Mediterranean Host Municipalities Learning Network – Online Training Workshop series

“Jobs, Entrepreneurship and Private Sector Engagement in Host Communities: adapting to the COVID-19 crisis”

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Workshop 2: Fostering employment and entrepreneurship for locals and refugees: new challenges from COVID-19 crisis for host local authorities – Part 2 - June 17th, 2020

Summary of Discussions

In preparation for the 4th Annual Peer-to-Peer Learning Workshop of the Mediterranean Host Municipalities Learning Network (HMLN) and to answer the new learning needs of HMLN members in the context of the COVID-19 crisis, the Center for Mediterranean Integration (CMI) and World Bank in collaboration with partners are organizing a series of 3 technical online training workshops. The online series will provide representatives of central and local authorities and development partners an opportunity to learn from current experiences and active collaborations for stronger job creation and private sector engagement in contexts characterized by forced displacement, and exchange on challenges deriving from the COVID-19 pandemic and current measures to counter the sanitary crisis and its spillovers on local economies.

The second session of the series was held on June 17th and focused on “Fostering employment and entrepreneurship for locals and refugees: new challenges from COVID-19 crisis for host local authorities”. This document presents:

- Summary of main takeaways from the event
- Detailed summary of speakers’ presentations and interventions.
- Overview of live poll results and open discussions including: municipal suggestions and solutions to support business creation and operation in the aftermath of the COVID-19 crisis.

This Online Training Workshop Series is part of the knowledge exchange and learning request of the Host Municipality Learning Network. It is organized by the Center for Mediterranean Integration (CMI) and the World Bank Group in collaboration with Agence Française du Développement (AFD), Consultative Group to Assist the Poor (CGAP), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), International Labour Organisation (ILO), United Cities Local Governments – Middle East West Asia (UCLG-MEWA), World Academy for Local Government and Democracy (WALD), UN Habitat, UNHCR. Since June 2016, the CMI coordinates the Mediterranean Host Municipalities Learning Network as part of the Mediterranean Refugees and Host Communities Program with the aim to support host local governments with evidence-based knowledge and Capacity Building to improve their response capacity for forced displacement.
Main takeaways of workshop discussion

This second online workshop of the training series gathered together 101 representatives of local authorities and development organizations to continue the discussion on the impact of the COVID-19 crisis on host communities, challenges and responses from local authorities, and how to create job opportunities for locals and refugees alike by improving the local economy in the aftermath of the COVID-19 crisis.

The following points were raised during presentations and open discussions:

- **The COVID-19 pandemic is a challenge for local authorities and is especially felt by vulnerable and displaced populations, calling for inclusive approaches.** Municipalities are taking on far more tasks and burdens than their initial mandate requires, and without added financial support from national level. Results from studies and testimonies from participants indicate that local authorities in Iraq, Lebanon, Jordan and Palestine are fully engaged in the COVID-19 response despite the limited resources and the lack of technical capacities and experiences to deal with such a crisis, resulting in less efficient results. As youth, women, and displaced are among the most touched by the crisis, inclusive approaches are needed in municipal services and income-generating projects, so to lower the local poverty level and make local policies and actions beneficial for the short and long term. Local strategies should be targeted to all those who are vulnerable, including refugees, displaced, and local workers of the informal sectors who lost their jobs following the lockdown measures. Inclusive approaches are also part of the role municipalities have in reducing community tensions. To have updated information about vulnerable groups, data collection and updated databases are essential. The use of databases and digital monitoring tools would also help collaboration with other actors, make projects more targeted and easier to implement and avoid duplications.

- **Financial inclusion and digital financial services are more relevant than ever and play a role in mitigating such crises.** Remittances can help cope with shocks and stimulate economic activity at community level and savings, and credits and insurance can help increase resilience of the most vulnerable. Therefore, the digitalization of these services is essential in times of pandemic-induced lockdown. Digital cash transfers have been proven to be particularly relevant in the COVID-19 global response to revive the economy of affected countries, and to allow the most vulnerable people to access livelihood. Municipalities can have a big role to play in digitization by accelerating the development of the digital infrastructure (including for financial services), offering municipal digital services to citizen (e.g.: launching a number of automated services to facilitate citizens’ operations online), and digitalize municipal processes (online municipal staff meetings and online operations). Municipalities can also potentially weigh in during the process of transfers for funding of projects, to avoid the risk of corruption, by ensuring a transparent procurement process.

