

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION  
BEIRUT- LEBANON

No. : 5185/1

Beirut, 04/09/2006

Mrs. Mona Hammam  
Resident Representative  
United Nations Development Programme  
  
United Nations House  
Beirut, Lebanon

Dear Mrs. Hammam,

We acknowledge receipt of your letter dated 29 August 2006, pertaining to the "ART Gold Lebanon Project" designed to support the achievement of the Millennium Development Goals.


We are pleased to enclose two copies of the Art Gold Lebanon project document duly signed and assure you that the CDR will endeavor in coordinating the implementation of the project activities at the national level.

Looking forward to a continued cooperation, we remain,

Sincerely yours,

Council for Development and Reconstruction



 Nabil A. El-Jisr  
President

Enclosures

c.c. RR  
DRR  
LK

UNDP OFFICE IN BEIRUT		
FILE: 0044950		
12 SEP 2006		
NO ACTION	INFO	DATE
	RR	
ACTION	HK	

## SIGNATURE PAGE

Country: Lebanon

UNDAF Outcome(s)/Indicator(s): Enhanced National decision-making capacity for Human Development

Expected Outcome(s)/Indicator (s): Socio-Economic Development in Lebanon

*Outcome 7: Replicable local poverty initiatives linked to policy change undertaken*

*Goal 1: Achieving the MDGs and reducing human poverty*

*Service Line 1.3: Local Poverty initiatives, including Microfinance*

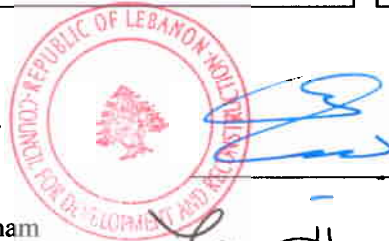
Implementing partner: CDR

Other Partners: UNDP HUB for Innovative Partnerships  
National Stakeholders

Programme Period: 2006-2009	Budget	USD 7,823,002
Project Title: ART GOLD LEBANON	General Management	
Award ID: 0044950	Support Fee 6%	USD 469,381
Project ID: 00053003	<u>Total budget:</u>	<u>USD 8,292,383</u>
Project Duration: 3 Years		
Management		
Arrangement: To be determined	Allocated resources:	
	ART/HUB/TF	USD 8,292,383

Agreed by:

Mr. Nabil El Jisr  
President, CDR



Date:

04 SEP 2006

Dr. Mona Hammam  
UNDP Resident Representative

Date:

29/08/06

# ART GOLD LEBANON

## PROJECT DOCUMENT

### 1. PROJECT BACKGROUND:

The programme is part of the *Art Initiative* (Appui aux Réseaux Territoriaux et Thématique de Développement Humain). The Art Initiative was designed by a group of UN Agencies (UNDP, UNESCO and others) to promote the strategic and operational articulation among donors, decentralised cooperation and other development cooperation institutions and programmes that support national policies and local dynamics of Governance and Local Development, in view of achieving the MDGs. For these reasons, in those countries that request so, ART works with governments that wish to support their local communities to perform a major role in the cross-sectoral and coordinated management of their own development, mobilising all interested social actors and rationalising the use of international ODA and other resources.

The features of this specific Lebanese Programme, in the framework of the above mentioned Art Initiative, were negotiated remotely and through bilateral missions at different stages during the period November 2002 – June 2004, with the support of UNDP. A preliminary project document was originally formulated by UNDP and the Lebanese counterpart (the Council for Development and Reconstruction - CDR). The document was then reviewed during a UNDP mission in June 2004. A final revised version of the project document was formulated in a collaborative effort involving the CDR, UNDP (Rome, Lebanon CO, RBAS) and Italy MFA/DGCS following the joint formulation mission in August 2004. This final version of the project document was also aligned with the UNDAF (United Nations Development Assistance Framework) and UNDP CCF exercises (Country Cooperation Framework).

