OVERVIEW AND BACKGROUND

This report contextualizes and provides a summary of the presentations and discussions that took place on May 9-12, 2017 in Beirut, Lebanon, during the 2nd Annual Peer-to-Peer Learning Workshop of the Mediterranean Host Municipalities Learning Network, which focused on “Improving local economic opportunities for host communities and refugees”. The document outlines the key findings and takeaways drawn from this event. The full conference program as well as the detailed sessions reports can be viewed here.

This second annual event of the CMI Host Municipalities Learning Network was hosted by the Government of Lebanon and organized in partnership with the World Bank, UN-Habitat, the German Technical Cooperation (GIZ), and United Cities & Local Governments- Middle East & Easter Asia (UCLG-MEWA). It aimed to build on the previous discussions and deepen exchanges on how host local governments and communities, with the support of central governments and the international community, can increase local economic growth and create job opportunities, while continuing to provide resources, infrastructure and services for the common welfare of citizen, refugees and the most vulnerable. Participants explored key local levers of action such as: stimulating entrepreneurship and attracting private investors; improving matching of labor demand and supply; providing housing and urban amenities; strengthening social cohesion.

DETAILED SUMMARY OF PLENARY PANEL DISCUSSIONS

OFFICIAL OPENING

H.E. Mouin Merehbi, Minister of State for Displaced Syrians, Lebanon opened the workshop. He emphasized the dire need for response to refugee crisis and recognized the role of municipalities as first respondents to this crisis. He stressed that poor people are hosting poor refugees (67% of poor population in Lebanon are hosting 87% of refugees) and therefore, development plans for these host communities are critical. He mentioned that the monetary impact of the crisis is around $18 million and the amount of international aid to Lebanon was $6 billion over 6 years, which is less than half of what is needed. With this, he also called upon international agencies to boost their assistance to support development in host communities including remote areas.
Kanthan Shankar, Acting Country Director for the Mashreq, the World Bank, also emphasized the need for action given the nature and scope of the challenge. Jordan, Lebanon and Turkey together host around 6 million refugees, with Lebanon hosting highest per capita refugees. He stressed that the municipalities are on the frontline and the World Bank Group is committed to provide support to response to these challenges. He mentioned the concessional financing facility of the World Bank (1.5 billion dollars), which is helping the governments to access funding for responding to refugee challenges.

Both Tarek Osseiran, Country Programme Manager Lebanon, United Nations Human Settlement Programme (UN-Habitat) and Heidi Gutsche, Senior Adviser Global Programme Refugees, Gesellschaft für Internationale Zusammenarbeit (GIZ) also echoed the concerns and their support for responding to the crisis, including through supporting CMI Host Municipalities Network.

**Moderated Panel Discussion: Summary of the Country Context for Host Local Governments in Jordan, Lebanon and Turkey**

The panel, moderated by Line Rifa (Journalist, France 24), brought together representatives from Lebanon (Nasri Osman, Head of Baalbeck Union of Municipalities), Jordan (Haneen Hassouneh, Sarhab Municipality), and Turkey (Leyla Sen, UCLG-MEWA). The panelists presented the challenges municipalities in the three countries are facing: (i) additional pressure on services, especially housing, electricity, water, local infrastructures, education (construction of new schools, double shifts, transportation for pupils); and (ii) unemployment and competition over jobs between locals and Syrians, especially in Jordan where skills are often overlapping (important number of skilled artisans among Syrians). They also emphasized that an important part of the efforts of hosting refugees was led by municipalities. In Turkey, which hosts 3 million refugees, municipalities hosting high number of refugees have established community centers granting access to legal support, language courses, vocational training, child care, etc. Consultation processes have also been set up through dialogue platform allowing to understand local communities and refugees’ concerns and needs. In all three countries, municipalities have led training sessions for refugees and local communities, and more work permit were given to Syrians. However, Leyla Sen noted the occasional negative perception by Syrian refugees towards professional training, due to the absence of follow up on job opportunities. The panelists recommended that donors and NGOs should work and support municipalities directly, given the very high percentage of refugees living within host communities, and not in camps.

