Socio-Economic Development
Integrated Regional Development Projects

Economic and Social Fund for Development (ESFD)
The Economic and Social Fund for Development (ESFD) contributes towards increasing job opportunities in the Lebanese marginalized regions by providing loans to Small and Medium Enterprises (SMEs) and building the capacities of the owners of private and individual projects. The ESFD also seeks to improve the livelihoods of the most impoverished and underprivileged local communities, by providing grants and technical support to municipalities since they act as liaison between the ESFD and the local communities. Since the year 2013, the ESFD has been contributing to the response to the Syrian displaced crisis, through programs aimed at improving the infrastructure and boosting local economies in the Lebanese host communities.

First: Job Creation and Income Generation Component
The job creation component provides financial assistance to private projects of SMEs in multiple sectors (agriculture, manufacturing, trade and services) in order to increase employment opportunities by providing access to productive loans characterized by incentives, in cooperation with six commercial banks having branches across the Lebanese territory, to facilitate access to credits for financially excluded people. The ESFD also endeavors to develop the capacities of the owners of private and individual projects to reduce unemployment and achieve a balanced economic development.

In 2016, the ESFD provided financial support to a number of SMEs to carry out 568 projects which resulted in the creation of 556 new jobs.

Between 2003 and the end of 2016, the ESFD financed 9,392 projects and created 6,869 jobs.

Business Consulting Services
The ESFD seeks the help of business advisors to offer the necessary guidelines and consulting services to individuals and SMEs across Lebanon to enable them to have access to financial loans to invest in new or existing economic activities, the ESFD seeks the help of mentoring experts. This service includes the creation of business plans, productivity forecast and preparation of complete applications to ensure that applicants are in the best possible position to receive funding from a bank collaborating with the ESFD. The ESFD business advisors also follow up on the implementation of these projects.

In 2016, the ESFD relied on a team of 18 Freelance Business Advisors to offer these business consulting services, contributing to the funding of 183 projects and the creation of 172 new jobs.

Second: Local Development and Livelihood Component

2.1 Project on the Support of Local Development in North Lebanon (ADELNORD)
Within the framework of the funding agreement on “Supporting local development in North Lebanon” signed between the European Union and the Government of Lebanon (GoL), 9 grant contracts worth EUR 2.9 million were implemented to support local development projects in the regions of Akkar, Hermel and Dannieh. These projects were implemented by local communities, while the ESFD provided follow up and supervision of the tendering and contract awarding processes to ensure that criteria and specifications are adhered to.

At end-March 2016, the ESFD completed the implementation of the last project within the frame-
work of this agreement, a EUR 360,000 project that aimed at constructing a solid waste treatment plant in the village of Fnaideq-Akkar. The CDR is seeking to complete the equipping of this plant through a grant from the Kuwait Fund. Waste water treatment plant in Fnaideq - Akkar Third – Support to Communities Hosting Displaced Syrian For the past six years Lebanon has been at the forefront of the Syrian crisis. The influx of large numbers of displaced Syrian, which reached around 1.5 million, strained the already overstretched infrastructure, services and environmental resources. To put up with this reality, the ESFD has expanded its interventions since 2014, targeting the regions hosting displaced Syrian, to help in facing the repercussions of this protracted situation and mitigating its repercussions on the services, health and social sectors.

3.1 Support to Municipal Finance in Lebanon-MUFIN: In September 2013, the ESFD launched a new EU-funded project entitled “Support to Municipal Finance in Lebanon – MUFIN”, to reduce the burdens of the influx of displaced Syrian on local host communities. The EUR 16 million project targets the munici-

<table>
<thead>
<tr>
<th>District</th>
<th>Cluster/village</th>
<th>Project</th>
<th>Sector</th>
<th>Project Status</th>
<th>Contract value in Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Bekaa</td>
<td>Ghazza</td>
<td>Expansion of the wastewater network</td>
<td>Waste Water</td>
<td>The project was delivered on 07/4/2016</td>
<td>198,180</td>
</tr>
<tr>
<td></td>
<td>Souairi</td>
<td>Construction of potable water reservoir and connecting it with the general network</td>
<td>Water</td>
<td>The project was delivered on 15/04/2016</td>
<td>213,411</td>
</tr>
<tr>
<td>Zahle</td>
<td>Bar Elias, Marj, Qab Elias</td>
<td>Construction of solid waste treatment plant</td>
<td>Solid Waste</td>
<td>The project is underway and is expected to end in May 2017</td>
<td>Equipment contract worth 818,576.55 Construction contract worth 3,429,612</td>
</tr>
<tr>
<td></td>
<td>Saadnayel</td>
<td>Installation of potable water network</td>
<td>Water</td>
<td>The project was delivered on 16/11/2016</td>
<td>758,876</td>
</tr>
<tr>
<td></td>
<td>Hermel</td>
<td>Installation of sewage network and waste water treatment plant</td>
<td>Wastewater</td>
<td>Underway</td>
<td>3,391,235</td>
</tr>
</tbody>
</table>
palities of local communities in the North and the Bekaa hosting the highest percentage of displaced Syrian. The project aims at improving the level and increasing the quantity of basic services rendered by these municipalities, through the implementation of potable water, waste water and solid waste infrastructure projects.