In the aftermath of the recent conflict, which deeply affected Lebanon during July and August 2006, the programme acquires even more relevance. The envisaged methodology represents an added value to recovery and reconstruction efforts, contributing to rehabilitate socio-economic infrastructures and setting the base for long-term sustainable recovery of war-affected areas. At the same time, enhancing donor coordination at the national and local level will help avoiding overlapping and duplication, and assuring a more effective use of international aid and cooperation.

### 2. PROJECT DESCRIPTION:

The Art Gold Lebanon programme will be coordinated with other current CDR-UNDP interventions in northern and southern Lebanon. At the field level, the Programme will help establish development partnerships with Italian local communities. The *internationalization* of Lebanese local development, in this sense, is particularly relevant for fighting poverty and for promoting peaceful and cooperative relations among the various ethnic groups. Together, in fact, they can

make better use of the following networking opportunities provided by the international components of the Art Initiative:

- a. promotion of decentralised cooperation development partnerships between Lebanese and Italian local communities;
- b. promotion of South-South partnerships with the support of Northern local communities, aimed at sharing and diffusing innovations for development (South-South-North cooperation);
- c. promotion of partnerships between Lebanese and Italian/European local economic development stakeholders;
- d. promotion of partnerships between the Italian and other country's universities associated in the "Universities international network" and the Lebanese universities for training of development managers and practitioners.

The Art Gold Lebanon will be carried out through a multilevel approach, that simultaneously implements activities at the local, national and international level in the main thematic sectors of human development:

1. Governance: activities aimed to improve skills and capacity of local authorities and administrations to plan, manage, execute, monitor and evaluate local human development in a wide ranging partnership with the private and civil sectors of communities. The Lebanese institutions will gain capacities from the programme to profit in a ordered and sustainable way of international partnerships of decentralised cooperation. This could on the one hand provide some missing elements at the local level: self-trust, long term vision, sense of being part of a whole, as opposed to isolation. On the other hand it could help with providing know-how and technical resources.

2. Local economic development: activities aimed at promoting balanced and inclusive *local economic development* as a means for reducing poverty and making employment and business accessible to the poor and the disadvantaged local groups. This will be done by the adoption of specific and worldwide experimented participatory and concerted public/private instruments and mechanisms that, adapted to the local context, allow for maximising the endogenous resources and regional competitiveness, with a special focus on the SMEs. In particular, the programme envisages the creation of Local Economic Development Agencies (LEDAs), that provide leadership and overall management of the economic development plans and territorial compacts, through an integrated offer of financial and non financial services to the SMEs

3. Social well-being: activities to improve coverage of public services and utilities in the fields of health, education, culture, the environment and basic infrastructure through experimenting innovative organisational models, in view of better quality and sustainability. The Art Gold Lebanon will have a special focus for the most excluded areas and persons, for which purpose the programme will leverage the social action

carried out by municipalities and youth centres in the target regions to contribute to the development of their communities and promote social cohesion among different communities with different political, social and religious groups.

### **3. GENERAL OBJECTIVES:**

In view of the above, the general objective of the programme is to contribute to stimulate economic recovery, social rehabilitation and balanced development in the medium and long term, through the implementation of local human development strategies in selected regions and through building territorial development partnerships across the Euro-Mediterranean region, focusing on the key role of local communities.

The specific objectives are to support the achievement of the eight MDGs in the selected municipalities and regions:

1. Reduce poverty and hunger
2. Provide all children with primary education
3. Eliminate gender disparities and fight against discriminations
4. Reduce by two/third infant mortality
5. Improve maternal health
6. Reverse the progression of AIDS and malaria
7. Ensure environmental sustainability
8. Develop a global partnership for development

### **4. PROGRAMMING METHODOLOGIES**

The Art Gold Lebanon will define work-plans and action plans through the ART participatory planning methodologies, such as the “strategic human development planning cycle”, the “risk-opportunities maps” and the “territorial marketing studies”. These methodologies will be adapted to the Lebanese context and practices, in close collaboration with the national and local authorities.

