

1. BACKGROUND

The planning of Lebanon's development and reconstruction cannot be tackled without dealing with the underlying problem of provincial development, the development of the country's rural areas and the various rural/ urbanized towns in its different regions. Already, in response to the attempts to reconstruct Greater Beirut and the urban growth of the 1960s, the provinces have frequently protested against a capital that they feel has disregarded them and flaunted their growth and affluence. This sense of neglect is still keenly felt by the rural communities. The current, post-war large-scale reconstruction effort in Lebanon is therefore being accompanied, quite naturally, by an exploration of the policies of decentralization, regional development, and expansion of the sectors forming the basis of the country's economy. At the regional level, the peace process and the possibilities for the future creation of a new Euro-Mediterranean "space" make it even more vital that Lebanon bases its economy on the whole of its territory and that it take action to counter-act the deterioration of its rural areas.

The region of Southern Lebanon has been a region of instability and military conflict for the past twenty five years. The continued Israeli attacks on the region, most recently those in June 1993 and April 1996, have resulted in considerable damage to the basic infrastructure and services, productive sectors, and private housing, as well as the rupture of the economic and social fabrics and systems. The local economy has been badly effected and the prevailing situation has led to a wave of steady migration. After more than 25 years of occupation, the Israeli forces evacuated southern Lebanon in May 2000.

The region of Southern Lebanon referred to within the context of this Programme is bounded from the north and the west by the Litani river, and from the South by the 1949 internationally recognized border between Lebanon and Israel. Thus, it refers to the four districts of Tyre, Bint-Jbeil, Marjeyo, and Hasbaya. The Israeli Controlled Area used to include 73 villages with an approximate resident population of 104,000 inhabitants. In general, residents of the ICA suffered from severe economic and social constraints due to the difficult constraints imposed on them. In addition to the lack of contact with the rest of the country, residents faced the dangers of military actions every day. All of these factors have had serious repercussions on the socio-economic development of the area and the long-term economic prospects of the residents, causing the exodus of a considerable percentage of the residents, especially youth, towards safer areas.

The majority of the families in the southern Lebanon rely on agriculture as their primary source of livelihood. However, such income sources are seasonal and irregular and do not cover the basic needs of families. Agriculture is mostly developed in areas where irrigation water is available. Irrigated areas are planted with fruit trees, whereas cultivation in arid areas is limited to olives and tobacco. Where they exist, irrigation networks are old and need rehabilitation. The marketing of agricultural output is dependent on the local market. In many villages, war related activities used to constitute the majority of the income to households in the region. Basic socio-economic infrastructure is in a very bad condition. Education and health service infrastructure is weak. The road system in the region is in a very poor condition and in urgent need of rehabilitation. The majority of the villages do not have access to water systems, and where they exists water networks are damaged because of the military operations. Some of these villages resort to the use of precipitation water stored in artificial

reservoirs without taking any sanitary precautions. Sewer networks is almost in-existent in most villages, and houses depend on sanitary pits with disastrous effects on the underground water and the environment.

2. THE GOVERNMENT NATIONAL PROGRAMME

Southern Lebanon has always been at the top of the national development agenda. The government of Lebanon has placed the achievement of peace at the top of its priorities. The full implementation of UN Security Council resolution 425 has always been at the top of the political agenda, irrespective of the different parties. The continued conflict has reinforced the national cohesion vis-a-vis the acute problems Southern Lebanon is facing. The government commitment to handle priority rehabilitation of infrastructure and has been strengthened.

After the Israeli withdrawal, the government of Lebanon launched a five-year development plan for southern Lebanon of a total of 1200 million LBP distributed as follows: 896 million LBP for basic infrastructure and services, 103.4 million LBP for socio-economic development, 191.3 million LBP for victims assistance and 8.6 million LBP for mine clearance. These figures are no more than initial estimates of the financial implications of implementing the Government National Programme in southern Lebanon. The projects included are based on the 5 year plan of the Government extending for the year 2006.