- **Municipalities are crucial to the success of development projects through their active collaboration with local and international actors.** Local authorities can leverage on the role of NGOs, volunteer groups and civil society in reinforcing their municipal activities and efforts to reduce the spread of the pandemic and mitigate its economic and social effects. Collaborations between sectors and between local governments, civil society and international organizations have increased to counter the effects of the COVID-19 crisis, and in some cases became stronger, resulting in a positive outcome of the
COVID-19 crisis. Coordinated responses and sharing of findings with all actors involved increase efficiency and leads to stronger and better results. As municipalities know best their communities and their needs, they can also play a huge role in assisting development organizations, for instance by support them to reach the targeted population and provide facilities for training or project implementation.

- **In the aftermath of the COVID-19 crisis, it is key is to reprioritize municipal actions and ensure information and coordination between the local and national levels.** Most municipalities are currently concentrated on emergency response and basic needs provision, however for longer-term planning and solutions, stronger information and cooperation between local and central level and enhancement of international partnerships to support affected municipalities are essential to move beyond the crisis. Municipal representatives shared examples of being unable to collect rents and revenues, miscommunication with central regulations on COVID-19, and reported the need to think about the long-term, for instance by reducing fees for employers to stimulate job creation, facilitating licenses and exempting rents to private businesses.

- **Information sharing, knowledge exchange and peer to peer learning, even between different countries, is essential in light of the ongoing crisis.** Encouraging and promoting learning about different local responses to the COVID-19 and their preliminary results can help inform solutions and ways forward.

**Detailed summary of Workshop presentations**

*All speakers’ presentations are available at [this page].*

**Blanca Moreno-Dodson, Manager, Centre for Mediterranean Integration (CMI)** opened the workshop mentioning the important role of local authorities as key actors to respond to crises by reviving the business environment, creating training opportunities and supporting women-led home-based businesses, as discussed during the first online event of this series. She also underlined the importance of social security for local and displaced workers, grants and micro credit opportunities for small businesses, and investments in infrastructure and development of digital services, all extremely important during and after the current crisis. Mrs. Moreno-Dodson reflected how the COVID-19 crisis came as a surprise, however also bringing opportunities to reform and undertake actions to review the economy, create new job opportunities, strengthen collaborations with civil society and build solidarity in the country that had already been planned for before. There is a stronger than ever need to target local strategies not only to refugees and displaced, but to all those who are vulnerable, including those workers in the informal sectors who have lost their jobs following lockdown measures. Mrs. Moreno-Dodson highlighted that a whole-of-community approach is key, recognizing the proactivity and adaptability of local authorities. Finally, Mrs. Moreno-Dodson reminded that the objective of this training workshop series is to create a space for knowledge sharing which complements financial support packages provided by the World Bank and donor agencies. This way, CMI helps to provide additional technical instrument and ideas, collecting ideas coming from the local authorities, and create a space for local representatives to share their solutions and inspire those international institutions that are preparing financial support packages.
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Christos Kostopoulos, Lead Economist for Mashreq countries and Iran, World Bank opened this second online event on behalf of the World Bank stressing that the impact of the pandemic is deep and will be prolonged, and this is the time to strive to innovate as many counties had fiscal challenges and high debt already before the crisis hit. Mr. Kostopoulos reported that the World Bank is structuring its response to the pandemic in line with four categories: supporting the health care system to save lives, alleviating the poor and vulnerable via social protection programs, ensuring sustainable growth and jobs creation and help economies become more resilient, and lastly helping countries strengthen policies and institutions and invest to build a resilient and adaptive future. The last two categories are of special interest to this workshop, as they focus on sustainability, resilience and adaptation for the future. To this regard, Mr. Kostopoulos mentioned the findings from a forthcoming World Bank study The Fallout of War, the third publication in a series of reports on the Syrian crisis, which focuses is on the impact of the crisis on the economies of Lebanon, Iraq and Jordan. He further mentioned the relevance of this online workshop series as after 2011 the three countries bordering Syria saw a slowdown of their GDP. He reported how Jordan, Lebanon and Iraq underwent important work against poverty, to strengthen labor markets, health systems and transportation and the continue to do so at the municipal services. Finally, Mr. Kostopoulos remarked that this crisis has a social cost and a poverty cost, which mostly falls at the individual level. In this respect, this workshop is very critical to support local authorities help their community, as municipal governments know their residents and can help them find income-generating opportunities.

