

**PROGRAM-FOR-RESULTS INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

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I. Country Context

1. **The Lebanese economy has been highly volatile over several decades.** Real GDP grew, on average, an estimated 3.6 percent from 1965 to 2014 (4.4 percent from 1992 to 2014), but these figures mask sharp fluctuations, the result of domestic and regional political and economic crises during this period, further complicated by the confessional drivers at play in state decision-making.

2. **The crisis in Syria has contributed to a sharp slowdown in Lebanon’s economy, aggravated the existing jobs crisis, and raised social tensions.** In the six years prior to the start of the Syrian war in 2011, growth was 7 percent annually – it has fallen to less than 1.7 percent in the six years since, and to just 1 percent in 2015 and 2016. Traditional drivers of growth – finance and real estate, but also construction and tourism, which are major sources of job creation for youth and lower-skilled Lebanese – have suffered particularly badly from the onset of the Syrian conflict. Close to 1.5 million Syrians have crossed into Lebanon, representing close to one quarter of the total Lebanese population (around 4.2 million pre-crisis). This is the highest refugee per capita ratio in the world. In 2014, Lebanon hosted over 230 refugees per 1,000 inhabitants, compared to 87 in Jordan in the same year. This has exacerbated the deteriorating socio-economic situation for the Lebanese host economy, increased pressure on labor markets, and severely stretched infrastructure and public services. The result is not only increasing poverty for both refugee and host populations, but also increasing social tensions.

3. **Regional disparities in economic opportunities are stark, with most of the poor living in lagging regions outside of Beirut and Mount Lebanon.** Poverty rates in the Bekaa, North, and South Lebanon regions (at 38 percent, 36 percent, and 31 percent, respectively) are well above the national average and around twice as high as in Mount Lebanon and Beirut (22 percent and 16 percent, respectively).¹ This is linked closely with labor market outcomes, with lagging regions having much lower labor force participation, higher unemployment, and significantly higher reliance on self-employment.

¹ Central Administration on Statistics (CAS) and World Bank (2015). Measuring Poverty in Lebanon using 2011 HBS: A Technical Report.

II. Multi-sectoral and Institutional Context

4. **Lebanon faces long-standing jobs challenges which have been severely aggravated by the Syrian crisis.** Even before the Syrian crisis, economic growth did not translate into sufficient job creation. With an employment growth elasticity of 0.2, Lebanon fared significantly worse than other countries in the region (the MENA average is 0.5).² Disregarding the recent influx of refugees, there were, on average, 23,000 new entrants to the labor market annually between 2004 and 2007, while the formal job creation was just one-sixth this level. In addition, job creation has been concentrated in low-productivity activities that demand low-skill labor³ and more limited in higher productivity sectors such as communications, financial services, and manufacturing.⁴ A large reservoir of untapped human resources coupled with limited private sector formal job creation has led to high and long-term unemployment and pushed a growing number of workers to either migrate abroad or engage in, subsistence-level activities in the informal economy. In 2010, prior to the influx of refugees, already half of the Lebanese labor force worked in the informal sector.⁵ It is estimated that up to 44 percent of Lebanon's tertiary education population has migrated abroad.⁶

5. **Women and youth have particularly poor labor market outcomes.** Prior to the onset of the Syrian crisis, 70 percent of working age men were participating in the labor force, compared to 24 percent of working age women. Females and youth face higher unemployment rates than men (18 percent and 34 percent, respectively, versus 9 percent amongst men). Moreover, women who are employed also earn significantly lower wages and experience poor working conditions. Traditional views of gender roles, anchored in family laws, play a strong role in determining the division of labor within the family. As a result, the burden of domestic chores and care-taking duties falls almost entirely on women, and given the limited support services available (e.g. high-quality and accessible childcare), this impacts their decision to enter or remain in the labor force when they marry or have children. Finally, self-employed women face gender-based barriers to starting and expanding their business: their access to finance is limited, their businesses are concentrated in low productivity stereotypically "feminine" activities, and they lack access to good quality business development services⁷.