Factors several factors that might affect the sustainability of programme impact, include:

- i) *Economic factors*: Whether sufficient budgetary and financial resources will be available to meet renewable costs after completion of the national Programme will largely depend on the degree to which local government capacity is restored, the efficiency of the community associations and professional civil society organizations established/strengthened in the meantime, and the level of interest shown by the private sector in reviving the region's economy.
- ii) *Environmental factors*: The national Programmes will be formulated and implemented using the entire range of environmental management tools currently available, from brief surveys and summaries through to any detailed impact studies necessary, in order to minimize the its adverse effects and maximize its potential benefits for the environment.
- iii) *Technological factors*: Some of the national Programme activities will focus on the transfer of new technologies, especially in the areas of farming techniques, renewable energy sources and agro-industrial processes. The extent to which these technologies are assimilated by the beneficiaries will partly depend on the degree to which they take account of the constraints operating in the region.
- iv) *Institutional factors*: The slow process of the reform of the Lebanese government authorities needs to be counter balanced by furnishing the national Programme with an institutional mechanism with considerable decision-making power which is capable, where necessary, of influencing the policies and legislation in effect and overcoming the traditional problems of inter-ministerial coordination.
- v) *Socio-cultural factors*: The acceptability of the results of the national Programme from the point of view of the beneficiaries needs to be ensured through the mechanism for consultation and local community involvement.

3. UNDP SUPPORT TO THE NATIONAL PROGRAMME

The 1992 report of the Secretary General of the United Nations *An Agenda for Peace* describes how important post-conflict peace-building efforts are for peacemaking and peace-keeping operations to be truly successful. *An agenda for Peace* further states that implementation of emergency humanitarian assistance, strengthening of democratic institutions, promotion of formal and informal processes of political participation, contribution to economic and social development, are some activities which will strengthen and solidify peace, and can prevent the recurrence of violence among nations and people.

The current UNDP Country Programme for Lebanon defines three areas of concentration. One of these priority areas focuses on *economic revitalization through a balanced sustainable development*. The rehabilitation programme of southern Lebanon will support a balanced development approach, both geographically and sectorally. The withdrawal of Israel from southern Lebanon paved the way for a major rehabilitation and development effort, exposing the crucial need for immediate rehabilitation needs in the area. In view of the weak institutional and human resource base in a long-suffering and deprived region and given the limited resources of the Government, international support in terms of technical and material assistance is required to stimulate and motivate the process of post-conflict rehabilitation. UNDP has the experience and expertise to manage, coordinate and facilitate an emergency rehabilitation effort.

3.1 Development Objective and Expected Impact

The development objective of the Southern Lebanon Post-Conflict Development Programme will be to stimulate post-conflict economic recovery, social rehabilitation and balanced development in the medium and longer terms, so as to lay the basis for the sustainable human development of the region. The expected results of the Programme are peace consolidation, a reversal of the migratory flow between the region and the capital, and the creation of a favorable environment for the economic and social recovery of Southern Lebanon communities.

3.2 Programme strategy

The Programme's strategy focuses on strengthening local institutions, mobilizing large-scale support at the national, regional and local levels and supplying the resources necessary for boosting the local economy through a sustainable development programme that concentrates on the development of human resources and local communities of the region. In this regard, the Programme seeks to involve local communities involving in the development process at all programme stages including planning, decision-making, implementation, and follow-up. Local community representatives will play an essential role in planning and implementing Programme activities and will eventually, in the medium and longer terms, assume full responsibility for it. Grass-roots community organizations and local institutions will be strengthened to draw local communities out of their isolation and the region out of its post-conflict emergency situation.

The Programme seeks to promote and stimulate initiative and a spirit of enterprise, the development of business enterprise being a decisive factor in Lebanese society's progress

towards sustainable development. And the ultimate objective of the Programme is to achieve precisely this kind of sustainable long-term development for the region, a goal that can be achieved in part by modernizing infrastructure, creating a favorable environment and developing the necessary human resources. In addition, the natural resources and potential for agricultural development in the Southern Lebanon region are such that urgent steps need to be taken to gradually diversify sources of employment and income. The development potential of farming, industry and commerce therefore has to be exploited, both upstream and downstream in the various branches. Emphasis also needs to be placed on promoting other, non-agricultural, activities specifically in other productive sectors. Particular attention will also be paid to the role of women and ways in which their contribution to the economy of the region can be enhanced. Economic revival and diversification will not succeed unless accompanied by the development of human resources available in local communities and through social rehabilitation. The programme therefore has to meet the local communities' basic needs in terms of primary education, occupational training, health care, housing, social welfare, and others. Thus, the development of human resources and the possibility for all to gain access to the basic services provided will be two fundamental concepts underpinning the activities planned in connection with the Programme.

