

LOCAL ECONOMIC DEVELOPMENT IN LOCAL GOVERNANCE:

A CASE STUDY OF
AKKAR'S DREIB UNIONS
OF MUNICIPALITIES*

LIST OF ACRONYMS

3RP	Regional Refugee and Resilience Response Plan	INGO	International Non-governmental organisation
AFD	Agence Française de Développement	LED	Local Economic Development
AMF	Autonomous Municipal Fund	MASAR	Maintaining Strength and Resilience Programme
ATI	Access to Information	MoA	Ministry of Agriculture
ATM	Automated Teller Machine	MoET	Ministry of Economy and Trade
CCIAT	Chamber of Commerce, Industry, and Agriculture of Tripoli and North-Lebanon	MoIM	Ministry of Interior and Municipalities
CSO	Civil Society Organisation	MoT	Ministry of Tourism
DGUP	Directorate General of Urban Planning	MSME	Micro, Small, and Medium Enterprise
DRI	Democracy Reporting International	NGO	Non-governmental Organisation
EU	European Union	NPTP	National Poverty Targeting Programme (Government of Lebanon)
FAO	Food and Agriculture Organisation of the United Nations	PCPM	Polish Centre for International Aid
KR	Key Recommendation	PPP	Public-Private Partnership
GIS	Geographic Information System	SALAR	Swedish Association of Local Authorities and Regions.
IDAL	Investment Development Authority of Lebanon	UoM	Union of Municipalities
LARI	Lebanese Agriculture Research Institute	UGI	Urban Governance Index
LCRP	Lebanon Crisis Response Plan	UN	United Nations
FAO	Food and Agriculture Organisation of the United Nations	UNDP	United Nations Development Programme
IDP	Internally Displaced Persons	UN-Habitat	United Nations Human Settlement Programme
		UNHCR	UN High Commission for Refugees
		UNIDO	United Nations Industrial Development Organisation
		VNG	Association of Netherlands Municipalities
		WFP	World Food Programme

Executive Summary

In recent years, LED has paved the way for local governments to boost productivity, create wealth and jobs, foster innovation, build human capital, and improve developmental incomes. LED, especially in rural areas, can become a driving factor of economic growth and a prerequisite for improving host communities' and refugees' livelihoods. This is the case in Akkar, a rural forsaken area characterised by a massive influx of refugees, poverty, unemployment, lack of opportunities, and a weak local economy.

Based on UN-Habitat's Urban Governance Index (UGI) framework, this report analyses and documents LED requirements and targets through the lens of four indicators: effectiveness, equity, participation, and accountability. Based on this, it highlights key messages to be integrated into the national and sub-national policy debates, as part of a wider policy uptake effort linking up local, regional, and national government authorities. The assessment included case studies of three Unions of Municipalities (UoMs) in Akkar: Dreib El-Awsat, Dreib El-Gharbi, and Dreib El-Chemali. The learnings from these sub-national case studies are intended to support sub-national governments to better engage in LED.

UoMs are responsible for a wide range of activities, including implementing public projects that bring common benefits to their member municipalities in all public interest

sectors. UoMs also oversee the planning system and play a coordinating function among member municipalities. However, despite this theoretically enabling environment, local governments face, in practice, structural and financial challenges that prevent them from performing their duties. Especially in Akkar, local governments are small, understaffed, and lack the resources, technology, and expertise to plan and implement public services. They mostly rely on equalisation payments from the national government.

A visible performance gap was evident under all four indicators, as part of the UGI-based evaluation. The Effectiveness indicator was relatively the highest, but still fell short of sustainability standards. Municipalities and UoMs implement diverse projects, but they are rarely based on a strategic vision and a solid business model. On the other hand, the Accountability indicators had a markedly lower ranking. Most local governments are not compliant with the Access to Information (ATI), which increases the gap between elected officials and the community. In terms of participation, both women, youth and refugees are strongly underrepresented in local governance institutions and the LED sector.

Against this backdrop, it is not surprising that LED is not considered a priority in the strategic planning of local governments which focus, instead, on basic maintenance services and solving ad hoc, urgent issues.

Moreover, elected municipal officials are not aware of, if not sceptical, of the benefits of strategic, long-term, area-based planning. Planning is centred around immediate emergency needs that arise. Therefore, a sustained effort to enable LED planning and implementation at the sub-national level is crucial. Sub-national governments should be supported by local and international organisations to design and implement LED projects that respond to local needs identified as part of a continuous strategic planning effort.

