



الجمهورية اللبنانية
مكتب وزير الدولة لشؤون التنمية الإدارية
مركز مشاريع ودراسات القطاع العام

PROJECT
US/LEB/00/151

Republic of Lebanon
Office of the Minister of State for Administrative Reform
Center for Public Sector Projects and Studies
(C.P.S.P.S.)

PROGRESS REPORT

REVITALISATION OF THE SMALL AND MEDIUM
INDUSTRIES IN SOUTH LEBANON

PROJECT EXECUTED BY
UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

PROJECT FUNDED BY
THE GOVERNMENT OF ITALY

Project Number and title: US/LEB/00/151 – Revitalising the small and medium enterprises in South Lebanon

Date: February 2002

Last report (date): Na

Total UNIDO budget (including psc.): US\$ 265,500

Expected completion date: 31 December 2002

Original expected completion date: 31 December 2002

Objectives of the project: To upgrade the performance of industries in South Lebanon

1. Activities conducted during the period covered by this report:

A partnership was established with the Chambers of Industry, Commerce and Agriculture for Sidon and South Lebanon, and the Institute of Family and Entrepreneurial Business at the Lebanese American University. The training modules were prepared by IFEB/LAU in Arabic and the first training seminar took place in June 2001

The backstopping officer undertook one mission for the launching of the training programme and for monitoring.

No international expertise has been used. Local expertise is being explored and exploited.

2. Major achievements and main problems encountered (if implementation has been delayed reasons for the delay should be given):

Activity 1 – Entrepreneurship training programmes

The Institute of Family and Entrepreneurial Business at the Lebanese American University prepared the training modules in Arabic. A series of five modules were prepared including the following courses:

- Principles of Accounting, Break-Even Analysis, Variable Fixed Cost Analysis, Pricing
- Introduction to Marketing, emphasizing the basics in Marketing and Selling Techniques, Price Determination
- Introduction to Management emphasizing new business opportunities including E-commerce
- Entrepreneurship and Small Business Management emphasizing start-ups and encouraging women Entrepreneurs
- Finance, Credit Management and how to approach banks

The courses started in June 2001 and were divided into different modules and adapted to the needs of the entrepreneurs in South Lebanon.

The seminars were organised for three days in a row. The main language for courses was Arabic, to allow for a better understanding of the training and for more active participation. The courses included 20-35 participants to ensure individual attention. The trainees were given certificates of attendance at the end of each training session.

The following points were agreed upon with the LAU team to obtain maximum impact from the training:

- trainers should be aware of the needs of their audience and adapt their programmes accordingly
- trainers will constantly refine their training programmes on the basis of experience gained
- trainers will identify a pilot group of entrepreneurs and will try to coach them, monitor the application of the training on their businesses at least twice a year.
- trainers will provide counselling and connect to the trainees even after the course is delivered. To make sure trainees can make the contact, they distribute their business cards during the training.
- trainers adapt their courses to the real life situation of the participants within the context of Southern Lebanon, and the people's culture in the South.

Counseling

The project is currently encouraging entrepreneurs to contact their trainers to monitor their advancement after the training program has been finished. Special visits were carried out in Sidon on 7 February 2002, and in Hasbaya on 31 January, 1 and 2 February 2002, to monitor the advancement of those entrepreneurs and to make sure:

- that the participants are applying their training on the job.
- that the participants' needs were discussed and solved during the programme and after; and to
- track the growth of their respective companies
- guide them in their expansion efforts
- diagnose potential problems that will lead to failures in their businesses
- discuss issues pertinent to the success of their businesses
- make sure the training is translated on the job
- adjust processes and/or reengineer if need be
- help them develop competitive advantages
- help them track competitors and see what are the next moves rivals will have
- capitalize on their strengths
- remedy their weaknesses

Activity 2 – Training of women entrepreneurs

This activity is mainstreamed into Activity 1. The gender disaggregated figures are as follows:

Total Percentage of Females in the complete program: 35,63%

Accounting: 45,83%

Entrepreneurship: 23,94%

Management: 41.53%

Marketing: 22.84 %

Finance: 44.03 %

Geographical Region: Sidon

The total percentage of females in Sidon is: 40,21%

The total percentage of males in Sidon is: 59.79%

Geographical Region: Hasbaya

The total percentage of females in Hasbaya: 29.66%

The total percentage of males in Hasbaya: 70.34%

- The total number of entrepreneurs identified for coaching in Sidon is 7, of which one third is females.
- The total number of entrepreneurs identified for coaching in Hasbaya is 9, of which only one is female.