The planning cycle will be led by Municipal and Regional Working Groups (that include public, private and civil society institutions) and by the National Working Group, that will identify territorial and national priorities. The planning cycle will then lead to identify and describe activities and projects at the local, national and international level. For each level of intervention a specific Action Plan will be elaborated and subsequently grouped into one consolidated Annual Work-Plan, that will be submitted to the National Working Group for approval.

The formulation of the Action Plans and the Work-Plan will be coordinated by the International CTA/Programme Manager. As a consequence, the implementation of activities and the expenditures will be performed according to the approved work-plan.

The activities and projects will be implemented mainly by Lebanese entities with the support of the UNDP team, which will also request the international technical assistance of the ART Initiative and will initiate the decentralised cooperation between local communities. The Annual Work-Plan will be submitted to the Annual Tripartite Meeting ((Lebanon/Italy/UNDP) for approval. The tripartite meeting will be preceded by a joint technical evaluation of project activities (Lebanon/Italy/UNDP)

## **5. MANAGERIAL AND EXECUTION ARRANGEMENTS**

Programme activities will be coordinated by the International CTA/PM, under the supervision of the UNDP RR and in close coordination with the Head of the Art programme cluster of the Geneva-based UNDP Platform for Innovative Partnerships (hereinafter referred to as “PIP”). The CTA will be supported by 2 Area international Managers and other national support staff. UNDP will be in charge of identifying the most suitable implementing agents for each activity, following its rules and regulation and ensuring transparency and efficiency at all time. The UNDP will also manage the additional resources that may come from decentralised cooperation partners.

Overall managerial responsibility vis-à-vis the donor lies with the PIP that operates under the BRSP and, for this programme, the RBAS, UNDP Lebanon Country Office will be responsible for the implementation of the programme. UNDP will utilize for the execution of the project appropriate modalities selected in agreement with Italy and Lebanon. The International CTA and the Area international managers will be selected in consultation with Italy.

For the activities at the international level, PIP will utilize established networks of centres of excellence and universities of the United Nations and various countries.

## **6. SELECTION OF PROGRAMME AREAS**

The programme will be realized in the following areas, identified by the national government:

- Inter-provincial area in the North of Lebanon (3 Provinces: Akkar, Minieh and Dinniyeh, Tripoli-Bab el-Tebbaneh) with a population of 700.000 inhabitants.
- Inter-provincial area in the South of Lebanon (7 Province: Marjeyon, Bint Jbeil, Nabatiyeh, Sour, Rashaya, Hasbaya and West Bekaa) with a population of 300.000 inhabitants.

The Art Gold Lebanon will then coordinated with other UNDP projects, ongoing in those areas. In particular, the programme will capitalize on the experiences of the following programmes locally developed by the CSR and UNDP:

- Post-War Socio-Economic Rehabilitation of Southern Lebanon
- Regional Development Programme in Akkar
- Quick Delivery-High Impact Initiative.

## **7. DEVELOPMENTAL CHALLENGES:**

The main national priorities are to resolve the budget deficit problem to promote economic recovery and to achieve political stability in southern Lebanon and across the country.

The Government has made many efforts to enhance governance capacities and tackle the challenges ahead. However, these efforts have produced little sustainable improvements in performance and less in terms of impact because of political resistance to reform, an outdated legal framework in the public sector and weak structural capacity of the public administration and of the economy.

After years of electoral suspension and slow legislation, sufficient efforts were invested to reactivate parliamentary and municipal elections. The capacities of municipal councils are yet weak and decentralization remains largely theoretical. While other elected bodies seem satisfactory by good governance standards, that of the executive branch has often been criticized for lack of responsiveness, transparency and accountability. The efforts to establish new state-citizen relationships were often undermined by the rigidity of the public sector, its high level of politicization and the scepticism among citizens.

The Government recognized the reduction of disparities as an important issue in the national development plan. The Government, with the support of UN agencies, has implemented several development activities aimed at enhancing the living conditions of specific disadvantaged groups and in specific under-served regions. Moreover, the Government increased allocation for improved access to social services. Yet, aggregated data reveal serious disparities among regions and social groups, including access to basic social services among regions and quality of services in densely populated areas and in remote rural areas.