Key recommendations are provided to enhance LED while creating a stronger bond between local governments and the private sector, mainly SMEs and cooperatives, while supporting vulnerable communities. The recommendations have focused on the potential of cooperatives, SMEs and eco-tourism, the promotion of social dialogue, the pivotal role of the private sector, the empowerment of local government through legal and regulatory reforms, and the implementation of initiatives that foster ATI. The adoption of the 2014 Administrative Decentralisation Bill will provide an enabling environment for sub-national governments to lead sustainable LED policies and projects. Sustained advocacy efforts in this direction will prove fruitful in this regard.

Introduction

Support for “good governance” has emerged as a response to global concerns

that national regulations have failed to address in many ways. To work collaboratively toward a good governance agenda, crystallised in the UN’s Sustainable Development Goals (SDGs), national and local governments must lead the call to joint actions and include the private sector, the local community, and civil society organisations (CSOs). However, development practitioners and researchers have criticised the concept “good governance” as an overly demanding, normative, and lengthy process. Instead, the concept of “good enough governance” has argued in favour of more contextualised, attainable, and results-based governance strategies. This alternative concept posits that the pursuit of effective and efficient management should be anchored in, and shaped by the political, economic, social, and civic contexts of the intervention, and be guided by the specific needs of the citizenry².

In this context, Local Economic Development (LED) has, in turn, emerged as a discipline cutting across several SDGs, such as eliminating poverty and hunger, providing clean water and sanitation, ensuring decent work and economic growth, and supporting industries and infrastructure (SDGs 1, 2, 6, 8, 9). Beyond the technical aspects of this endeavour, LED connects with more complex issues that are both conducive to and driving factors of economic growth and societal well-being. The LED approach encourages the establishment of multi-actor partnerships and

² Grindle, M. (2007). *Good Enough Governance Revisited*. *Development Policy Review*, 25(5), 553–574.
http://courses.washington.edu/pbaf531/Grindle_GoodEnoughGovRevisited.pdf.

ensures joint development of local solutions to the existing economic challenges. Through multi-stakeholder dialogues as well as thorough analyses of current economic situations and conditions of public services and infrastructure at the local level, LED identifies concrete development opportunities and creates a competitive environment for inclusive business at the local level.

Within the scope of the MASAR programme³, the report analyses contextual and structural factors affecting three UoMs in Akkar at the political, economic, and administrative levels and their implications on the LED sector. The assessment considered the impact of the refugee crisis, the covid-19 pandemic, and Lebanon's compounding crises on local governance. The report aims at:

1. Documenting and analysing the constraints to local governance in the LED sectors at the national and sub-national levels.
2. Identifying the gaps and shortcomings of sub-national governments in delivering basic services, and the limitations of public, private, and non-profit actors that hinder local governments' engagement in LED.
3. Fostering and expanding the role of local governments to coordinate with local and international organisations operating in the area.
4. Highlight economic opportunities in potential sectors, particularly those that engage women and youth.

5. Linking LED opportunities with the prospects of applying administrative decentralisation;
6. Providing recommendations on how stakeholders could be better involved in local governance and LED; and
7. Focusing on the role of the private and non-profit sectors in boosting economic development and creating job opportunities.

Along these lines of enquiry, the report relied on a qualitative and semi-quantitative approach based on the collection of data from secondary sources (Eg. MASAR consortium partners ACCD, VNG International, PCPM⁴, as well as WFP, and IDAL publications), official documents, donor reports, and surveys that were filled to identify challenges and options for LED projects in Akkar. The local governments selected for the assessment were among the beneficiaries of the MASAR programme and within its areas of intervention, namely: Dreib El-Gharbi, Dreib El-Awsat, and Dreib El-Chemali UoMs. Each UoM comprises 7–10 member municipalities.

The data gathered was mainly qualitative, coupled with quantitative data as part of fieldwork conducted by other organisations in the Dreib region. Primary data was collected through interviews with the heads of UoMs, as per the following schedule:

The questionnaire investigated the extent to

³ *Maintaining Strength and Resilience for Local Governments in Iraq and Lebanon (2018–2022)*, funded by the European Union.

⁴ PCPM prepared a strategy planning booklet that includes a strategic overview of the geographical area, the existing wealth, and services. It includes planification and potential activities with strategic objectives, action, and stakeholders for each of the unions, including recommendations on how to improve service delivery, attract investment and improve governance.

