

Evaluation Summary

Final Evaluation of the WATAD Project in Lebanon

Country: **Lebanon**

Sector: **Livelihoods**

Evaluator: **Key Aid Consulting**
Date of the evaluation: **June – September 2023**

Key data on AFD's support

Project number : CLB1100

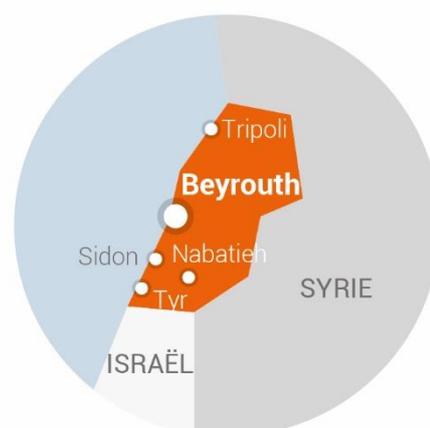
Amount: 1,049,732 EUR

Disbursement rate: 100%

Signature of financing agreement: 2019

Completion date: April 2023

Total duration: 39 Months



Context

Lebanon faces an ongoing economic crisis since 2019, with surging inflation and currency devaluation, compounded by the COVID-19 pandemic, the 2020 Beirut port explosion, and political turmoil. In Tripoli, Lebanon's second-largest city, a 60% poverty rate and intercommunal tensions prevail, especially in the neighborhoods of Bab al-Tabbaneh and Jabal Mohsen. Unemployment is high, and most businesses lack financing and operate informally. Supporting business development and job creation in this vulnerable area had potential to prevent and overcome the effects of the crisis.

Actors and operating method

The WATAD project was financed by AFD through the Minka Fund and was implemented by Ruwwad Al Tanmeya as part of AFD's localisations objectives.

The initial grant size amounted to 749,732 EUR allocated over a 24-month period in two instalments. Due to the depreciation of the Lebanese pound, a no-cost extension until October 2021 was planned. As the value of the grant continued to erode, a top-up grant of 300,000 EUR with a 10-month extension was granted in September 2021 through a contract amendment.

Objectives

The aim of the Work Acceleration in Tripoli towards Advancement and Development (WATAD) project was to improve the socioeconomic conditions of the vulnerable populations of the neighbourhoods of Jabal Mohsen and Bab al-Tabbaneh in Tripoli by meeting three specific objectives: supporting the local economy through enterprise creation and support for existing businesses, strengthening the capacity of NGO Ruwwad AL Tanmeya and improving social cohesion between communities by reducing frustration linked to poverty.

Expected outputs

- Creating and supporting start-ups
- Creating and developing MSMEs
- Community capacity building and NGO sustainability

To achieve outputs project activities consisted in providing business training to 109 beneficiaries, of which 62 were selected to receive an in kind grant.

Performance assessment

Relevance

Stakeholders agreed that the project was relevant amid Lebanon's economic crisis, though regular skills assessments would have been beneficial for crisis adaptation. The training aligned with best practices, employing an inclusive selection process based on motivation. This approach was seen as fair, maintaining a balance between vulnerability and potential for success. Adaptations made to the project were timely and consistent with those of other actors in the field.

Effectiveness & Impact

Most participants valued the project's training, especially one-on-one coaching. Quantitative data showed a significant income increase for businesses, particularly amongst women, although their earnings remain behind those of men. Sixty-six percent of beneficiaries reported improved economic situations, with 96% of supported businesses still operational at the time of the evaluation, preserving 254 jobs. Social cohesion, though not directly addressed in project activities, appeared to improve among beneficiaries, with enhanced inter-communal relations compared to UNDP benchmarks. This suggests a positive link between reduced poverty, improved security, and social cohesion.

Efficiency

Despite challenges caused by the economic situation and pandemic, the project succeeded in completing the procurement process, prioritizing needs and quality over cost. The use of in-kind grants facilitated efficiency gains, allowing the project to support more people within the same budget. The WATAD project contributed to two of the three localisation pillars within the Shabake program. Ruwwad staff reported increased confidence in procurement and financial compliance due to their collaboration with AFD. Localisation initiatives require a sustained involvement from donor staff.

Sustainability

The project's sustainability is closely linked to its strategy of selecting promising businesses, but it lacks a clear exit plan. Most beneficiaries are confident about continuing their operations, with 80% reporting business expansion. Half plan to rely on NGO support for future financing, and 46% aim to formalize their businesses. Ruwwad staff feel capable of replicating the project's success, citing soft skills gained during the program to be as valuable as technical skills. The WATAD project has increased the capacity and willingness of Ruwwad to engage in long-term direct partnerships with donors such as AFD.

Added value of AFD's contribution

AFD's flexibility and adaptability played a vital role in adjusting the project to the evolving context, ensuring its continuity and impact. This was made possible by AFD's deep understanding of the local context, a strong partnership with Ruwwad founded on mutual trust and productive collaboration, and leveraging established procedures from the Minka Middle East Support fund. The relationship that developed between AFD staff and Ruwwad throughout the project significantly contributed to positive localisation outcomes.

Conclusions and lessons learnt

The project effectively met the needs of the target population in Lebanon, with AFD adapting swiftly to changes in the local context. The partnership between AFD and Ruwwad was successful in achieving project goals and promoting localisation, yet engaging with other donors and international organizations can be further integrated into future projects.

Overall, the project had a positive impact on supported businesses, resulting in increased investments, sales and employment opportunities. A more gender-sensitive approach is needed to address distinct challenges faced by women and men in Lebanon.

While the project contributed to social cohesion, its direct effects remain unclear due to limited monitoring in the area. The choice of modality was efficient and well received by the community. The project shows promise for lasting positive impact in Lebanon.

Key recommendations to improve similar future projects are: better integrating cross cutting themes such as gender, inclusion and decent work, formalising social cohesion objectives, establishing demand-driven capacity building plans for the supported NGO and recognising that localisation is a resource intensive activity that requires adequate budgeting and a dedicated team.