In this context, the ESFD completed in 2016 eight infrastructure projects worth EUR 2.5 million in the North and the Bekaa. These projects were delivered to the North Lebanon Water Establishment and the Bekaa Water Establishment to ensure their operation and maintenance, among the presence of representatives of the ESFD and the Delegation of the European Union to Lebanon, head of municipalities and representatives of the North and the Bekaa water establishments.

In parallel, the ESFD is implementing three projects worth 10 million Euros: a solid waste treatment plant in Bar Elias, a sewage network and a purification station in Hermel, rehabilitation, purification and transmission of water from Nabee el Safa to the main reservoirs in the towns of Wadi Khaled and rehabilitation of internal networks. Works are expected to be completed in the second quarter of 2017, with the exception of the Hermel project.

### 3.1.2 MUFIN projects in the North of Lebanon

<table>
<thead>
<tr>
<th>District</th>
<th>Cluster/Village</th>
<th>Project</th>
<th>Sector</th>
<th>Project Status</th>
<th>Contract Value in Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tripoli</td>
<td>Qobbeh</td>
<td>Digging and installation of artesian well and connecting it to the general network</td>
<td>Water</td>
<td>The project was delivered on 18/03/2016</td>
<td>227,705</td>
</tr>
<tr>
<td>Akkar</td>
<td>Kfartoun-Akroum</td>
<td>Digging and installation of an artesian well servicing Kfartoun &amp; Akroum</td>
<td>Water</td>
<td>The project was delivered on 10/02/2016</td>
<td>181,952</td>
</tr>
<tr>
<td></td>
<td>Sahleh</td>
<td>Rehabilitation of an artesian well and a reservoir, and expansion of the water network</td>
<td>Water</td>
<td>The project was delivered on 19/05/2016</td>
<td>192,166</td>
</tr>
<tr>
<td></td>
<td>Qonnieh</td>
<td>Rehabilitation of an artesian well and construction of a propelling line</td>
<td>Water</td>
<td>The project was delivered on 18/03/2016</td>
<td>150,957</td>
</tr>
<tr>
<td></td>
<td>Mouhamara</td>
<td>Digging and installation of an artesian well, expansion of the</td>
<td>Water</td>
<td>The project was delivered on 13/10/2016</td>
<td>391,966</td>
</tr>
<tr>
<td></td>
<td>Wadi Khaled villages cluster</td>
<td>Rehabilitation of Nabaa el Safa station and transmission of water to main reservoirs in villages and towns of Wadi Khaled, and rehabilitation of internal networks</td>
<td>Water</td>
<td>The project is underway and is expected to be completed in April 2017</td>
<td>2,003,863</td>
</tr>
</tbody>
</table>
3.2 Recovery of Local Economies
The ESFD seeks to contribute towards boosting local economy in the farming villages hosting displaced Syrian, through the implementation of the “Recovery of Local Economies in Lebanon (RELOC) project. RELOC is a EUR 7 million project signed with the European Union to implement productive projects with an emphasis on agriculture, in the North, the Bekaa, and the South, in support of productive initiatives and job creation. The project has been implemented since April 2015.