Assessed Union	Method	Person in charge	Date (2022)
Dreib El-Awsat	On-site interview	Abboud Merheb	5 March
Dreib El-Gharbi	On-site interview	Ahmad Kafa	5 March
Dreib El-Chemali	Remote interview	Abdo Makhoul	22 March

which the local governments engaged their residents in local matters as well as in decision making, the work of the UoM, and its engagement with other municipalities. Questions on gender, specifically on women's level of engagement, were also raised to assess the state of equity in the union's work.

The Urban Governance Index (UGI) was used as a reference framework to conduct the assessment. The UGI was developed by UN-Habitat “to enable cities to objectively measure the quality of local governance” through a core set of indicators organised in four core principles: effectiveness, equity, participation, and accountability. For each indicator, a subset of questions was designed to measure the UoM’s performance in LED.

Overview of LED in Local Governance

Municipalities’ Role and Limitations

According to the Lebanese Municipal Act, municipalities have extensive jurisdiction over all matters of public interest within their boundaries (Art. 47). Municipal

responsibilities are diverse and include planning and infrastructure works in various domains such as water, waste and wastewater networks, territorial and urban management, economic development, environmental protection, as well as the provision of health, social, educational, cultural and sports facilities and services to its population. The Act further grants the municipal council the right to establish committees among its members to assist in performing its tasks (Art. 53).

As for UoMs, they are responsible for implementing public projects that bring common benefits to their member municipalities, including but not limited to basic service delivery such as road maintenance, sewerage systems, waste collection, transportation, and civil defence. The UoM also oversees the planning system and plays a coordinating function among member municipalities.

Regarding municipalities’ role in LED, the law enables them to engage in various development projects, including the set-up and management of commercial buildings,

markets, museums, sports, art places, and public transportation, among others. As for social development, municipalities also have the authority to establish educational and healthcare centres, hospitals, and schools. In terms of planning, they are responsible for implementing the “Master Plan” in close coordination with the Directorate General of Urban Planning (DGUP). In this regard, the UoM oversee the development of plans and preparation of technical specifications while the union’s council approves and validates the plans.

Beyond their regulatory duties, local governments can play a major role in enabling and promoting a suitable environment for the LED sector. This implies direct and indirect support by facilitating the delivery of basic services and building resilient infrastructure that supports local economic growth. However, in the current crisis, few municipalities and UoMs are engaging in revenue-generating activities, in partnership with the private sector as the majority still relies heavily on allocated funds from international donors to execute large-scale activities. The engagement of the private sector will be a key factor of success, considering the extent of expertise available in Lebanon.

Despite a theoretically enabling environment, local governments face, in practice, several challenges that prevent them from performing their duties. These include overlapping functions between the national administrations and municipal governments, and between municipalities

and UoMs, in addition to chronic shortages in financial resources, which limit their capacities to implement, co-finance, and attract LED projects. Municipalities rely heavily on the national government’s equalisation payments through the Autonomous Municipal Fund (AMF) and foreign-funded projects to provide technical services.

Local governments are also subject to solid administrative oversight from three layers of national and deconcentrated governments: the district commissioner, the governor, and the Ministry of Interior and Municipalities (MoIM) – resulting in endless bottlenecks and backlogs. Additional administrative constraints, such as excessive procedures for hiring municipal staff and lack of financial means to hire new employees, lead to understaffing that also weakens service provision.

Moreover, due to the country’s ongoing economic and financial crises, local governments face financial restraints with low budgets allocated in LBP. The country’s collapse has sharply affected the role of municipalities in contributing to the LED sector as it has impeded their capacities to unlock various economic opportunities and limited their role to basic services provided for the community.

These prevailing conditions make LED extremely challenging at the municipal level in Lebanon. At the same time, local governments are not solely responsible entities for LED. The private sector plays a

leading role in attracting local investments and creating job opportunities. In contrast, the public sector (both at national and municipal levels) is responsible for enabling a regulatory environment consisting of strong institutions, strategic planning, financial incentivisation schemes, and fiscal arrangements. Successful LED practices also entail local governments ensuring equity, accountability, and transparency and empowering citizens to be at the core of the decision-making process in matters that directly concern them, such as employment and economic activities. However, the government will still need to lead in promoting LED activities while enabling a favourable environment that unlocks potential opportunities for this sector.

Socio-Economic Overview of Akkar

The governorate of Akkar is located in the far North of Lebanon. The landscape is highly diverse. There are three principal physiographic zones: the plain, the mid-elevation plateau, and the mountains. Akkar is home to the Qammou'a forest, a unique environmental resource, and vast areas of oak and pine forests. The plain has rich fertile soils and generous water resources. On the coast, small-scale fishing and vegetable production are major sources of income.