An important manifestation of disparities is the prevalence of nearly half the population (48 percent) without any form of social security. The bulk of these segment are the poor – who do not qualify to enter the national social security scheme and cannot afford available private schemes. The public services available to them are only at the level of meeting certain needs and area yet to be translated into acquired rights to which all citizens are entitled by law. Infant mortality rate in the Bekaa and the South is two to three times higher than in Beirut and Mount Lebanon. Likewise, significant disparities exist in terms of prenatal and natal care. Although enrolment rates for children at primary level are very high, there are problems related to accessibility to education by children in the different regions and among the various social classes.

The distortion between public spending and social services, on the one hand, and the quality of public services, on the other, suggest serious weaknesses in the administration of public resources, a weakness in targeting and monitoring and unbalance in the allocation of resources. Decentralization is lacking or very weak.

In view of the above, the programme will address the following main developmental challenges:

Weak Governance System:

- presence and functioning of public institutions
- mutual trust between citizens and institutions
- co-existence of different sectarian groups
- citizen's and community participation

Under-respected rights to development of communities:

- opportunity for the more disadvantaged to access economic opportunities related to employment and business
- opportunities to preserve environment and make sustainable use of natural and historical resources for the development of local communities
- opportunities for increased coverage and innovative quality of health and social care to all citizens
- opportunities for improved schooling systems that increase coverage and quality of education for all leading to better performance of literacy indicators.

## **8. SPECIFIC OBJECTIVES:**

### **8.1. AT THE LOCAL LEVEL:**

In the two pilot-areas the programme aims at widening the opportunities of populations to access to better living conditions in terms of income, education, health, social integration and the environment, with a special focus on most vulnerable population. This will be achieved through improving functioning of local public administration, enhancing basic services and promoting the widest participation of local communities in the development process in a wide ranging partnership between the public, private and civil sectors.

### **8.2. NATIONAL OBJECTIVES:**

At the national level, the Programme aims at the creation of an enabling environment to consolidate and deepen national authorities competencies and central state policies in support local development, in the fields of governance, employment and public services. For this purpose, the Art Gold Lebanon may be also used by Lebanese government as an instrument for the coordination of international cooperation in the field of local human development. In fact it will provide a common platform to each development agent to participate in local development activities in a coordinated way, under the leadership of national and local authorities, in the pilot areas and progressively in other areas of the country.



### **8.3 INTERNATIONAL LEVEL:**

At the international level, the programme has the objective to widen the development opportunities for public and private sectors of Lebanon through economic, commercial, educational and technological collaborations and exchanges with other countries institutions and, particularly with decentralised cooperation partners.

This objective will be supported through the participation of Lebanon in the international networks of the ART Initiative particularly in the Euro-Mediterranean context.

### **9. TARGET GROUPS AND IMPLEMENTING AGENTS:**

The beneficiaries of the programme are the citizens and institutions of the selected pilot areas, with particular attention to the public authorities, the youth and the SMEs/cooperatives. Being the programme about integrated local development, all citizens (approx. 1 million) are potentially beneficiary of the activities. However the most direct target communities will be those of the priority municipalities (approx. 100,000), as selected by the working groups and, among those, the most vulnerable (approx. 20,000).

### **10. PROGRAMME STRATEGY:**

The programme adopts a strategy oriented to achieve structural results on the national development process, along with and beyond the more tangible outputs in terms of concrete benefits for the communities.

The latter refer mainly to measurable improvements of governance systems and management of local development in the pilot municipalities. Indicators of such improvements, will be the following:

- the better functioning of local public institutions and services
- the better organization of the local actors and a stronger cooperative attitude between the different groups and sectors of society
- the improved relations between institutions and citizens through the participation at the Working-Groups process
- Increase in access and quality of primary health care and increase in education performance indicators
- Overall widening of development opportunities through the international partnerships of decentralized cooperation.