3.3 Strategy for optimal use of UNDP resources

Within the framework of the Programme, UNDP will assign priority to strengthening local capacities and institutions which are essential for the smooth operation and efficient management of development programmes, focusing on technical assistance to local governmental and non-governmental institutions.

UNDP intervention will support activities which primarily target the least advantaged population groups in the region (farmers with small holdings, women in rural areas, etc.) and which offer high potential for involving the beneficiaries and local communities. Finally, priority will be given to building capacity for mobilizing financial resources for expanding the scope of the programme.

3.4 Institutional Framework

The *Council for Development and Reconstruction* (CDR) is the primary government institution that is responsible for the planning and implementation of the development programmes for the country as a whole. As such, CDR will be the national governmental counterpart and executing agency for this Programme. CDR will assign a National Programme Coordinator to serve as the national governmental coordinator vis-à-vis UNDP Support. Programme activities will be coordinated with the *Council for the South*, a Government autonomous organization responsible for emergency rehabilitation activities in southern Lebanon, and the *High Relief Committee* that is entrusted with the overall coordination of emergency relief efforts. In addition, activities will be coordinated with line ministries as needed.

3.5 Financial Earmarking

The total funds available for the Programme, including those in the Preparatory Assistance phase, amount to around \$3 million, of which \$1.5 million are secured through UNDP, \$1.25

million are contributed by the Government, and the rest come in the form of third party cost sharing. One of the targets of the Programme is resource mobilization, both from local and international donors, and the Lebanese government. Furthermore, the Lebanese Government will be the direct contributor to Government National Programme components.

4. CAPACITY BUILDING TARGETS AND MANAGEMENT ARRANGEMENTS FOR UNDP SUPPORT

4.1 Capacity building targets of the Programme

UNDP support will focus on 4 capacity building targets. Each of these targets constitutes a distinct and separate component. The targets selected are as follows:

1. Support to economic development, through
 - Industrial enterprise development (facilitating the establishment and/or development of enterprises, business and legal counseling, assistance for access to financial markets);
 - Agriculture development (small scale agriculture infrastructure, support to agriculture research and training, regrouping and marketing).
2. Support to tourism, rehabilitation of natural resources and sites, through
 - Preservation of historic and archeological sites, and natural sites (small works and training of administration);
 - Capacity building and training of human resources.
3. Support to rehabilitation of human resources and social integration, through
 - Professional training and economic integration of the youth (technical training, supporting resource center for youth placement, literacy)
 - Economic integration of displaced and freed prisoners (professional training, youth reconciliation, reintegration of militias)
4. Strengthening civil society organizations through supporting the creation of new CBOs, NGOs and cooperatives, training, and networking. UNDP will provide its technical cooperation for the participation of the civil society in the design and execution of development plans. UNDP support will favor the development of cooperatives as local systems of social development, and will concentrate on local active agents of the civil society, especially non-governmental organizations.
5. Support to strengthening local government structures through training and capacity building, networking and coordination, programme development, and the elaboration of sustainable income generating strategies for municipal services, and resource mobilization. UNDP support will target the participation of local governmental agents involved both in the design of the development plans and, according to their specific responsibility, in its execution. This component will target local government service units, municipalities, and antennas of central government agencies such as the regional directorate of education, health or agriculture.
6. Support to resource mobilization through realization of needed technical studies, GIS and database systems, and information and communication technologies. UNDP support will target the *preparation and implementation of a resource mobilization strategy* aiming at attracting national and international private funds, *setting up of Programme information and communication strategy* to assist in the marketing of the Programme, aiming at disseminating formative and quantitative research campaigns to promote the region.