Akkar is one of the most underprivileged and deprived areas and has long been overlooked by development agencies and NGOs. Also, Akkar has the highest unemployment rate in Lebanon⁵ and one of the lowest female participation rates in the labour market. Its key

economic activities are agriculture, followed by industry, mainly the agro-food sector. Lebanon's economic crisis has created long-lasting scars on the area by exacerbating the current living conditions: the labour force participation rate in the Akkar has slumped from 38.4% in 2019 to 35.6% in 2022, while the unemployment rate has surged from 9.3% to 26.7% during the same period. Moreover, Akkar recorded the highest rate of female youth not in education, employment, or training, accounting for 48.6% among other governorates⁶. Recent figures have also highlighted that 92% of Akkar's population faces livelihood protection deficits⁷.

Although agriculture is the most important sector in Akkar, it remains underdeveloped. Only recently, in the wake of the 2019 financial crisis, citizens started to harvest their lands for food security purposes. Until then, food security had received little attention from successive governments, and food production systems were mainly seen through the lens of value chains by the agri-food development sector. The development of the agriculture and food sectors has been driven mostly by international donors but was also influenced by local and regional economic and socio-political dynamics. For instance, municipal officials have often requested local landowners to offer their unused lands for foreign-funded investment projects piloted by local governments, according to mutually agreed terms. Also, a small number of businesses exist in the area, of which 45% work in agriculture and mining.

⁵ Central Administration of Statistics. (2018). *The Labour Market in Lebanon*.

⁶ ILO & CAS. (2022). *Lebanon Follow-up Labour Force Survey*.

⁷ Inmaa & Save the Children. (2022). *Household Economy Analysis Outcome Analysis*.

Cooperatives played a vital role in Akkar by empowering farmers, giving them the opportunity to share tools and experiences, giving them a voice, and contributing to agro-food production and marketing.

Since the area is rich in biodiversity, the tourism sector can also provide opportunities to develop nature-based tourism, agri-tourism, and rural tourism. Development organisations like PCPM, VNGI, ACCD, and SALAR have conducted a mapping of touristic points and promoting eco-tourism in Dreib El Awsat and Dreib El-Chemali. The area has substantial potential, with breath-taking landscapes, ancient sites, and cultural resources that have the potential to create jobs and attract tourists.

Key LED Players and Initiatives in Akkar

Mapping and Analysis of Main Stakeholders

Civil society is playing a proactive role in bringing attention to the area. With joint efforts, the public and private sectors can spur the LED industry in Akkar, which requires quick actions and high engagement of relevant stakeholders in times of crisis. The list below highlights the role of main stakeholders from the private and public sectors, which can facilitate LED and enhance access to municipal investment that benefits the expansion of public services and creates economic opportunities for host communities, refugees, and internally displaced persons (IDP).

Stakeholder	Characteristics
Mayor or Head of Municipality/UoM	<ul style="list-style-type: none"> • Strong knowledge of village, families, community, and local actors; is key to understanding and obtaining local context and knowledge. • Entry point for development parts to access local communities and select target beneficiaries and activities. • Familiarity with governance procedures in municipalities and UoMs. • Can foster outreach to multiple municipalities. • Convenes and mediates between municipalities and other stakeholders. • Democratic legitimacy and political decision-making power.
Municipal/UoM Council Members	<ul style="list-style-type: none"> • Are an important key to local knowledge; reaffirm or contest the mayor's recommendations. • Democratic legitimacy and political decision-making power.
Cooperatives and MSMEs	<ul style="list-style-type: none"> • Have a value chain and sector-specific focus and reflect local needs. • Can be a one-person show, often inactive, with low funding access and membership rates. • Main contributors to job creation and economic development, particularly in the agriculture and agro-food sectors.