The structural results are those related to the improved quality of human development and to lower intensity conflict situation among the different groups and segments of society. indicators of such improvements are the following:

- The functioning of NWG and the adoption of measures that stimulate better social dialogue

- The priority given to educational and training activities involving different ethnic and religious groups
- The increase in number of the economic activities that integrate in one business unit entrepreneurs from different social and ethnic-religious groups
- The raise in exchange of experiences between Lebanese and international partners
- The raise in number and quality of exchange of experiences between schools and universities with the support of international networks.

The strategic key of the Art Gold Lebanon is the promotion of the participation of the widest range of public, private and civil stakeholders in the planning and implementation of the development process. Participation is in fact the most effective trigger to encourage organisation and cohesion within local communities and is a powerful incentive for communities to play trusted and accountable interlocutor of local institutions. This has an immediate return in terms of stability, security and respect of law.

For this reason it is crucial that the programme adopts concretely defined instruments for the communities to exercise participation in an organised and effective manner. The two main adopted instruments will be the following:

- Local Economic Development Agencies
- Decentralised Cooperation

Those instruments were largely experimented by UNDP and other agencies since late '80s in development cooperation programmes in Latin America, the Mediterranean (including Balkans and Arab States), Africa and Asia. Although originated in Europe, both the LEDAs and the decentralised cooperation proved effective in very diversified contexts, because they are specially designed to adapt to different and changing conditions. The comparative studies of all those experiences (more than 50 LEDAs created and more than 800 local communities involved in decentralised cooperation activities worldwide) has produced a specific knowledge and know-how, that the ART Initiative has mainstreamed into its strategy. For this reason the ART Initiative holds a long lasting collaboration with the best acknowledged centres of excellence in this field and will facilitate their technical assistance to the Art Gold Lebanon. In the specific:

Local Economic Development Agencies (LEDAs) are mixed public-private organisations able to offer integrated services in one region or sub-region, in particular to Small and Medium Enterprises, to improve sustainable socio-economic development and to combine the actions to reinforce local competitive systems with the actions for integrating the disadvantaged at work and in business.

Decentralized Cooperation within the framework of a multilateral cooperation programme is an innovative way to establish development and long-term partnerships between local communities of the North and the South, based on genuine cultural, economic and social exchanges. The partnership is materialised through the provision of highly qualified technical assistance and financial resources from a very diversified range of actors, be they institutions or resource persons. The local communities,

particularly in Europe but also elsewhere, have heavily intensified their international activities in recent years. However, only partnering with local communities in the South through UN and UNDP assistance in particular, they succeeded in overcoming fragmentation of resources and low impact of their cooperation activities.

The programme strategy includes the support to innovations for local development, training of local development managers including collaboration with national and international universities and internationalisation of local development Lebanese experiences.

## **11. TIMELINES:**

Programme duration is 36 months. The present document defines overall objectives, results and budget, whereas the detailed planning and budgeting of each activity will be the responsibility of the participated national and local working groups, under the coordination of the international CTA and Lebanese authorities. They will also be responsible for proposing adjustments when deemed it opportune.

Four phases are foreseen:

- 1) A four months start-up phase: this phase is to define and make operational the participated mechanisms for programme planning and management. During this period, the NWG and PWG will develop the first planning cycle to produce the local, national and international action plans which will be consolidated by the CTA into the first Work-Plan for the next 8 months of the first year.
- 2) A 8 months phase to implement the first work-plan and formulate the Annual Work Plan for year two of the programme.
- 3) A 12 months phase to implement the second work-plan and formulate the Annual Work Plan for year three of the programme.
- 4) A 12 months phase to implement the Work-Plan and close the programme according to the exit strategy that the NWG will have designed in the meanwhile.