Lady Manoukian Habchy, Head of Urban Governance and capacity Building Unit, UN-Habitat Lebanon started the first event session by sharing an overview of UN-Habitat’s rapid needs assessment report on the impact of COVID-19 crisis in Lebanese Unions of Municipalities (UoMs), covering 657 municipalities, performed in April 2020 and assessed through qualitative data from interviews with Heads of UoM and side visits. The study aimed to contribute to a broader coordinated response and emphasized the importance of sharing findings with all actors for stronger and better results. It identified key challenges alongside with needs relating to the COVID-19 response. Results show that crisis cells were established alongside emergency committees, and that UoMs were fully engaged in the COVID-19 response despite limited resources. However, it was also clear from the results that UoMs are lacking local skills and experience to deal with such crisis, and, in addition, multiple directives coming from the national level create a chaotic engagement and many costly projects for isolation and quarantine facilities had started without a proper assessment. Mayors who participated in the study indicated that refugees are excluded in the response plans as they fall under responsibility of UNHCR and UNRWA, and also raised the concern about the lack of international support and limited presence from the UN in general. Municipalities showed pressing immediate needs, included in the UN-Habitat’s studies recommendations: strengthen water, sanitation and hygiene (WaSH) and awareness, support job creation, developing longer term mitigating measures for the growing number of vulnerable Lebanese, as well as Syrian and Palestinian refugees through jobs and income generating activities, develop multi-sectorial and multi-dimensional interventions, provide urgent technical support to municipalities on how to implement COVID-19 directives, and do a proper assessment for isolation centers and other facilities created to counter the COVID-19 crisis.
Nida Hussein, Head of Senior Engineers, Baghdad Mayoralty, Iraq focused her presentation on Baghdad Mayoralty’s action for preparedness and response to COVID-19. The Mayoralty issued several policies, including lockdown through different stages. Actions included the closing of public facilities, social awareness raising campaigns, reorganization of workhours and decentralization of the decision-making process to increase managerial efficiency. Emergency cells were formed including representatives from the Ministry of Health, the Red Crescent, civil defense, security forces, volunteers and civil society organizations, to coordinate preventive measures and address complaints directly. Eng. Hussein stressed the importance of community initiatives and partnership with the local private sector, which led to the production of masks locally reducing costs and creating job opportunities for women. She remarked that the COVID-19 crisis has underscored the important role of NGOs and volunteer groups in reinforcing the activities of local governments and their important support to reduce the spread of the pandemic and mitigate its effects. Finally, Eng. Hussein reported that these actions took place in the context of many challenges Baghdad Mayoralty faces, some of which are part of the overall situation of Iraq, such as the security, political and economic situation, and the lack of, sufficient information and data and difficulty in accessing it.