Activity 3 – Recommendations for the creation of an enabling environment for the promotion and development of the SME sector in South Lebanon

This activity was not considered a priority by the new Minister of Industry. Therefore, a more action-oriented approach is being pursued, namely, 2-3 groups of producers are being identified to assist them in purchasing equipment to improve their production (mainly food processing-related). Some proposals have been received through contacts with local NGOs and cooperatives. The selection will be made after the visit of the National Programme Coordinator to the potential candidates.

In a way, the project itself is contributing to the creation of the enabling environment for the promotion and development of the SMEs in South Lebanon, by providing capacity building, by linking up to local financial institutions to improve access to credit, and by improving production capacity of selected groups (small enterprises from the liberated areas). The new business and export opportunities through E-commerce platform, collaboration with the Trade Point (UNCTAD) will also contribute to these efforts.

Activity 4 – COMFAR Course

A COMFAR course will be organised in the course of 2002 to improve business plan development and assist entrepreneurs in decision making for investments. A suitable venue is being identified.

Activity 5 – New business and export opportunities

The project has entered into negotiations to identify areas of collaboration with the Ministry of Economy and Trade regarding E-commerce. There are two potential options, namely, either to cooperate with the existing structures such as the Trade Point of UNCTAD and the E-commerce efforts of the Trade Information Centre, or to create a structure for the same purpose. Naturally, the first option is being pursued with preference.

Within this context, the Head of the Trade Information Centre at the Ministry of Economy and Trade will be addressing the trainees on the e-platform in the context of E-commerce and our efforts to revitalize SMEs in South Lebanon.

Activity 6 – SME networks and clusters, quality training

The project was submitted to the Italian authorities for funding in its entirety. However, the funds available do not cover all of the activities. Therefore, the objectives under this activity remain too ambitious, also taking into account the short duration of the project.

What is being pursued by the project is networking among the SMEs, and with the existing support institutions. The partnership with the Chamber, the Association of Businessmen in South Lebanon and LAU/IFEB already constitute a strong foundation for this networking. The LAU campus in South

Lebanon has especially been supportive and enthusiastic to participate in the activities of the project.

In addition, the project has been networking with "Kefalat". The Head of the National Institute for Guaranteed Deposits, will be addressing the participants systematically to inform them of practical tips that will help them in having access to credit.

The project is also using role models, e.g. a successful entrepreneur who was successful in marketing her products in Lebanon will be addressing the participants or a group of female entrepreneurs who developed the jam line of products under the name of "Maymoune". This creates a practical approach to the participants that would couple their theoretical background obtained during the seminars.

No major problems have been encountered in the implementation. However, it should be noted that South Lebanon is a rather difficult area to work in from a socio-political point of view.

It should be mentioned that cooperation with IFEB/LAU has been very useful. It also allows for industry-university linkage. The IFEB/LAU team has demonstrated strong commitment and initiative, supporting the implementation of the project.

3. Areas to be addressed during the next year (including possible measure for improvement vis-à-vis problems encountered):

One output needed to be amended as explained above, under Activity 3.

During the certificate award ceremony, a session of self-evaluation was held. An area of improvement will be the organisation of the training around case studies relevant to South Lebanon.

4. Financial situation of the project:

The budget of the project was supplemented by additional funds from other sources to the amount of US\$ 29,000. Hence implementation during the first year is less than the obligated amount. The present project is being coordinated by the National Programme Coordinator of the Integrated Programme, the present project contributing to his salary.

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