The RELOC project includes various agricultural interventions as follows:
- Construction of agricultural infrastructure: Six projects worth EUR 3.5 million are implemented by the ESFD. The tenders for these projects will be released during the first quarter of 2017. The ESFD will also establish mountain ponds in Beit Younis (Akkar) and Al-Qaa (Bekaa), in addition to rehabilitation of irrigation canals in Ain Ebel (Bint Jbeil District) and in several villages of the district of Dannieh, installation of a solar system to pump irrigation water in Jbaa (Chouf), implementation of a project to transfer water by gravity to the spring of Zarzouka and rehabilitation of the artesian well servicing the Deir Al Ahmar area. Service tenders for the selection of consultancy firms were launched at the end of 2015 and the works will start during the third quarter of 2017.
- Design and implementation of agricultural extension program for farmers in targeted areas: During 2016, the ESFD designed an agricultural extension program aimed at providing technical assistance and guidance to farmers benefiting from the above-mentioned agricultural infrastructure as well as farmers of the neighboring areas. This program focuses on cherry and apple cultivation and on raising awareness and conducting training on irrigation and water management.
- Support of active cooperatives in the sectors of olives, bees and fish, through the implementation of projects that contribute towards improving product quality and increasing marketing opportunities: With the financial assistance of the European Union, the ESFD launched a competition to select the best cooperative projects in the field of olives, bees, fish and food processing. 270 cooperatives were invited to participate in the submission of project proposals in coordination with the Directorate of Cooperatives. The participating cooperatives submitted 58 productive projects proposals, of which the ESFD selected 42 projects which will be offered financial assistance during the year 2017.

In this context, a cooperation protocol was signed between the ESFD’s manager, the Director General of Cooperatives and the Chairman of the Board of the National Federation of Cooperative Associations in the presence of the representatives of the Delegation of the European Union to Lebanon. The Protocol aims to develop programs to finance cooperative projects and establish temporary and permanent exhibitions that promote and market products. It has been agreed to form a joint committee to follow up on the implementation of this Protocol through the cooperation of the three parties each within its prerogatives.

3.3 Implementation of accelerated vocational training courses in Tripoli
Within the framework of the Local Economies Support Program, the ESFD has prepared an accelerated vocational training program for the city of Tripoli. This project targets two groups of beneficiaries. The first group is composed of BT & TS students in public vocational schools. The second group consists of Tripoli students who drop out of the first intermediate grade and above, aged between 16 and 20 years. The importance of these courses is to provide a variety of trainings in the following disciplines: industrial mechanics, industrial electricity, and maintenance. In addition to mandatory courses in English language, communication and computer management.

Fourth - Sustainability of projects implemented since the establishment of the ESFD:
Since 2016, the ESFD has attached great importance to the follow-up of its previously implemented projects. To this end, a special team has been formed to visit the projects, identify their needs, and provide assistance and advice to source operators/donors or facilitate networking with the concerned ministries, with the aim to promote the sustainability of these projects.

Fifth – ESFD Orientations during the year 2017:
The ESFD’s technical and administrative staff aspire to utilize their expertise gained over the past 15 years to develop new and ambitious programs and to identify new and priority projects to support the host communities of Syrian displaced persons and empower local communities to play a leading role in local development. The ESFD will also continue to support Small and Medium Enterprises (SMEs) in order to contribute to job creation.
Projects implemented by the CDR to raise the level of public services in the Lebanese communities hosting displaced Syrians

In the framework of the international efforts to assist Syrian displaced host countries, Lebanon has received donations for the implementation of priority initiatives for local communities that will improve the level of public services in different sectors (sanitation, water, solid waste management, education, health and social facilities), as result of the exacerbation of the situation caused by the influx of displaced Syrians and its social, economic and environmental repercussions which exceed the capacity of institutions and infrastructure. As the Syrian crisis continues, the needs remain substantial and renewed support is essential, especially for the most impoverished individuals and families. According to the “Lebanon Crisis Response Plan 2017-2020”, a joint plan between the GoL and its international and national partners, approximately 1.5 million Syrians fled Syria and are hosted by Lebanon. 1,017 of these Syrians are registered as refugees with the Office of the United Nations High Commissioner for Refugees (UNHCR).

The GoL continues to make efforts to provide humanitarian and development assistance, while maintaining a strong focus on partnerships and cooperation with the donors, the UN agencies and the national and international NGOs.

Below are detailed the main projects implemented by the CDR in this area:
1- Lebanon Municipal Emergency Services Project - LMSEP

On 4 December 2014, the Lebanese Council of Ministers issued Decree No. 1091 approving the “Lebanon Municipal Emergency Services Project (LMESP), funded by a World Bank US$ 10 million grant. The project aims to improve the level of infrastructure and provide municipal services and community activities in the areas most affected by the influx of displaced Syrians in the municipalities of Baalbeck, Zahle, Bekaa, el Sahel, Bouhaira, Jabal el Sheikh, Istiklal, Arqoub, Sour, Qaitaa and Shafat.