Stakeholder	Characteristics
Ministry of Interior and Municipalities (incl. Akkar governor)	<ul style="list-style-type: none"> • May not be responsive to the needs of local councils but has institutional legitimacy to approve or validate municipal policies. • Assists/facilitates programme staff gathering data and contacts in villages and facilitating administrative issues.
Influential individuals and local politicians	<ul style="list-style-type: none"> • Key figures in solving conflicts, ensuring buy-in of reluctant stakeholders and opponents. • Can act as mediators and/or power brokers. Can build the legitimacy of envisioned projects. • Helpful in reaching bystanders or uninterested citizens to engage in local development. • Serve as a link to potential donors and Diaspora who can bring funds to the area.
Chamber of Commerce, Industry & Agriculture of Tripoli & North Lebanon	<ul style="list-style-type: none"> • Guidance and linkages to the agriculture and food sectors. • Trainings and technical assistance for farmers and industrialists in the region. • Can provide networking tools for its members by connecting them to potential partners.
Local NGOs (Leb-Relief, RMF, Akkarouna, Association for Development in Akkar, Akkar Network for Development, Mada, Nusaned, Arcenciel, etc.)	<ul style="list-style-type: none"> • Implement development projects and have good networks with donors and local governments. • Can provide expertise and logistical assistance.
UN Agencies and International organisations (WFP, World Vision, UNDP...)	<ul style="list-style-type: none"> • Implement/fund development programmes in Akkar to improve the population's living conditions. • Focus on different areas of development, including children's protection, livelihoods, jobs creation... • Provide support for vulnerable people, people with specific needs, women, and youth. • Highlight the current socio-economic situation of Akkar and understand its needs through the different assessments conducted.
Lebanese Agriculture Research Institute (LARI)	<p>A governmental organisation under the supervision of the Ministry of Agriculture. LARI conducts applied and basic scientific research for the development and advancement of the agricultural sector in Lebanon. LARI can support the design of LED strategies and provide feasibility studies for LED projects in the farming sector.</p>
Investment Development Authority of Lebanon (IDAL)	<p>Can support and promote investments in the area.</p>

While effective involvement of stakeholders will require leveraging interpersonal connections, it also requires developing a well-thought-out strategy to map, analyse, and engage all stakeholders to secure their buy-in and support, not only for LED projects but also for local government-led policies and programmes.

Special relations with the private sector should be geared toward boosting investment, employment, and market linkages to farmers and small-scale businesses. Projects funded through local government budgets and international donors may be helpful to kickstart a virtuous circle of growth and activate an enabling environment; however, public funding alone does not generate jobs with sustainable benefits. Sustainable jobs are created when they respond to a demand in the local labour market and are negotiated based on social partnerships and long-term, evidence-based planning.

Public entities are partially paralysed due to a lack of employees either on strike or coming a few days per week due to the devaluation of the Lebanese currency. Nonetheless, some public institutions are receiving technical assistance from NGOs, UN agencies, and other donors to keep them operational.

Regarding coordination between the different stakeholders, UN agencies and partners are leading the inter-agency work, which is part of the Lebanon Crisis Response Plan (LCRP) under the Regional Refugee and Resilience Response Plan (3RP). Through different data management and sharing tools, all agencies involved in the LCRP's sectors ensure high efficiency of project

implementation and minimisation of duplication. As for the implementation of projects, NGOs and UN agencies coordinate with local authorities to execute their activities, particularly those managed by municipalities, such as solid waste and infrastructure projects. However, local governments cannot cooperate due to a lack of data and information on various subjects and the absence of professional staff who can lead discussions with international agencies. This issue can be partially solved as the Chambers of Commerce, industry, and Agriculture can provide data, including a list of industries, exporters, and farmers.

On the other hand, despite the mitigation measures implemented by NGOs and international agencies, tensions remain between host communities and refugees as the level of vulnerability among Lebanese communities has escalated during the last few years. Thus, local authorities should adopt a coordination mechanism to ensure efficient implementation of projects, avoid duplication of support activities and reduce tensions between the different vulnerable communities.

Post-crisis Response and Assistance Programmes

NGOs, international agencies, donors, and UN agencies are major pillars of the LED sector. They actively support vulnerable communities to survive amid the country's altering situation and overcome their longstanding financial challenges. These entities have had a substantial impact on the country, specifically on deprived areas undergoing severe gaps in basic goods and services. Below is a non-exhaustive list of projects and programmes that these actors are implementing in Akkar:

Agency	Programme/Project/Initiative	Activities in Akkar
UN agencies (UNIDO, UNDP, ILO, FAO, UNICEF, and UN Women)	Productive Sectors Development Programme	Assist MSMEs, farmers and cooperatives in the agriculture and agri-food sectors within the North governorate, including technical assistance, technology transfer, apprenticeships, environment-related training and in-kind support, women empowerment training and business development trainings (micro-level activities)
WFP, Lebanese Red Cross, and Mercy Corps, the USA	Refugee Crisis Response	Provide Cash assistance for food and other basic needs
WFP, World Vision, Caritas, and Development Culture and Leadership.	Economic Crisis Response for Lebanese	Allocate in-kind food packages on a monthly basis
WFP, with the Ministry of Social Affairs and NGOs	National Poverty Targeting Programme	Provide Cash assistance for food and other basic needs for Lebanese living in poverty
WFP, Berytech, AUB, and LebRelief	Livelihoods Activities	Conduct trainings for vulnerable communities to build their capacities and provide cash assistance to support their essential needs, based on hours worked
Berytech and NGOs (CARE, Mercy Corps (MC), Berytech Foundation, Georges N. Frem Foundation (GNFF), Lebanese Organisation for Studies and Training (LOST), and Al Majmoua)	Bolstering Agriculture Systems' Ability to Invest, Nourish and Employ (BASELINE)	Support vulnerable farmers and associated value chain players in cereals, legumes, and vegetables in Bekaa and Akkar regions
Fair Trade Lebanon, Land O'Lakes, and USAID	Cooperative Development Activity (CD4)	Stimulate the development of the Lebanese cooperatives sector and help them meet international scales
Fair Trade Lebanon and Monegasque Development Cooperation	Food For Akkar	Strengthen food security in the area, provide capacity building for farmers and secure equal access to fresh produces