## 12. BUDGET (US \$):

INPUT	BUDGET LINE	TOTAL BUDGET			
CTA/PM	11.02	432.000	144.000	144.000	144.000
Area managers	11.0x	523.200	174.400	174.400	174.400
National support staff	13.0X	129.600	43.200	43.200	43.200
Consultants	17.0x	400.200	123.000	140.600	136.600
Mission/travel	15.0x	386.300	107.300	150.800	128.200
Sub contracts	21.0x	384.600	168.200	108.200	108.200
Sub projects	22.0x	4.668.800	2.040.000	2.040.000	588.800
Training	31.0x	105.000	30.000	60.000	15.000
Workshops	32.0x	161.500	53.833	53.833	53.833
Internships	33.0x	-			
Procurement	45.0x	212.000	160.000	26.000	26.000
Miscellaneous	53.0x	257.200	80.200	97.000	80.000
<b>Programme Expenditures Sub total</b>		<b>7.660.400</b>	<b>3.124.133</b>	<b>3.038.033</b>	<b>1.498.233</b>
<b>Overhead (8,25%)</b>		<b>631.983</b>	<b>257.741</b>	<b>250.638</b>	<b>123.604</b>
<b>TOTAL EXPENDITURES</b>		<b>8.292.383</b>	<b>3.381.874</b>	<b>3.288.671</b>	<b>1.621.838</b>

## 12. MONITORING AND EVALUATION

The Programme will be subject to national and institutional mechanisms described above including joint (Italy/UNDP/Lebanon) evaluation missions.



CDR



## ART GOLD<sup>1</sup> Project Lebanon

### Executive Summary

The 'ART GOLD' Lebanon project, financed by the Government of Italy through UNDP, is part of several country projects undertaken in the framework of the ART GOLD global initiative, and which is facilitated and coordinated by UNDP's Hub for Innovative Partnerships (HIP), Geneva.

The ART GOLD Initiative has been designed as a key programme instrument in support of Millennium Development Goals (MDGs) achievement, by focusing on building capacity for Local Governance and Decentralized, Participatory Development Management in programme countries (*the local dimension*), and by facilitating and strengthening strategic partnerships and cooperative arrangements between different local development actors and between municipalities of the North and the South in support of local development (*the international dimension*). The Initiative also provides support to the establishment of an effective national mechanism and enabling environment to underpin and further deepen decentralization processes, as well as to strengthen national coordination of external assistance programmes in this area (*the national dimension*).

All three above dimensions will be addressed and covered under the Lebanon ART GOLD initiative, and the attached project document provides a succinct overview of the rationale, the objectives, the strategy, the activities and the budget of the Lebanon project.

The designed intervention becomes even more relevant in the post July-August 2006 context. The three envisaged dimensions can add to the overall recovery efforts preparing the terrain for long-term sustainable reconstruction at both national and local level, at the same time enhancing the efficiency and effectiveness of international cooperation.

As soon as the Chief Technical Advisor is fielded, he/she, in close collaboration with the national and local partners and with the UNDP Country Office, will finalize the first detailed 2007 annual work plan, outlining and costing the proposed/planned interventions at the three levels.

The UNDP Lebanon Country Office will manage activities at the local and national level. Based on the approved annual work plan, these activities will be implemented in close consultation and partnership between the UNDP Country Office and the National Implementing Partner (CDR), and with full delegation for the management of resources, committed for implementing the annual work plan(s), to the country level. Activities covering the international dimension, and as identified in the annual work plan prepared at the country level (in collaboration with the Art International Initiative), will be implemented through the UNDP HIP Unit, in full coordination with project partners in Lebanon.

In case CTA recruitment and deployment require more time and in order not to delay project start-up, an 'Art Gold' (global programme) consultancy could possibly be fielded in the interim. The consultant could undertake the following preparatory activities: (a) sensitize partners at national and local level on the Art Initiative objectives, methodology and networking support; (b) in consultation with partners, identify priority areas and activities for concrete action, in coordination with the UNDP projects in Akkar and the South; (c) in consultation with partners, advise on the establishment of the National Working Group; (d) reach agreement with the partners on the project management and staffing structure, as well as logistics arrangements; (e) brief potential donors at the national level; and (f) help organize the project launching events and workshops. A decision on the most appropriate execution modality will also be made during the start-up phase.

1- ART GOLD is a combination of two acronyms capturing this new multi-country UNDP Initiative: ART is Appui aux Reseaux Territoriaux or Support to Networking among Regions (and Municipalities); GOLD stands for Governance and Local Development