**Year in Review of the Host Municipalities Network: Challenges and Innovative Solutions from the Mashreq, Turkey and Beyond**

Janette Uhlmann (Senior Program Officer, CMI), presented the year’s activities of the network, which involved 5 countries (Lebanon, Jordan, Turkey, Iraq and Palestine), 80 local governments, 100 participants to various activities including the first regional workshop in Amman (May 2016) and technical workshops on: (i) solid waste management, focusing on public-private partnership and innovative solutions (workshop in Bethlehem, Palestinian territories, and follow up webinar); (ii) social cohesion (workshop in Sanliurfa and Gaziantep, Turkey, and follow up webinar). A private Facebook group bringing together the members of the network was created, and upon a first year’s experience, will slowly move to a dedicated online collaborative and knowledge sharing platform. Finally, the CMI developed the compendium „Mediterranean Host Municipalities Network. Best practices in Hosting Refugees“ (accessible here), a collection of twenty experiences from Jordan, Lebanon, Turkey and Palestine in different areas including governance, social cohesion, labor market integration, solid waste management, housing and urban planning. Three experiences described in more detail in the compendium were presented: an initiative by the municipality of Al Qaraoun( Lebanon) which provides
training on cooking and sewing for women; the Community Center of the municipality of Sultanbeylı (Turkey), which brings together refugees and host communities to benefit from assistance and activities; and a Community Course Center implemented by the municipality of Zaatari (Jordan), which provides training in sewing, computer skills, literacy and cosmetology for Syrians (more info on the initiatives here).

RESULTS OF CMI SURVEY ON LOCAL ECONOMIC DEVELOPMENT AMONG THE HOST MUNICIPALITIES NETWORK

CMI recently conducted a survey on the challenges and accomplishments of the participating host municipalities regarding local economic development and job opportunities in the context of the Syrian refugee crisis, whose results were presented by Sara Bougedir (Urban consultant, CMI). Among the municipalities participating to the event, 19 responded from Jordan, Lebanon and Turkey. The large majority of participating municipalities estimated that the refugee crisis had an important impact on the economic performance of their town. The three main challenges mentioned were the lack of financial resources and capital, high unemployment rates, and the lack of good infrastructures. Increased private investment at the local level (from national or international sources) was identified by the majority of participants as the main key lever to improve local economies. The respondents mentioned several key actions they are undertaking such as vocational/professional training, support to the employment of women, and proposed solutions they wish to develop: encouraging home-based businesses, increasing infrastructure investments, supporting small and young businesses. As most municipalities observed high unemployment rates in their town, the main causes mentioned for unemployment among refugees and host communities were the lack of job offers, difficulties to obtain work permits, the insufficient or inadequate skills of refugees, and the information gaps (for both employers and job seekers). Proposed solutions given by most respondents were: providing training and education to refugees, encouraging entrepreneurship and home-based businesses, and improving data on refugee skills and education. Finally the municipalities confirmed their need for additional training and capacity building.

Theme 1- CREATING JOB OPPORTUNITIES FOR HOST AND REFUGEE COMMUNITIES (CO-ORGANIZED WITH THE WORLD BANK)