6. **The Syrian refugee crisis has had a significant impact on the Lebanese labor market, with youth and workers in lagging regions bearing the brunt.** The influx of refugees has resulted in a large increase in labor supply in Lebanon with negative impacts to the labor market. With few initial resources, extremely high levels of poverty, and with aid meeting less than 50 percent of household needs, Syrian refugees face a stark need to find income earning opportunities. But given their relatively low education levels, significant legal restrictions on sectors and occupations where they may work, most Syrian refugees are forced to work irregularly in the informal economy, where they accept sharply lower wages than host community members (the estimated wage gap is 50 percent). Close to 70 percent of working age Syrian men are in the labor force (employed or looking for work), although just 10 percent of working

² World Bank (2012), "Republic of Lebanon—Good Jobs Needed: The Role of Macro, Investment, Education, Labor and Social Protection Policies", December, Washington DC.

³ The main contributors to employment by order of importance were wholesale and retail trade, other non-tradable service sectors, and construction.

⁴ World Bank (2016). "Lebanon: Promoting Poverty Reduction and Shared Prosperity, A Systematic Country Diagnostic". Middle East and North Africa Region.

⁵ World Bank (2012), "Lebanon - Good jobs needed: the role of macro, investment, education, labor and social protection policies (MILES)," Report No. 76008-LB, December.

⁶ World Bank (2016) "Lebanon: Promoting Poverty Reduction and Shared Prosperity, A Systematic Country Diagnostic". Middle East and North Africa Region.

⁷ These findings are based on a quick diagnostic on women's barriers to accessing jobs in Lebanon undertaken as preparatory work to this Program. The final report is forthcoming.

age women are active⁸. Labor market prospects for Lebanese youth have been particularly hard hit, as they are more likely to compete, both sectorally and occupationally, with Syrian refugees in the labor market. They are also likely to be concentrated in sectors (tourism and trade), where growth is most impacted by the crisis.⁹ A recent analysis on the impact of Syrian refugees in Lebanon¹⁰ shows that areas with high refugee influx have witnessed a sharp increase in unemployment among young Lebanese men, from 10 percent in 2010 to 36 percent in 2015, and 44 percent of households in Lebanese host communities cited competition for jobs as the biggest factor driving community tensions¹¹. Thus, creating more jobs in the economy is critical for addressing the needs of both Lebanese and Syrian refugees.

7. **The refugee crisis is also exacerbating climate vulnerabilities, raising risks for low income, rural households in lagging regions.** Climate projections in Lebanon include increasing mean annual temperatures, evapotranspiration, and extreme weather events, such as drought and heat waves, decreasing precipitation, and rising in sea levels. The refugee crisis is straining land and water resources across the country, compounding these impacts. Agriculture, which uses 70 percent of available water for irrigation, is expected to be the most vulnerable sector to climate change impacts, with water security, land degradation, and crop yields at high risk. This is particularly concerning, given the importance of the sector to employment and earnings of the poorer segments of Lebanon's society, as well as Syrian refugees. Tourism, which contributes to 20 percent of Lebanon's GDP and employs 38 percent of the workforce, is vulnerable to rising sea levels, rising temperatures, and reduced rainfall. This Program will consider vulnerability to climate change in the design and implementation of relevant activities, especially, as it relates to the engagement of the poor and other vulnerable groups (refugees, women and youth) who are often the most at risk to the effects of climate change. This is in line with Lebanon's Intended Nationally Determined Contribution (INDC), which outlines the intention to mainstream climate change adaptation and mitigation in these sectors.

8. **In Lebanon's highly fragile context, job creation will be critical not just for poverty reduction but also for social cohesion.** As highlighted in the WBG's *Integrated Framework for Jobs in Fragile and Conflict Situations*, jobs can be expected to deliver high social returns in fragile environments, because they not only contribute to productivity, growth, and poverty reduction, but also to strengthen social cohesion and reduce the risk of violence. These social returns may be particularly high in Lebanon's context, where a sclerotic formal labor market fails to create good jobs in the best of times. But this context also means job creation is not simply a derivative of growth. While achieving higher economic growth remains important, stimulating growth in labor intensive sectors - along with targeted efforts at job creation to absorb excess labor and reach excluded populations - will be a critical priority in the short-term. Notably, this means catalyzing job creation in sectors where women and youth are most likely to be employed, and where Syrian refugees are legally entitled to work.