SWOT Analysis

Despite the diversity of actors supporting LED in Akkar, many shortcomings and capacity gaps remain. The below SWOT

analysis of the sector highlights the sector's main pitfalls and capitalisation areas.

Strengths

- Large-scale development projects implemented in unprivileged Lebanese areas
- High engagement of international and local non-governmental organisations in LED
- Many SMEs and cooperatives engaged in productive sectors
- Competitive advantages in productive sectors, including agriculture, agri-food, and eco-tourism

Weaknesses

- Local authorities' financial restrictions, aggravated by the current economic crisis
- Administrative constraints of local authorities
- Absence of skilled staff that can lead discussions with international organisations
- Lack of knowledge in terms of legislation and legal framework
- Weak and damaged infrastructure hindering development projects in deprived areas
- Lack of strategic planning at the level of local authorities
- Gaps in the law No. 48/2017 regulating PPPs affecting local authorities' implementation of development projects

Opportunities

- Funds and support from international donors and international organisations
- Available opportunities to enhance the local authorities' capacities to lead, co-finance, and attract LED projects in partnership with SMEs and/or cooperatives, such as technical assistance and financial subsidies from relevant agencies
- Development projects focused on agriculture and agri-food sectors as major contributors to job creation

Threats

- Further devaluation that is not addressed by financial and economic recovery plans at the national level
- Unorganised high influx of refugees and increased tensions between host communities and refugees
- Ongoing socio-economic and financial crises affecting local communities and businesses in Lebanon
- Public sector strike and absence of staff causing delays in projects' implementation

Acting on the available opportunities, the LED sector can lead the way towards building economic opportunities and resilience for an improved quality of life in Akkar. This requires commitment from local governments to position themselves as key public sector

partners and mitigating internal and functional gaps. Considering their limited public resources, local authorities could leverage/channel foreign assistance into productive sectors and engage in strategic planning for LED activities.

Findings of the Assessment

Summary of the main challenges reported in the Dreib region:

- Regulatory contradictions and overlapping mandates between municipality/UoM and sectoral mandates of line ministries
- Lack of strategic vision
- Budget of both the unions and municipalities is limited, restrictive, and not adjusted to the current inflation
- Lack of qualified staff and experts
- Lack of capacity to respond to emergency
- Not able to maintain delivery of basic services
- Lack of investments in the area
- High reliance of the unions on the international community and NGOs
- Lack of coordination between subnational authorities and ministries
- High Syrian refugee influx
- Agriculture and tourism: two sectors that have been undermined by the lack of strategy and the neglect of the cooperatives, unions, and local actors
- Shortage of fuel, severe electricity cuts, weak internet

The case studies evidenced a major performance gap in the LED sector under all indicators. Overall, all three UoM have scored close results as they seem to face similar challenges. Participation and Effectiveness scored higher than the Accountability and Equity indicators, resulting in a markedly lower ranking. The Dreib unions are highly

active in terms of initiating projects and engaging in various activities, often with the support of local and international organisations. This flexibility makes them primary focal points within their areas beyond the LED sector, thereby contributing to increasing the Effectiveness dimension.

However, the impact of their activity is hardly sustainable. For one, the coordination between local authorities and national government agencies is very weak. Also, in terms of availability, accessibility, and maintenance of services, all UoMs reported capacity gaps. Local governments are small, understaffed, and financially unsustainable. They rely on equalisation payments from the national government, dispensed by the IMF. Payments are in the form of national government support financed through tax revenues and fees. The tax collection rate is reportedly between 50–70%, but the unions' dire finances indicate that this is a high overestimation.

