> <li>▪ Avoid delays in approving payments.</li> </ul>  |
| Parliament                  | <ul style="list-style-type: none"> <li>▪ Enact a decentralization law.</li> <li>▪ Support local awareness on decentralization.</li> <li>▪ Endorse the new traffic law.</li> <li>▪ Support new transportation legislation.</li> <li>▪ Reform taxation system on new products to support local businesses.</li> <li>▪ Encourage platforms during elections.</li> <li>▪ Pay more attention to rural area needs and challenges.</li> <li>▪ Provide more research and statistics.</li> <li>▪ Support agricultural legislation to protect local farmers.</li> </ul> |
| Municipalities and Clusters | <ul style="list-style-type: none"> <li>▪ Lobby municipal unions on the most favorable administrative structure.</li> <li>▪ Present joint proposals on decentralization options to Muhafez and related Ministries.</li> <li>▪ Work on enhancing local infrastructure.</li> <li>▪ Network and collaborate with international donors.</li> </ul>   |

| Stakeholders  | Recommendations   |
|---|---|
| Local and International NGOs                        | <ul style="list-style-type: none"> <li>▪ Help market local products.</li> <li>▪ Support collaborative projects between municipalities, NGOs and private sector.</li> <li>▪ Allow joint proposals that bring together various municipalities.</li> <li>▪ Fund long-term projects rather than small grants.</li> <li>▪ Fund infrastructural projects that create lasting impact on local economy.</li> </ul>  |
| Business Associations, Unions, Chambers of Commerce | <ul style="list-style-type: none"> <li>▪ Conduct value-chain analysis to elicit local opportunities.</li> <li>▪ Join municipalities in public-private partnerships to leverage economic opportunities.</li> <li>▪ Collaborate on joint projects between local and national businesses.</li> <li>▪ Support municipalities lobbying to adopt a decentralization law.</li> </ul>   |
| Media   | <ul style="list-style-type: none"> <li>▪ Provide better coverage on issues related to local needs.</li> <li>▪ Avoid biased reports on local politics.</li> <li>▪ Encourage municipalities to work on development issues.</li> <li>▪ Give publicity to local success stories.</li> <li>▪ Provide examples of local entrepreneurs.</li> <li>▪ Transmit accurate messages to local MPs and government agencies.</li> <li>▪ Limit coverage of only the Beirut region.</li> <li>▪ Present a more hopeful image of local villages.</li> <li>▪ Help local businesses and municipalities to connect with Lebanese abroad.</li> <li>▪ Link local news to international broadcasting agencies.</li> </ul> |

**An administrative decentralization process needs to fit a national development vision and strategy as a benchmark for policy dialogue between stakeholders in the center and in local communities.**

#### 4. Expected Impact of an Administrative Decentralization

The following table summarizes the different priorities of experts and local key informants as to what impact they expect from an administrative decentralization process which covers the following three levels: social cohesion, responsive governance, and economic development.

| Levels                            | Impact   |
|-----------------------------------|--|
| <b>Social Cohesion</b>            | <ul style="list-style-type: none"> <li>▪ Ease local tensions and diffuse sectarian divisions.</li> <li>▪ Enhance synergy among elected councils focusing on local economic development.</li> <li>▪ Potential to overcome sectarian and demographic fears with new administrative entities.</li> <li>▪ Help create new local leadership.</li> </ul>   |
| <b>Responsive Governance</b>      | <ul style="list-style-type: none"> <li>▪ Increase ability for municipalities to identify and work on local needs.</li> <li>▪ Promote greater level cooperation at a local level among municipal councils.</li> <li>▪ Give more attention to rural areas and policies.</li> <li>▪ Decrease corruption and increase oversight on the work of local councils and agencies at a village-level.</li> <li>▪ Provide more freedom, authority, and prerogatives for the Head of Municipality.</li> <li>▪ Allow direct links between municipalities and related Ministries.</li> <li>▪ Allow open dialogue between Parliamentary committees and local municipal councils.</li> <li>▪ Enhance ability for local councils to enforce the law.</li> <li>▪ Increase efficiency between decisions and implementation.</li> <li>▪ Decrease reliance on local political leaders.</li> <li>▪ Enhance the effectiveness of control and audit.</li> </ul> |
| <b>Local Economic Development</b> | <ul style="list-style-type: none"> <li>▪ Organize administrative clusters of municipalities/ villages based on economic parameters.</li> <li>▪ Provide greater resources, assets, and information for local councils.</li> <li>▪ Ensure equitable and long term local economic development opportunities</li> <li>▪ Ensure equitable provision of public services in local communities.</li> <li>▪ Speed up process of fund distribution.</li> <li>▪ Allow municipal councils to work on local economic issues rather than piecemeal paperwork.</li> <li>▪ Decrease unemployment rates.</li> <li>▪ Decrease traffic congestion in large cities.</li> <li>▪ Enhance industrial activity in rural areas.</li> <li>▪ Improve quality of education.</li> </ul>   |