9. **Successful and sustainable job creation will require a significant expansion of private sector investment.** The WBG's *Integrated Framework for Jobs in Fragile and Conflict Situations* also emphasizes that "...short-term solutions must be developed in ways that facilitate, and do not constrain, structural reforms and economic transformation". In Lebanon's current context this means that short-term solutions like public works are part of the equation particularly for low and semi-skilled employment, but expansion of the private sector is needed over the longer-term to generate sustained demand for quality jobs. This requires establishing an environment that is conducive to private investment, particularly for start-ups and younger and productive SMEs, as well as for foreign direct investors (FDI).

⁸ Vulnerability Assessment of Syrian Refugees in Lebanon – 2017 (UNHCR, UNICEF, and WFP, 2017)

⁹ In 2010 more than half of the employed youth worked in tourism and trade, compared with only 33 percent in 2015.

¹⁰ World Bank (2013), Lebanon: Economic and Social Impact Assessment of the Syrian Conflict.

¹¹ UNHCR, UNICEF, and World Food Programme (2017), "Vulnerability Assessment of Syrian Refugees in Lebanon 2017"

10. **Unlocking job-creating investment from Lebanon’s private sector will require addressing a wide range of investment climate constraints.** Firms operating in Lebanon operate in an environment where the macro-environment raises risks and distorts the efficient allocation of capital, along with a meso- and micro-environment where high transactions costs undermine competitiveness. Regional and domestic political uncertainty is a top constraint to the private sector. This contributes to large macroeconomic imbalances (the World Economic Forum’s Global Competitiveness Index ranks Lebanon’s macroeconomic environment 133rd of 137 countries), which have kept borrowing costs high for businesses. World Bank Enterprise Surveys highlight significant constraints including: corruption, which is cited as a major constraint by 61 percent of firms, access to electricity (cited by 55 percent of firms)¹²; and lack of access to bank loans (cited by 41 percent of firms). Trade facilitation also stands out – more than 41 percent of exporters cited customs and trade regulations as a major constraint, a share that is almost twice the global average and 30 percent above the MENA regional average. Also, despite being an economy with a dynamic IT entrepreneurship potential, the country has a mobile network that is not yet open to competition. Lebanon has a “network readiness” level (coverage, affordability and coverage) ranked 88th out of 143 countries in 2017 and, within the Middle East region, ahead of only Egypt and Algeria. By contrast, more traditional ‘business environment’ issues appear to be less binding in Lebanon, particularly for SMEs. For example, while far from being ideal conditions in terms of ‘doing business’ measures, just 7 percent of firms identify business licensing and permits as a major constraint compared to almost 20 percent on average in the MENA region. Finally, it should be noted that female-run businesses face greater constraints to entry and growth, most notably in terms of accessing finance; they also appear to be more adversely impacted by infrastructure and security constraints.

11. **In this context, the Government of Lebanon has developed a ‘National Jobs Program’ (NJP), to complement the ‘Capital Investment Plan’, as central pillars of the reform and investment program it will present at the 2018 Paris Investor Conference.**¹³ In the Brussels Conference of April 2017, GOL introduced its Vision for Stabilization and Development¹⁴ (VSD), which re-articulated its response to the Syrian refugee crisis. Over the past few years, GOL has moved forward on implementation of the education pillar of the VSD, along with deepening and refining the investment, growth, and job creation pillar, which consists of two programs: i) The *Capital Investment Plan* (CIP), which is designed to address Lebanon’s severe infrastructure gap, while creating large-scale, short-term jobs through public works financed through both public and private investment; and ii) The *National Jobs Program* (NJP), which is designed to address structural constraints to job creation.