The panel moderated by Haneen Sayed (Program Leader, World Bank) discussed the challenges for refugees to have job opportunities. She highlighted the fact that in Lebanon, unemployment rates – especially for youth and women- were already high before the refugee crisis. The local government representatives explained the challenges and impacts of the crisis. For example, as explained by Mohammed el Bast (Head of Union of Central Bekaa, Lebanon), the Governorate of Bekaa, due to proximity with Syrian border, receives high number of refugees and as a result, today the number of Syrian refugees exceeds the Lebanese population. This has huge impacts on service delivery and availability of housing and jobs. At the same time, the local governments representatives also talked about efforts to reduce tensions and recognized the need to address issues of unemployment and provide economic opportunities for refugees. For example, there are shops and businesses owned by the Syrian refugees in these municipalities. They stressed the importance of planning for economic development and generating new economic opportunities for both host communities and refugees. Maha Katta (Crisis response Coordinator, ILO, Jordan) provided an overview of the challenges for Syrians to have decent jobs in Jordan, especially the factors causing the high number of informal Syrian workers: the seasonal nature of the work, the lower cost of informal work for employers, certification issues (non-recognition of high skills among Syrians). She acknowledged the important effort of the Jordanian government to facilitate Syrians’ access to the formal labor market, following the London conference (February 2016): 50,000 work permits have been granted to Syrians (mostly in the agriculture sector); and an agreement with the European Union has been made to facilitate the entrance into the European market of Jordanian goods produced with a minimal number of Syrian labor force (from 15% to 25%), in
Theme 2- Stimulating Entrepreneurship and Private Investments in Host Communities (co-organized with the World Bank)

Chaired by John Speakman (Advisor, World Bank), the panel discussed opportunities to stimulate entrepreneurship and private investment in the Syrian refugee crisis context, from the point of view of both the private sector and local authorities. The panelists discussed the challenges for Syrian businesses: in Turkey, most of Syrian businesses are not officially registered, and Syrian businessmens’ lack of knowledge of Turkish existing regulations and also incentives – the Turkish language being an important barrier –, as shown by a study led by the Syrian Economic Forum (Rami Sharrack, Gaziantep). The latter also helps Syrian businesses in continuing their activities during the conflict, including through maintaining export contracts, databases and information on clients and consumers. However, the panelists acknowledged the important economic opportunity of the presence of Syrian entrepreneurs for host countries: Syrians can bring capital, new markets, and know-how, especially from new industries and sectors, and as stated by Fadel Labadi (Manager of Industrial Development Department, Chamber of Industry in Amman, Jordan), they “have created a trade network around the world that is highly valuable”. In Turkey for example – where 51% of businesses from Syria chose to settle- they contributed to the development of certain industries such as the shoes industry in Gaziantep which was revived in link with existing Syrian skills, and contributed to the general local economic attractiveness and creation of jobs. Fuat Özharat (United Cities Local Governments Coordinator, Gaziantep, Turkey) acknowledged that local economies can benefit from the inclusion of refugees in trade and in the economy in general – being potential consumers and investors. The panelists recommended to support maintaining existing Syrian businesses, to provide better information on local regulations and incentives, and to encourage export opportunities for Syrian businesses, as both local communities and refugees can benefit from Syrian entrepreneurship through job opportunities and investments.

Theme 3- City and Neighborhood Profiles and Strategies: A Tool for Providing a Solid Platform for Joint Programming, Collaboration and Enhanced Role of Local Governments (co-organized with UN-Habitat)

The Panel discussion moderated by Hart Ford (Country Director, ACTED, Lebanon), focused on a methodology developed by UN-Habitat in Lebanon – the City and Neighborhood Profiles and strategies, which consists of multi-sector in-depth analysis of neighborhoods and cities, and set of recommendations, developed in a participatory manner in coordination with local stakeholders, including municipal and local authorities, public agencies, NGOs and local residents. The methodology was applied to Tripoli, Lebanon, and is being developed in 6 other areas in Lebanon. It aims at shedding the light on local challenges, allowing to design a targeted and coordinated response. The following challenges for a municipality such as Nabatieh, Lebanon in regard to the Syrian refugee crisis where highlighted by Rabih Takech, (municipal councilor): difficulties in the delivery of public services (water, electricity, health, social security, waste); competitions on the labor market between Syrians and locals, in particular from seasonal informal workers. A similar strategic approach was developed by the municipality of Sultanbeyli, Turkey, a locality in Istanbul which hosts an important proportion of migrants and refugees, as presented by Halil Ibrahim Akinci (Director of Strategy Development of the
Municipality: the municipality developed a database on the refugees’ needs and socio-economic profile, in collaboration with local NGOs and international organizations, and it collaborates on a day to day basis with local stakeholders through its community center. However, it was pointed out that such approaches, like city profiling studies, are strongly based on existing capacities of municipalities, especially their capacities to collect data, which is often lacking. All panelists recommended for NGOs and international organization to work directly with municipalities on local issues, which would both allow to build on their existing resources, and to improve local authorities’ capacities in the process. Finally it was recommended for municipalities to establish more partnerships with the private sector to tackle the issue of unemployment.