2 - Projects and programs for the relief of displaced Syrians in Lebanon

The Government of Lebanon issued Decree No. 1220 dated 23/12/2014 to approve the signature of a Memorandum of Understanding on a US$ 10 million aid provided by the Arab Fund for Economic and Social Development to the Republic of Lebanon, to contribute to the funding of relief projects and programs targeting the municipalities of Aarsal, Hermel, Wadi Khaled, el Qaa, and Minnieh, in order to alleviate the suffering of the residents and the Syrian displaced population and to provide them with basic services.

3-Response plans to the Syrian crisis in the host countries

The response plans are composed of three initiatives funded by three grants from the Kuwait Fund for Arab Economic Development to alleviate negative burdens on local communities in the countries hosting Syrian displaced persons, including Lebanon.
The following table details out these grants:

<table>
<thead>
<tr>
<th>Grant No.</th>
<th>Value (million USD)</th>
<th>Decree or Decision No. &amp; Date</th>
<th>Projects funded by the grant</th>
</tr>
</thead>
</table>
| First grant No. 2-334 | 27 | Decree No.3047 dated 25/02/2016 | Projects to upgrade the level of services in the following sectors:  
Health: Provision of support to emergency units in a number of government hospitals and rehabilitation & equipping of health centers.  
Education: Rehabilitation & equipping of public schools.  
Social Affairs: Rehabilitation & equipping of several social and cultural centers.  
Water: Completion of potable water networks & upgrading of irrigation systems.  
Solid waste: Purchase of vehicles to transport water and open sewage systems, upgrading of waste sorting plants & equipping of solid waste treatment plants. |
| Second grant No. 1-349 | 30 | Decree 3221 dated 07/04/2016 | Projects within the framework of the Response Plan to the crisis of displaced Syrians include:  
Health: Rehabilitation & supply of medical equipment to several hospitals and health centers.  
Social Affairs: A children’s nursery in Arsal and a specialized center for children and women in Zahle.  
Potable water and wastewater equipment for municipalities and municipal federations. |
| Third grant No. 1-356 | 25 | Council of Ministers Decision No. 144 dated 20/10/2016 | Projects to raise the level of services in the following sectors:  
Health: Provision of support to emergency units in a number of government hospitals.  
Potable water: Projects aimed at upgrading the potable water systems in Akkar Governorate; Project for the rehabilitation & upgrading of potable water system in Qab Elias/Bekaa; Projects for the augmentation of potable water sources in the governorates of Mount Lebanon and Baalbek-Hermel  
Waste water: Rehabilitation of waste water networks in Sidon District / South Lebanon Governorate.  
Basic civil works and equipment for municipalities and municipal federations. |
Women’s Affairs/Population Issues
The role of the Economic & Social Fund for Development (ESFD) in promoting women’s participation in the economic cycle:

The Economic and Social Development Fund was established within the framework of the Euro-Mediterranean Partnership pursuant to the Agreement signed by the CDR in November 2000 on behalf of the Government of Lebanon.

As part of its efforts to promote women’s participation in the economic cycle, the ESFD works on promoting women’s initiatives aimed at improving their economic situation. Since 2003, the ESFD has funded about 1,596 women-run projects, which represents 17% of total ESFD-funded projects. These projects are distributed across all economic sectors and have contributed to the creation of 1084 jobs.

Within the framework of its local development component, which aims at empowering women and activating their role, the ESFD has implemented a large number of projects directed towards supporting women and enhancing their economic role, including:

- A day care center in the town of Aitaroun, Bint Jbeil district, to enable women to work while their children attend the center, acquire new skills and participate in various activities.
- A handicraft center for handicrafts in Al-Kawashra-Akkar, which is being revitalized to create jobs for women by marketing their products.
- Milk manufacturing center in the town of Arsal, which contributes to women job creation.
- Support food-processing cooperatives run by women in different areas across Lebanon.

The CDR, through its representative in the National Commission for Lebanese Women (NCLW), participated in workshops and trainings for Gender Focal Points, in ministries and public administrations, organized by the NCLW, within the framework of capacity building in the following areas:

- Training workshop on Advocacy.
- Gathering to discuss the role of women in municipal councils, in support of local development.
- Participation in the forum, on “Syrian Displacement in Lebanon: The legal framework, and the
social and economic status of displaced woman”.  
- Training workshop on gender and development.  
- Workshop on gender indicators.  
- Workshop on electoral laws that support women’s participation in politics.  
In addition, the CDR participated in a series of training courses on women organized by the NCLW in cooperation with the Delegation of the European Union to Lebanon.

Water Tank  
Movable Dispensary