III. Program Scope

12. **The GOL’s program to support sustainable job creation – the NJP – is part of the development priorities set out in the Vision for Stabilization and Development presented by the Prime Minister in Brussels in April 2017.** The initial *Vision for Stabilization and Development* (VSD)

¹² A recent study as shown that – beyond the core necessity of better access to electricity, the Syrian crisis has deepened the problem due to: (i) increased burden on an already deteriorating network; (ii) negative impact on quality of supplied power due to additional demand in some areas; (iii) indirect impact of additional power consumption of schools hosting displaced Syrians as well as municipalities/water establishments; (iv) damaged to distribution transformers and cables due to overload; (v) rise in non-technical losses and damage to distribution network due to the non-metered connections. Main findings extracted from: *Ministry of Energy and Water and UNDP. (2017). The Impact of the Syrian Crisis on the Lebanese Power Sector and Priority Recommendations.*

¹³ Conférence Économique pour le Développement par le Réformé avec les Entreprises (CÉDRE)

¹⁴ The Vision for Stabilization and Development (VSD) is a strategic document of the Government of Lebanon aimed at proposing a program to respond to the Syrian refugee crisis. This document was presented by the Prime Minister at the Brussels Conference “Supporting the Future of Syria and the Region”, in April, 2017. An updated and enhanced version of the government program is expected to be presented at the Paris conference in Spring, 2018.

focused on Government's leadership role to address the short-term challenges resulting from the crisis. The VSD set out three pillars to address the crisis:

- i. *Accelerating existing public investment projects*: The Government will sharply increase public investment levels in the short term by accelerating the implementation of projects for which foreign loans have been committed. This is intended to stimulate (short-term) job creation for both displaced Syrians and Lebanese, primarily in the construction sector. This investment program is expected to total around US\$2.7 billion.
- ii. *Large-scale investment in new capital projects*: The Government will launch a major program of new projects for infrastructure investment – the (CIP) – to reduce the significant gaps that exist between the demand for infrastructure services and the supply, and lay the basis for sustained growth and increased productivity. Current estimates of the CIP call for approximately US\$ 21 billion in investments between 2018 and 2030, covering priority electricity, water, transport, infrastructure. The expectation is that at least 25 percent of investments will be financed by the private sector, including different PPP solutions.
- iii. *Expanding educational opportunities*: The GOL will implement programs to increase access to education for displaced Syrians and Lebanese (at present, there are around 500,000 non-Lebanese children residing in the country). In addition, the GOL will increase access to non-formal and technical education and vocational training opportunities, which will reduce the number of new entrants into the labor force and improve the employability of Lebanese and Syrian youth. This program is expected to require around US\$350 million in financial support from the international community between 2017-2020.

13. **The NJP will be introduced as a fourth pillar of the VSD and presented along with the CIP at the Paris Investors Conference in April 2018, will address pre-crisis, structural challenges to accelerate job creation and improve access to jobs for vulnerable populations.** The NJP is designed to: i) support sustainable, quality job creation through private sector expansion; and ii) ensure disadvantaged populations in Lebanon – including women, youth, and Lebanese and Syrian refugees in lagging regions – have improved access to jobs and earnings opportunities. The initiative is structured across three integrated pillars, each of which involves activities designed to address specific aspects of the jobs challenge:

- i. *Enhancing the Environment for Private Investment*: The first pillar focuses on establishing a more conducive environment to promote job-creating private investment across the country. Activities in this pillar include legal and regulatory reforms, along with improved mechanisms for governance of the financial sector, encompassed in the “Improving the Business Environment in Lebanon (IBEL)” initiative led by the PMO, along with transversal reform actions in key sectors including telecommunications and trade facilitation.
- ii. *Catalyzing Job Creation through Trade and Investment*: The second pillar complements the actions in Pillar 1 through efforts to mobilize private investment, increase exports, and improve productivity in targeted sectors to facilitate job creation in regions. Activities in this pillar will include investments in SEZs, Industrial Zones, along with support to value chains with a high potential to create jobs in lagging regions.
- iii. *Connecting Youth and Women to Jobs*: The pillar supports targeted population groups – notably women and youth – are in a better position to take advantage of newly-created job opportunities, or to establish their own businesses, if they prefer to be entrepreneurs. Activities under this pillar include expanded and enhanced active labor market programs, as well as technical and financial support for entrepreneurship.

14. **The NJP marks a new approach by the Government of Lebanon to supporting private sector-led job creation.** It targets policy drivers and programs designed to foster a more outward oriented, productive and inclusive economy. The NJP - which is designed as a five-year program in its

initial phase - will also serve as a platform to launch new initiatives and to pilot innovative approaches to job creation that can potentially be scaled up over time, depending on performance.