Theme 4 - Strengthening Social Cohesion as a Key Component of Local Economic Development (co-organized with the GIZ)

The panel, moderated by Aline Rahbani (Urban Programming Advisor, World Vision International), focused on social cohesion as a component of local economic development in the Syrian refugee crisis context. The municipal panelists pointed out the challenges, such as the high unemployment rates in their communities and the competition for jobs with Syrians which cause social tensions. The difficulty for private investment by Syrians due to the difficulty to obtain a loan was also highlighted. However, Nasri Osman, Head of Baalbeck Union of Municipalities (Lebanon) considered the opening by Syrians of 360 small businesses (shops and workshops) in Baalbeck as very encouraging. The latter also presented initiatives led by the municipality consisting of activities and training bringing together host and refugee communities, such as sports, computer training, and sewing classes. Such actions were also developed by the municipality of Sarhan (Jordan), which formed committees where Syrians and Jordanians were associated to coordinate municipal services questions such as waste collection. The International Rescue Committee (represented by Naim Frewat, Economic Recovery and Development Coordinator) used their livelihood centers in Lebanon - which provide economic support to refugees and host vulnerable communities alike - to strengthen social cohesion: they rented the centers from local landlords and opened their doors to all nationalities. The municipality of Sarhan also presented their successful experience in attracting private businesses and creating jobs: they reached out directly to about 50 private companies, and offered incentives for settlement in their city, such as land and labor forces, with the support of the Jordanian central government. Three plants where created – among them pickle industries transferred from Syria - exporting their products and providing 750 jobs for Jordanians and Syrians. The other panelists and the audience expressed their interest in learning more from this successful experience and exchanging directly. Ali Afan, former mayor of Sarhan, recommended to provide incentives for private investors: simplify regulations and processes of the local administration; land facilitations; skilled workers. Finally, the panel recommended for municipalities and NGOs to develop training programs, including on soft skills, that has a long term objective (building incentives for a specific sector).

Technical visit to Saida

The participants joined on May 11 a technical visit to Saida, co-organized by UN-Habitat and the Municipality of Saida. Introduced by Mayor Mohammad Seoudi, the visit consisted of several initiatives within the old town of Saida, including a community restaurant which provides training and employs women from different nationalities, the “Outreach and leadership Academy”, which provides professional training and office space for entrepreneurs, the Audi Soap Museum, as well as the retrofitted parts of the old city. Finally, the group visited a densely populated building hosting 1200 Syrians in the outskirt of the city.
WORKING GROUP SESSIONS RESULTS: PRIORITY ACTIONS

The survey of participating municipalities as well as our working group sessions during the full event allowed to collectively identify challenges and priorities. In the final Host municipalities network Action Planning session, the outcomes of all workshop sessions were clustered in current challenges and objectives in order to identify synergies between host municipalities, and to define priorities, summarized as follows:

- **STRATEGIC PLANNING AND POLICIES FOR LOCAL ECONOMIC DEVELOPMENT**
The large majority of participating municipalities estimated that the refugee crisis had an important impact on the economic performance of their town. The main challenges mentioned were the lack of financial resources and capital, high unemployment rates, and the lack of infrastructures. The adoption of more integrated strategic planning approaches - through well informed economic strategies – was considered as the first important step to respond to the challenges. The need for improved municipal capacities in strategic planning was highlighted. Such approaches would allow for better consistency between investments in infrastructures, attraction of private sector, job creation, and above all, a clear strategy would better channel external financial support and investments.