Nadine Chehade, Senior Financial Sector Specialist, The Consultative Group to Assist the Poorest (CGAP) presented the results from a study on financial inclusion for forcibly displaced persons (FDPs) in the world. She reported that forced displacement levels are on the rise together with the duration of displacement, which is now around 10-15 years on average, the increase in protracted displacement situations, and the fact that about 85 % of forcibly displaced persons live in developing countries. As such, there is a need to go beyond short-term emergency solutions and move toward long-term planning. Mrs. Chehade stressed that financial services do play a role in mitigating displacement crises: remittances can help cope with shocks and stimulate economic activity at community level; savings, credits and insurances can help reduce vulnerabilities and increase resilience. She reminded that FDPs are not a homogenous group, and measures need to be adapted to the specific context and characteristics of the country and its population. If cash transfers offer a huge opportunity to support livelihoods of FDPs, digital cash transfers have now been proven to be particularly relevant in the COVID-19 global response. Mrs. Chehade remarked that municipalities have a big role to play in digitization, for instance they can accelerate infrastructure work, digitalize services to residents and promote the use of digital financial services in payments. She concluded that, to reach financial inclusion and resilience, some factors must be in place : an enabling environment for digital financial services, established national payments infrastructure, proportional regulatory environment, a business case or incentive for financial service providers to have a direct relationship with cash transfer recipients, trust and digital literacy from the recipient themselves, the presence and engagement of donors and governments who consider financial inclusion a priority.

Maya Boustani, Livelihood Program Manager, EICD Lebanon and Nabila Haddad, Project Officer, Agence Française du Développement (AFD) jointly presented a project targeting vulnerable, low-qualified youth, including refugees, in Lebanon to build their professional and personal skills and allow them enter job market. The project trained and certified 1,346 youth from 2017 to 2019 relying on collaborations with municipalities. Mrs. Boustani and Mrs. Haddad stressed how support from the municipalities is crucial to inform the local population about development projects, to find suitable training facilities and assist
participants in work placement after the project is ended. However, they also reported that the project faced some difficulties in rallying the support of municipalities, for example some municipalities refused to assist refugees or have not been able to provide venues for training, which can sometimes be explained by the fact that municipalities receive many requests from different NGOs leaving little time and space for everyone. Mrs. Boustani and Mrs. Haddad shared their recommendations for municipalities to collaborate with development organizations and NGOs in the implementation of projects, for instance by identifying a municipal focal point to deal with development agencies. This would avoid duplication of projects and increase collaborations and targeted actions between actors. Finally, they suggested that municipalities should improve their monitoring tools, statistics or databases on their vulnerable (host or refugee) populations, as this type of data would be very useful for a quality implementation of projects and would allow municipalities to have a list of potential beneficiaries to share with NGOs and development actors. As municipalities also have a role to play in reducing community tensions, it would be in their interest to promote projects targeting host and refugee populations alike.

Maroun Antoun, Mayor, Qrayeh Municipality, Lebanon shared an overview of the response of the municipality of Qrayeh to the crisis, and economic strategies that were in place. He mentioned the two crises which have reduced main revenues for families adding to an already strained financial situation, namely the financial crisis in Lebanon and the COVID-19 global crisis. Mr. Antoun reported that because of the COVID-19 crisis, many businesses have been forced to close, salaries have been cut in half and people have lost their job. Before the financial crisis, Qrayeh was working on improving its economic development in the medium and long-term to create job opportunities and livelihood for our citizens. Mr. Antoun presented a collaborative development project, undertaken with international development actors, local civil society and the municipality, to organize a summer tourism track in the area by linking seven neighboring villages to promote sustainable tourism, including a public square to sell local products and goods produced by women, and the creation of bed and breakfast facilities. Qrayeh’s goal is to put the village on the touristic map, preserve green areas and encourage people in the city who own land to invest, to make them benefit from the tourism through merchandise and job creation. This project also encourages women to work, trains them in skills like branding, allows them to sell their product or food and have their own income. Mr. Antoun presented the inclusiveness of the project, which includes Syrian refugees in the agriculture sector. For this reason, instead of providing them with humanitarian assistance, the Municipality could offer Syrian refugees to work in the project and make revenue, for a win-win situation for all.