In addition, local governments use outdated management systems and lack technology, technical, and human resources to plan and implement public services. All three unions expressed a need for qualified and trained staff, such as engineers, technicians, and accountants, as well as the proper equipment and administrative systems⁸.

Regarding the relationship between local governments and the community, the head of unions stated that they maintain a close relationship with their community and that the municipal/UoM council meetings were

⁸ With the assistance of MASAR/PCPM, the unions have benefited from GIS, which has proved its efficiency in terms of LED planning and implementation.

open to the public. However, this information could not be verified. As far as LED-related activities are concerned, the UoM's reportedly engaged with their civil society members in livelihood-related activities focusing on agriculture, handicrafts, and tourism (some of which through PCPM support), which created employment opportunities. This openness further contributed to increasing the Participation dimension. However, it rarely translated into participatory governance and decision-making.

As for Accountability, the Access to Information (ATI) law was enacted in 2017 and further operationalised in 2020, ensuring citizens' participation in the accountability process. The law compels municipalities and public administrations to publish, *inter alia*, their budgets, decisions, and financial statements. This transparency and accountability model is critical for the effective implementation of LED projects, leading to enhanced trust between governmental entities from one side and civil society and private sector from the other side. However, very few local governments comply with the law, and many claim not to be aware of it. Dreib El Awsat was the only Union to have a well-developed website (<http://dreibalawsat.gov.lb>)⁹. Both Dreib El Gharbi and Dreib El Chemali UoMs have a Facebook page and rely on WhatsApp groups to disseminate selected information, but not necessarily to enact the provisions of the ATI law.

In terms of opportunities, the field interviews shed light on the important role of cooperatives. The financial crisis triggered a renewed interest in agriculture, prompting

many small landowners toward farming for self-sufficiency purposes. Many of them, however, have no intention of expanding to a bigger scale¹⁰. Surprisingly, the head of Unions did not mention nor highlight the role of cooperatives, even though they noted the potential that agriculture has.

Agricultural cooperatives can be essential for small, medium-sized, and large LED projects. They are also more likely to attract external funding. Cooperatives often receive tools and equipment, e.g., processing, packaging, and storage equipment such as fruit/vegetable juicers, glass jars, irrigation system fittings, pesticide power sprayers, plastic food storage bins, and plastic food grade crates, in the form of in-kind donations. Specialised organisations often support and train cooperative members to ensure their suitability for the international market.

In this light, providing local governments with technical assistance and support on these topics, including building and improving their LED expertise and capacities, could help them engage further in the LED sector. Support programmes should emphasise the role of cooperatives and SMEs in the area due to their primary role in generating revenues for women and youth, which is a core component for most donors allocating funds in Akkar. This approach will enable the integration of vulnerable host communities and refugees, reduce the tensions between the two parties and stimulate the diaspora's contribution to the area.

The private sector, marked by a strong social conscience, can also take the lead to unlock

⁹ This website was developed by SKL International, the international cooperation and development branch of the Swedish Association of Local Authorities and Regions.

¹⁰ WFP& PCPM. (March 2020). *Evaluation of Cooperatives*.

potential economic opportunities in the area while local governments can facilitate the way forward. Promoting public-private partnerships (PPPs) will be a key component of the sustainable growth of the LED sector by mobilising private capital and expertise.

As part of the reforms to unlock foreign aids, particularly the 2018 CEDRE conference, the Lebanese government passed PPP Law No. 48 in August 2017. To rejuvenate economic development in the country and attract foreign investments, the law improved the previous PPP regulations to set them closer to international standards and increase the transparency and efficiency of PPP processes. However, the law overlooked small-scale and urgent PPP projects executed by local governments as it does not integrate an appropriate process for their implementation. Therefore, to allow local authorities to stimulate local development with the private

sector, steps should be taken in terms of creating a favourable setting for this partnership, including restructuring the process for small PPP projects implemented by local governments, improving the knowledge of municipalities staff on the PPP Law No. 48, promoting joint infrastructure projects, and intensifying the law's transparency measures. Moreover, the engagement of civil society members and NGOs and the full intervention of relevant stakeholders should be geared to play a vital role in implementing transparency measures. The activation of a complaint system for PPP processes could also serve to ensure transparency¹¹. The adoption of the 2014 Administrative Decentralisation Bill will further provide an enabling environment for sub-national governments to engage with the sector and lead sustainable LED policies and projects.

¹¹ DRI. (2019). *Lebanon's Progress on Public-Private Partnership and the Role of Local Authorities*.

Recommendations

The following recommendations are based on the main findings of the assessment of the Dreib UoMs in Akkar. These interventions will serve as a coping mechanism to spur local development and mitigate the impact of the country's compounding crises on the area.