IV. Program Development Objective(s)

15. The Program Development Objective (PDO) *is to improve economic opportunities for Targeted Beneficiaries in Lebanon.*

16. **To achieve this objective an integrated approach is used, leveraging synergies across the Results Areas.** Implementation of key policies unlocks opportunities for job-creating investments through the demand-side interventions. These demand-side interventions create opportunities for Targeted Beneficiaries of the supply-side interventions (and beneficiaries from supply-side interventions can contribute to productive investments).

17. **Consistent with the integrated approach, the project defines “economic opportunities” and “Targeted Beneficiaries” as follows:**

- Economic opportunities” are defined at three levels: (i) *at the macro level, in terms of measures considered “fundamentals” that would improve the environment for private investment and benefit firms*, as measured by the implementation of the new PPP law; adoption of a new telecoms licensing regime (i.e. firms benefitting from improved internet access), simplification of customs procedures (i.e. firms face faster and easier processes for imports and exports), passage of Secured Transactions and Insolvency regulations and establishment of a movable assets registry (i.e. individuals and firms have easier access to finance); (ii) *at the level of firms* increased private sector finance, firms receiving matching grants, and increased occupancy in TSEZ; and (iii) *at the level of individuals*, improved labor market outcomes amongst Targeted Beneficiaries as they are placed in wage-employment jobs (e.g. counseling, training, intermediation, etc.) or supported to become entrepreneurs (e.g. business development services and financing).
- “Targeted beneficiaries” include two main categories of beneficiaries:
 - *The first category includes firms, particularly SMEs¹⁵, in selected value chains:* This group will benefit from the: (i) transversal investment climate interventions; and (ii) TSEZ and VC activities. It is expected that all firms in Lebanon will benefit from the transversal interventions. Between 500-1,000 are likely to benefit directly from the TSEZ and value chain interventions.
 - *The second category includes individual beneficiaries, particularly youths aged 18-34, women (18-45), and Syrian refugees.* The Program is expected to target 15,000 beneficiaries for placement on wage-employment opportunities/on-the-job trainings. They will be selected following a scoring mechanism with clear and transparent pre-identified criteria and will receive an integrated package of Active Labor Market Programs (ALPMs) and wage subsidies for a period of 12 months. An additional 1,500 youth and women will receive grants and business development services to develop their ideas and open their own new business. They will be selected competitively, based on the quality of their business plan proposals.

18. **Key Program results are increased private investment in tradable sectors, job creation, and economic opportunities for vulnerable populations.** This will be achieved through a program focused

¹⁵ SMEs are defined, per the Ministry of Economy and Trade SME Strategy as: (i) Micro Enterprise: Less than LBP 500 million AND less than 10 employees; (ii) Small Enterprise: Less than LBP 5 billion AND less than 50 employees; (iii) Medium Enterprise: Less than LBP 25 billion AND less than 100 employees.

on private sector development through improved competitiveness and export performance in key value chains and new firm entry, along with increased participation of women and youth in the labor market. The three proposed PDO-level indicators are listed below.

- a. Private capital mobilized¹⁶ following the implementation of policy reforms and amongst beneficiary firms supported by the project;
- b. Full-time equivalent (FTE) direct jobs created by firms supported by the Program;
- c. Supported individual beneficiaries with wage-employment.

V. Environmental and Social Effects

19. **An ESSA has been prepared for the Program** for identifying environmental and social effects, assessing the existing environmental and social system, identifying gaps with the core environmental and social principals of Bank Policy Program for Results Financing and recommending measures for bridging those gaps and ensuring the sustainability of the Program.

20. **All interventions of adverse environmental and social impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people will be excluded from the Program.** As a general rule, all interventions included in Annex I of Decree 8633/2012 or those interventions in Annex II that are located in sensitive areas (natural protectorate – habitats of endangered species – wetlands – natural shores of the sea, rivers and springs) will be excluded.

21. **The Program interventions would have some environmental impacts and risks.** There would be temporary impacts/risks that could be prevented/minimized by implementing adequate environmental mitigation measures during construction. The impacts/risks during operation would vary from minor, for most the Program interventions, to substantial potentially for certain infrastructure projects as determined later during implementation. All interventions will be subject to a proper environmental and social assessment instrument that would include mitigation measures for preventing/minimizing impacts and risks. The Program will also have some benefits such as supporting climate change mitigation actions in agribusiness value chains and raising the OHS capacity among Program beneficiaries.