Mehmet Aktaş, Director Strategic Development, Sultanbeyli municipality in Istanbul, intervened from the floor in response to an open discussion on studies and assessments on the local impact of the COVID-19 crisis and its potential long-term effects. Mr. Aktaş shared that Sultanbeyli Municipality has rolled out a survey to a total of 100 households to assess of the impact of the crisis, and also interviewed private companies to assess the effects of COVID-19 on the local private sector. He reported that the municipality is in process to analyze the survey results, that will be shared with the Network and participants. Further, he also reported that Sultanbeyli Municipality organized a survey among municipal staff, following the principle of the importance of communication and to explore alternatives for immediate responses in terms of similar crisis.
Wafa Hawamdeh, Head of Local Development Unit, Jerash Municipality, Jordan was not able to join as a speaker because of technical connection issues. However, Mrs. Hawamdeh will share by written an overview of Jerash Municipality’s ongoing work to counter the negative effects of the COVID-19 crisis, including preserving jobs and creating job opportunities, reducing fees and facilitating licenses to private businesses, and reducing fees of trash collection for local businesses.

Gilda Borriello, Consultant for the Host Communities and Refugee program, CMI, presented the results of the live poll and open chat discussion among participating local authorities. The poll, to which 32 representatives of local authorities participated with a majority of Palestinian and Turkish representatives, showed that a majority of respondents (67%) indicated having a good or very good digital infrastructure. It showed a mixed picture in terms of access of forcibly displaced people to digital services, with some municipalities considering that refugee and displaced having good access to financial services, with others point differences of access in population sub-groups. Most local authorities are implementing employment support projects for the most vulnerable groups, some of which started before the COVID-19 crisis. Finally, participants identified a series of possible ways to improve job opportunities for local and displaced populations, including supporting businesses and workers by facilitating regulations and encourage business operations and employment in the most needed sectors; provide training and education on entrepreneurship and digital skills; partner with private sector, universities, international organizations, and central government agencies for employment; informing and networking with all stakeholders from the local, national and international level; continue providing services especially digital services useful for the private sector, and target directly some vulnerable groups and sectors through municipal programs. A detailed summary of these results in provided at the bottom of this document.

Zeina El Khoury, Private Sector Specialist, World Bank, started the conclusive remarks highlighting the significant impact of the COVID-19 crisis, visible on everyone and on many levels: individuals, whether local or displaced; businesses, from micro to large, formal and informal; public agencies, from municipalities to national central governments, from high income to low income countries. She reminded that local authorities are at the forefront of this crisis, especially in the Middle East, which host millions of refugees who need to be supported in addition to the local population, adding more financial pressure. She reported how challenges for municipalities, such as limited human resources and skills, lack of coordination, and absence of data, are visible in current needs assessments, such as that presented by UN-Habitat. However, Mrs. El Khoury remarked that despite the limited resources, local authorities are playing a pivotal role in responding to the crisis and supporting their communities and local businesses as well, as shown by the examples of Baghdad Mayoralty and Qrayeh Municipality and their agility in designing local responses to the crisis despite the challenges. Finally, she reported that investing in strengthening the financial and technical capacity of local authorities is key: as governments design national level responses and programs to respond to COVID-19, it is also vital for central governments to invest in the strengthening the role of local authorities. In this regard, effective coordination mechanisms between national and local governments are critical, and a strengthened capacity of local officials can help manage the policy response.

Giulia Marchesini, Senior Partnership Officer, Center for Mediterranean Integration (CMI), concluded the online event by recognizing the proactivity of local authorities and the usefulness of a space for
knowledge-exchange where local representatives can meet together, even online, and find new ways to face crises like this, in complement to financial support offered by other institutions, such as the World Bank. She recalled how many participants have emphasized that municipalities are taking on far more tasks and burdens than their initial mandate requires, as also highlighted in the open discussion regarding the need of extra financial support from the national level, especially for Lebanese and Palestinian municipalities. Mrs. Marchesini highlighted again the importance of an inclusive approach targeting all segments of the local population, and the need of stronger coordination between local, national and international actors. Collaboration, coordination and training of municipal staff also contribute to reach needed goals such as steady digitalization and digital finance support and services for the most vulnerable. Finally, Mrs. Marchesini closed the second online event by inviting all participants to the third and final event of this series, to take place on July 8, 2020, which will focus on private sector engagement in local authorities hosting refugees, with an angle on new challenges brought by the COVID-19 crisis.