	KR	Implementer
Establish an enabling environment for cooperatives in the area by supporting the existing ones and promoting their development	Empower agricultural cooperatives through: <ul style="list-style-type: none"> • Value chain training, seedings, and tools for better-quality production (quality control) and marketing. • Providing market linkage to the local and international markets. • Training in food processing and the agro-food business. • Providing, via cooperatives, incentives to farmers to increase their production for market purposes. 	Local governments Donors, I/NGOs LARI MoA MoET CCIAT
	Facilitate partnerships between cooperatives and farmers. Support the formation of cooperatives and develop a marketing strategy cooperating with the private sector to promote agro-food. Provide the necessary infrastructure to maintain agricultural production and facilitate its marketing (cooling and packaging centres).	LARI MoA CCIAT WFP Local governments
Identify potential sectors that contribute to LED and generate job opportunities for local communities, particularly vulnerable people.	Promote and invest in eco-tourism. The value chain of eco-tourism is promising, and partnerships must be sought regarding forest management, reforestation, and tourism development. Activities include the creation of hiking trails, clean-ups, road rehabilitation, and creation of eco-lodges and restaurants.	MoT Donors (FAO, WFP, UNDP, EU, AFD, USAID) Local governments
	Focus on the agriculture and agro-food sectors as major contributors to job creation. This support should target MSMEs, cooperatives, individuals and other key actors operating in the value chain while ensuring sustainable development and reducing informalities in the sectors.	UN agencies NGOs Donors

	KR	Implementer
	Integrate and leverage the expertise of hosted refugees in agricultural and food processing activities to support the most vulnerable communities and increase the chances of donor access to finance.	Private sector Donors
	Empower young and female entrepreneurs by linking them to microcredit agencies, mainly food processing, agro-food, and small-scale handicrafts. Young and female entrepreneurs generate employment in innovative sectors.	CCIAT Donors, I/NGOs
Provide technical assistance to local governments and UoMs by conducting relevant trainings for its members and implementing efficient financial mechanisms	Adapt a cost-sharing mechanism between UoMs and co-share different human capital, resources, and assets. Cost sharing will allow local councils to achieve efficiency gains at scale. An inter-municipal/UoM task force should review individual resources and decide on reallocation as part of a common pool.	UoMs, municipalities
	Train municipal personnel on proposal and grant writing and organise networking events with I/NGOs to secure external funding. This could be expanded to provide technical assistance for local governments to operate with high efficiency.	Donors Local NGOs
Empower local governments through the adoption and implementation of regulatory frameworks	We are implementing and mainstreaming ATI in local governance in terms of annual reporting, proactive disclosure, and appointment of Information Officers.	Local governments MoIM I/NGOs
	Empowering local governments through: <ul style="list-style-type: none"> • The adoption of the 2014 Administrative Decentralisation Bill. • The revision of the municipal taxation system, among other things, by providing legal guarantees against tax evasion. • The promotion of private-public partnerships (PPPs) and activating the 2017 PPP Law. However, the law is not suited to small and medium-sized local governments like the ones in Akkar. 	MoIM, Parliament IDAL Local governments Donors

	KR	Implementer
Foster the role of local communities and diaspora through social dialogues, public events, and continuous communications with the different actors/members.	Strengthen the role of the diaspora in the LED sector. This includes maintaining a trustful relationship and ensuring continuous communication with the Lebanese diaspora. They are key to economic development and foreign investments, particularly in their villages.	MoFA Local governments
	Promote social dialogue by regularly organising public consultations and town hall meetings with local community actors and volunteers. Social dialogue is important to garner the community's support, hear citizens' concerns, and adapt programmes accordingly. These meetings should be recorded, and their takeaways made available to all citizens.	Local governments I/NGOs
Improve coordination between the different sectors operating in the area	Conduct coordination meetings between local governments and the different stakeholders based on their scope of work and programs to keep track of all support activities conducted in the area and address the current needs.	Local governments Cooperatives/MSMEs Local and international NGOs UN agencies and donors
	Mapping the initiatives, programmes, and projects implemented in the area and ensuring coordination between the different actors to join efforts and prevent duplication.	Local and international NGOs

Democracy Reporting International – Lebanon Office

Farhat Bldg., 7th floor, Palace of Justice Street
Beirut / Lebanon

T/ +961 (0)1 427 504/5

F/ +961 (0)1 427 504

info.lebanon@democracy-reporting.org

www.democracy-reporting.org/lebanon