22. **There will be investments in PPP projects and PPP contracts are signed.** The exact projects under the PPP component are not defined at this stage, however, such investments are typically associated with some temporary environmental impacts and risks during construction, such as dust emissions, noise, emissions from construction vehicles and machinery, disposal of construction waste, disturbance to traffic, and health and safety risks. Such impacts/risks could be prevented/minimized by implementing adequate environmental mitigation measures during construction. During operation, buried infrastructure facilities will have the same above-mentioned impacts and risks during maintenance and repair and in addition to leakage risks of liquids from tanks, in addition to impacts/risks related to the type of investments that will be identified in the environmental assessment instrument that will be prepared as part of the national system. It is worth noting that any PPP investment with significant environmental impacts will be screened out of the PforR. Any eligible PPP investment will be subject to proper environmental assessment instrument that would include mitigation measures for preventing/minimizing impacts and risks.

¹⁶ According to the *Core Sectors and Indicators Definition* report by the Results Platforms, World Bank (2014), “Mobilized private capital” is private capital that has been fully committed. For projects where private capital comes from debt, equity, or both, private capital is mobilized when it is fully committed and all conditions precedent to the first drawdown are fulfilled or waived. Therefore, loan funds are available for drawdown. For projects where private capital comes from equity only, private capital is mobilized when the contract under which private equity will be provided is signed and becomes effective.

23. **TSEZ will include infrastructure works and industrial/commercial facilities therefore the impacts will be as indicated above, however, because all infrastructure and facilities will be concentrated within a limited geographic area (55 ha), the cumulative impacts and risks would be relatively higher.** Currently TSEZ Authority is preparing a masterplan and a Strategic Environmental Assessment (SEA), as required by the Decree 8213/2012. The SEA is focusing on assessing the cumulative impacts of the development on the local environment and infrastructure. The SEA will inform the masterplan on: eligible and noneligible investments (all high-risk investments will be screened out), development limitations according to the assimilative capacity of local environment and planning requirements of the zone. An interim report of the SEA has been prepared characterizing the baseline environmental conditions and the existing environmental pressures from current activities and the report concluded that the following main recommendations should be considered during the preparation of the masterplan:

- a. The zoning of TSEZ should consider the impacts of a neighboring solid waste disposal site. Adequate fencing and setback should be considered. Activities of processing and storage of edible products should be as far as possible from this site
- b. The drainage network of TSEZ should separate clean storm water from wastewater so as not to discharge shock loads to the receiving wastewater treatment plant. TSEZ facilities should abide with influent standards set by the WWTP and should provide pre-treatment if necessary
- c. The masterplan should include an integrated approach to waste management including source separation for municipal, recyclable and special wastes for separate collection of products. The masterplan should recommend treatment and disposal options
- d. Power demand to be calculated so that suitable power alternatives are addressed, including connection to the city grid and maximizing the use of solar energy so as to minimize the need/capacity of power generators that would be procured

24. **Environmental management measures have been recommended for strengthening the identified gaps in systems that will be used in the Program.** Those measures include ensuring that Program interventions are subject to an adequate environmental assessment instrument, providing OHS training and awareness, ensuring that adequate legal framework and institutional structure is available for TSEZ, having environmental specialists to support HCPP and the PEU implementing their environmental management measures, improving environmental conditions in construction contracts and building the capacity of implementing agencies and different stakeholders.

25. **The Program is expected to have positive social impacts.** The Program includes mechanisms to address the needs of women, youth and refugees. The Program will benefit these groups by decreasing unemployment and promoting entrepreneurship - activities which are expected to have repercussions on local communities in lagging regions. These activities will directly reduce the vulnerability of these social groups and could also have indirect impacts on social cohesion. Activities to support the business environment and financial sector will also promote transparency in the sector, thereby also increasing the ability of Lebanese of all backgrounds to benefit from private sector development. The Program is not expected to support any activity requiring land acquisition, and activities that require anything but minor land acquisition, impacting more than 100 people, will be screened out.