4.2 Management Arrangements for UNDP Support

4.2.1. Execution Arrangements for the Programme

The Council for Development and Reconstruction (CDR) is designated as the National Executing Agency for this Programme on behalf of the Government of Lebanon. Executing Agency will be responsible for managing the Programme and will provide overall support to enable the Programme to achieve its intended outputs and results. The Executing Agency will thus be accountable to UNDP for all resources allocated by the latter, whether their source is UNDP or cost sharing. This accountability calls for very concrete capacities in the administrative, technical and financial spheres.

The UNDP National Execution modality will continue through this phase, with the support of the UNDP country office. In addition to regular technical backstopping and monitoring activities regularly provided, the UNDP Country Office shall provide the Executing Agency with support services for the execution of the programme. This will ensure that technical and substantive expertise is available to the Programme for coordination, recruitment, procurement and contracting. Thus, UNDP Country Office will provide the following services: administrative services including the identification and recruitment of project personnel (BL 13 and BL 17), identification and facilitation of training (BL 31-33) and official travel (BL 15), procurement of goods and services (BL 20 - 23 and BL 45), and the provision of miscellaneous expenses (BL 53) through the modality of Direct Payment Orders made by the Executing Agency.

All services shall be provided in accordance with UNDP procedures, rules and regulations. The Government, through its designated executing agency, shall retain overall responsibility for the execution of the project and shall be responsible for and be bound by any contracts signed by the UNDP Resident Representative, on behalf of the Executing Agency and upon its request, for the procurement of goods and services and /or recruitment of personnel for the programme.

Costs incurred by UNDP Country Office for providing the above described support services will be partly recovered from the Programme budget (under BL 158).

If needed, and in full consultation with the Government, Cooperating Agencies might be requested to implement specific activities; in such case, a formal letter of agreement between the concerned agency and the implementing agency or official counterpart will be elaborated.

The choice of implementing agents for each of the capacity building targets will be based on the technical competency required for the particular area of activity and the ability of the implementing agency to demonstrate sound technical and operational capacities to ensure that objectives foreseen under each target are achieved. The required capacities in question include project management, training of personnel, provision of technical advice and procurement of inputs (personnel, materials, fellowships and study tours, etc.). The implementing agents will also be required to make appropriate use of financial resources allocated to them.

4.2.2 Follow-up and reporting on progress towards the achievements of outputs

UNDP normal procedure for periodic evaluation, follow up and report will be applied in collaboration with the body in charge of the implementation. Benchmarks and mid-term products will be periodically reviewed. More precisely, the progress of activities, management of the support to the programme and the finances and the strengthening of capacities, will be reviewed by UNDP and the executing agency at least once a year. The responsibility to prepare the necessary document to ensure the follow up, will be on the hand of the executing agency.

External evaluations will be conducted as needed, but at least once during the life of the Programme Support. The realization of the targets for the Programme will also be evaluated, as well as the strengthening of capacities, the relevance and availability of funds, the coordination of the components and projects of the programme. Bilateral multilateral donors will be invited to participate and inform in the clearest way of the results of the evaluation.

The Government of Lebanon will provide technical, institutional, and financial support from various ministries and institutions as part of the regular budget for these institutions. The Government of Lebanon will enter into discussions for cost-sharing in the Programme.

4.3 **Legal aspects**

The Programme document shall be the instrument referred to as such in Article 1 of the Standard Assistance Agreement concluded between the Government of Lebanon and UNDP, signed by the two parties on 10 February 1960.

The following types of revisions may be made to this Programme Document with the signature of the UNDP Resident Representative only, provided he is assured that other signatories of the Programme Document have no objection to the proposed changes:

- i) revisions in, or addition of, any of the annexes of the Programme Document;
- ii) revisions that involve changes in the capacity building targets and outputs included in the Programme Document, based on the results of the regional development studies and research currently being implemented under the Preparatory Assistance phase;
- iii) mandatory annual revisions which rephrase the delivery of agreed project inputs or reflect increased costs, or additional cost sharing agreements, or take into account agency expenditure flexibility.

5. Organizational Structure

The current organizational structure takes into consideration a light management structure for conceptualization, monitoring and evaluation, taking into consideration the fact that most of the work that will be implemented will primarily focus on sub-contracting civil society organizations or local government structures as needed.