Annex: Detailed Summary of live poll, interactive discussion and solutions from participating municipalities

Three poll questions and an open-ended question were asked to participants at the beginning of the online event and were then presented at the end to give a complement to the discussion and reflect on municipal representatives’ views. The table below summarizes number of respondents by country:

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<tr>
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<th>Online Poll</th>
<th>Open question</th>
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<tbody>
<tr>
<td>Iraq</td>
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<td>0</td>
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<tr>
<td>Jordan</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Lebanon</td>
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<td>1</td>
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<tr>
<td>Palestine</td>
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<td>8</td>
</tr>
<tr>
<td>Turkey</td>
<td>10</td>
<td>1</td>
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<tr>
<td>Kenya</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Total</td>
<td>32</td>
<td>15</td>
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</tbody>
</table>

The majority of respondents (67%, 21 of the 32 respondents) indicated that their local authority has a well-developed or very well developed digital infrastructure, including digital municipal services, remote budgeting, electronic payments, etc., demonstrating a good base for building and scaling up digital services, especially in times of crisis. However, 34.5% of them reported that their digital infrastructure is not developed or not well developed at all – including half of the Palestinian respondents.-
When it comes to access for forcibly displaced to financial services, while one third of the respondents - made of most Palestinians and Jordanians - considered that most refugees have good access to municipal services, one third indicated that some refugees and displaced have good access while some other don’t. In this regard, 15% acknowledged that the access to financial services depends on the age and gender of displaced populations, and in a remaining 18% of local authorities, mostly from Turkey, displaced have no access to financial services.

Finally, in the context of the COVID-19 crisis, the online poll showed that the large majority of local authorities (81%) are active in supporting job opportunities for vulnerable populations. 69% of the respondents in total undertook these efforts before the crisis, and among them 36% are continuing to do so following the new challenges encountered after lockdown measures. The COVID-19 crisis seems to have also incentivized local authorities to start such policies for the first time, as 12% of respondents, mostly from Iraq, said they started supporting the employment of vulnerable populations only after the crisis. However, almost 19% of responding local authorities still could not take any measure in this regard.
In parallel to answering contextual questions in the online poll, participants were asked to answer the question: “What can your local authority do to improve job opportunities for local and displaced populations?”. Their answers and suggestions can be summarized in the following list of actions:

- **Support to business and workers:**
  - **Regulations**: facilitate a legal and regulatory framework that favors small businesses, facilitate registration and loans for entrepreneurs, facilitating employment licenses and reduction of business permit fees for displaced persons
  - **Indirect support**: competitive rent for small enterprise to operate in municipal kiosks, encourage business operations and employment in sectors most in need (e.g. agriculture,
  - **Financing**: coordinating networks of supportive investors to provide concessional financing for distinguished projects, increasing the base of institutions participating in business incubators

- **Training and Education:**
  - **Entrepreneurship**: training on creative and innovation skills for entrepreneurship in sectors linked to market’s needs, especially for young entrepreneurs (e.g. online marketing), sharing of entrepreneurship “success stories” in schools and universities, training on home-based businesses
  - **Employment**: language training for refugees enrolled in skills training courses, initiate training for refugees and locals in collaboration with national labor institutions to solve labor deficits,
  - **E-learning and e-skills**: online training courses on business management, marketing and e-marketing, trade

- **Municipal partnerships:**
  - **With the private sector**: in high-labor municipal projects (e.g. infrastructure, agriculture), support youth employment and entrepreneurship through partnerships between universities, private sector and employers,
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- **With international organizations:** focus on sustainable development projects for job creation to improve refugees’ economic and living conditions and integrate them into the local community
- **With central government employment agencies:** to implement trainings in accordance with market needs

- **Networking and bridging:** inform all local and national stakeholders, network with international institutions and the private sector for a youth employment scheme, advertise locally the available funding from donor institutions to support the establishment of small women- and youth-led businesses
- **Service provision:** continue the provision of basic services and expand e-services and financial facilities to allow the private sector to work, initiate small municipal projects for employment e.g. infrastructure projects
- **Supporting specific groups:** youth (training and incentives), women (home-based businesses), specific sectors (e.g. crafts, agriculture), prioritize SMEs