## The Way Forward...

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Local economic development can be a major drive in Lebanon's path towards decentralization and empowering local communities. While myriad studies have been conducted on local development and decentralization in Lebanon, both paths have yet to be reconciled at the level of policy and implementation. The three year EMLED program experience has enabled capturing of lessons learned identification of economic opportunities and defining policy recommendations. These findings have a great potential to reconcile the two paths and propose the way forward for local governance and development in Lebanon.

Factors highlighted during the research, include:

### ***First: at the level of process and programming***

Effective community-based outreach requires intimate knowledge of target villages. The outreach process should use a mix of outreach mechanisms, relying not only on formal institutions such as the municipality, but also on informal dimensions where engagement with citizens is effective. The more the community is engaged in development interventions, the higher their chances of ownership and understanding of objectives and strategies.

An inclusive consultative process will determine the scope of work and involvement among local communities. A clear plan and statement of objectives can better enable the participation of women, youth, business representatives, civil society activists and municipal members. Projects and economic opportunities should stem from this process as an outcome rather than a starting point.

Developing a competency framework for local communities and municipalities must precede capacity building by creating learning opportunities. This means that training opportunities should be designed to fit into a larger strategy that responds to local needs rather than being an activity in the process of program implementation.

An enabling environment for local economic development requires a mix of tools and techniques to ground the process in the real needs of local citizens. This entails using economic tools such as case studies and value chain analysis, engaging women and youth, integrating ICT and linking local opportunities with national plans and central government.

Finally, financial interventions in Lebanon should be based on clear and well-articulated criteria. A mix of grants, micro-credit and loans should be used, provided it responds to the local context. Start-ups and entrepreneurial initiatives require careful attention as they can be a source of job creation and new income opportunities.

### ***Second; at the level of local economic opportunities***

Identifying solutions for local economic development requires that investment be made in existing or potential opportunities that are yet unaddressed in rural areas, mainly agriculture, industry and local handicrafts. There is a great advantage in the bottom-up approach for such opportunities as this directly involves targeted actors and helps highlight cooperation mechanisms to achieve results.

In the EMLED program, challenges faced were similar and shared by citizens across the target clusters. This calls for mutual efforts to invest in opportunities that can benefit the largest number of citizens.

Women and youth are still the most marginalized segment in the economy and in local governance, both at the level of skills, education and financial capabilities. They also represent the largest numbers of unemployed work force. This calls for immediate action at the level of policies to enable them have a better access to financial and employment opportunities.

In Lebanon, social enterprises are an important in transforming problems at a local level into opportunities for economic development. Social enterprises are an emerging trend across Lebanese villages and require attention and support by development organizations.

Finally, the Lebanese abroad display a huge interest in keeping the connection with and contributing to economic development in villages across the country. What still lacks are clear strategies and action plans and local credibility to attract investors and ensure that their contributions are aligned with local needs and a long-term development strategy.

### ***Third: at the level of government policies***

The Lebanese constitution states that equitable economic development is the corner stone of the unity and stability of the country. Indeed, this provides a large doorway for economic and development policies to be aligned with social needs and support cohesion and progress across economic communities. Decentralization has been on the government's agenda since the Ta'if agreement yet it awaits concrete progress that responds to an effective role of municipalities and to the needs of citizens.

In the course of this research it became evident that citizens can become drivers for local economic development if three preconditions are met: strong and informed local engagement, empowered and responsive local governments and an administrative decentralization policy driven by local economic development.

Greater responsiveness by Ministries is particularly needed to support partnerships across villages, calling for rethinking the districting issue. In addition, decentralized services in agriculture, industry, education, culture, economy, youth and sports and transportation were considered the highest priorities.

Finally, decentralization can strongly influence social cohesion and local development by easing local tensions, overcoming sectarian fears and creating new leadership. The process can lead to better governance if municipalities are supported in responding to their local needs, while maintaining transparency and accountability through law enforcement mechanisms. Decentralization is also a determining factor and can potentially drive local economic development if municipalities are empowered enough to build a consensus based vision, develop participated plans and lead proactive and responsive initiatives.