26. **The Program has moderate social risks under several of the Results Areas.** The institutions implementing the Program largely have the capacity to manage these risks. The Bank will work with the implementing agencies throughout the duration of the Program to continue to build their capacity for social risk mitigation.

27. **The most important (yet still moderate) risks are related to labor issues arising from support to the TSEZ.** The TSEZ is expected to provide jobs to Lebanese and Syrian workers during its construction and operational phases. The risks arise from the limited worker protections established in

the TSEZ Law. The Law does not include explicit provisions to prevent exploitation of workers, a minimum age required to work, a minimum wage, or any explicit protections or support infrastructure / services for female workers. However, the Program will support the development of bylaws and regulations that ensure worker protections and meet best practice standards for Special Economic Zones.

28. **Communities and individuals who believe that they are adversely affected as a result of a Bank supported PforR operation - as defined by the applicable policy and procedures - may submit complaints to the existing Program grievance redress mechanism or the WB's Grievance Redress Service (GRS).** The GRS ensures that complaints received are promptly reviewed to address pertinent concerns. Affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

VI. Financing

29. **Financing.** Total financing from the World Bank is US\$400 million. Expenditures are based on projected five-year (2019-2023) requirements, with World Bank financing covering additional activities not initially budgeted for but which are needed to deliver on the NJP results.

VII. Program Institutional and Implementation Arrangements

30. **Implementing Agencies.** Given the cross-cutting nature of the jobs agenda, several agencies will be involved in implementing the Program. Dedicated staff will be needed for implementation of activities that are new, and where the implementing agency does not have existing capacity to implement. This is expected to be the case particularly for MOET, NEO and HCP.

31. **Program Executing Unit (PEU).** A Program Executing Unit (PEU) will be established by effectiveness of the Program and maintained at the Ministry of Finance (MOF) throughout the implementation of the Program. The PEU functions as the secretariat of the Coordinating Committee (see below), responsible for: (i) the overall management, coordination, reporting, monitoring, and evaluation of Program implementation, including Program fiduciary, social, and environmental management; (ii) hiring and interfacing with the IVA; (iii) carrying out Annual Performance Assessment; (iv) carrying out the technical audits; (v) facilitating financial audits for the Program, all in accordance with the Program Operational Manual (POM). In addition, the PEU will carry-out inter-ministerial and inter-agency coordination on the Program policy and technical agenda. The PEU will include project management and specialist (M&E, environmental and social) specialist.

32. **Inter-Ministerial Coordinating Committee (CC).** Coordination at the policy level will be ensured by a National Jobs Program CC, to be established by effectiveness of the Program. The committee will be chaired by the Minister Finance, with participation from all ministries and agencies that are participating in the Program, including: Ministry of Finance; Prime Minister's Office; Ministry of Economy and Trade; Ministry of Labor; Ministry of Telecommunications; Ministry of Industry; Central Administration on Statistics; HCC; HCP; TSEZ Authority; Office of the Ministry of State for Women's Affairs; and Banque du Liban. The CC will provide strategic guidance and direction and facilitate coordination across different departments, agencies and levels of government involved. It will review and finalize recommendation reports and plans developed as part of the different Results Areas

and DLIs, monitor progress of the Program on a quarterly basis. The CC will also endorse annual plans for the Program’s monitoring and evaluation (M&E) activities.

33. **Private Sector Advisory Board (PSAB).** A PSAB will be established to provide guidance to the PEU and CC on Program progress and private sector feedback on key policy and program activities. Membership would include representatives from the principal Chambers of Commerce from Beirut and main cities in the lagging regions, plus other identified members to be selected by the PEU in consultation with CC members. The PSAB will be launched based on the mandate and membership to be agreed upon at the first meeting of the CC. A key aspect of this mandate would be to act as a “sounding board” for new interventions or policies that would emerge from the learning and experience of this Program.

34. **Value Chain Committees (VCC).** Chaired by MOET, VCCs will be established for each value chain undertaken under the PforR program. The VCC will be composed of members of the public and private sector and chaired by the Ministry of Economy and Trade, responsible for the preparation and approval of the VC Action Plans.

VIII. Contact point

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