- **PRIVATE SECTOR OPPORTUNITIES**
Increased private investment at the local level was identified by the majority of participants as the main key lever to improve local economies. Municipalities called for support to develop their capacities for better approaching investors (through communication, marketing resources), and reflected on potential incentives they could develop to attract private investors (through local taxes, land supply, existing skills among refugees and locals). The development of entrepreneurship and home-based businesses was also seen as one of the solution to tackle unemployment among refugees, and participants mentioned the need to create a better environment (through administrative simplification, financial instruments) for micro-businesses.

- **SKILLS AND CAPACITY DEVELOPMENT**
One of the main causes mentioned for unemployment among refugees and host communities were the insufficient or inadequate skills of refugees, and the information gaps (for both employers and job seekers). Overall they recognized the need to better match existing skills among refugees and locals and market opportunities, through in particular: tools to insure a better match (database at municipal level on refugee skills and education); the development of vocational training offers consistent with existing sectors; and the opportunities of existing skills among Syrians (marketing argument, transfer of skills to locals).

- **REGULATIONS AND POLICIES**
Finally, municipalities acknowledged that a number of challenges they faced were also structural. They need advocacy and action at the national, regional and international levels. Issues such as lack and limits of big infrastructures, lack of trust of the private sector in governmental institutions, lack of affordable land and housing for refugees, employment regulations insufficiencies (minimum wage, work permits, licenses), were mentioned as obstacles for local economic development. Municipalities advocated for reinforced attributions and resources to be dedicated to them.
During the final session participants discussed the priorities that have been identified along the workshop in working groups, and Nicolas Meyer (Knowledge and Learning Officer, CMI) proposed to follow up on the most urgent and important priorities through a methodology that allows municipalities to identify obstacles/barriers preventing them to reach their objectives (“bottleneck analysis”). The participants then brainstormed on follow up actions for the Host Municipalities Network, around the following ideas:

1) The Host Municipality Network as a resource for action:
   - The Municipality Network could work on 2-3 priorities themes as they came out of the discussions: Strategic planning and policies for local economic development, Private Sector Opportunities, Skills and capacity development. They could form working groups per specific thematic, and work along the bottleneck analysis, to develop pilot actions together. CMI can facilitate and accompany this work, and keeping the community engaged.
   - Municipal representative could play the role of experts for each other: by sharing their experience on specific projects, including through dedicated training session or in the form of twinning between different cities for example. For example, the municipality of Zarqa (Jordan) has proposed to develop such training (on strategic planning, waste management, preparation of municipal budget).
   - The Network members can play the role of “peer reviewers” during the design and implementation of project by municipalities. The municipalities could share project proposals or project implementation report to get feedback from the network, and be stronger prepare to market their project to donors.

2) Sharing and receiving Knowledge and know-how resources:
   Participants expressed their interested to continue sharing knowledge and resources, especially on:
   - Detailed process description on how to attract private investors and strengthening private sector engagement, through (incentives, procedures, etc.), based on experience of successful municipalities
   - Develop Strategic planning: receive strategy templates and examples that can be used and replicated
   - Have better ways to share material and lessons learnt from the Host Municipalities Network with their own network at home.

3) Need for Capacity building for municipalities:
   The represented municipalities expressed their interest to receiving targeted training to improve their staff capacities in the following areas:
   - Strengthening social cohesion
   - Strategic planning: on how to identifying priorities, collect data, crisis management
   - Drafting project proposals to donors
   - Run Monitoring and Evaluation processes

Finally, Nicolas Meyer presented a new online collaborative tool which could be used by the Network to foster all of the above proposals: Cooperation for development. The platform allows to assign projects to sub-groups, generate discussions and collaborative work, and foster knowledge sharing amongst members. CMI will accompany the group to join the platform and follow up on the proposed action items.