

Terms of Reference for a Service Provider for the Establishment and Management of the Subsidised Temporary Employment Programme (STEP) in Lebanon

Introduction

1. These Terms of Reference (TORs) set out the scope of work for delivering the Subsidised Temporary Employment Programme (STEP) in Lebanon. The Development Partner financing the programme is the UK Department for International Development (DFID). The overall budget for the programme is approximately £7 million for a one-year pilot phase and an additional £8 million for a further 2 years of implementation, should the pilot prove successful. This may be augmented by funding from other development partners in the range of £5-£40m.
2. The Service Provider (SP) will test and implement three components of the STEP programme. Component one and three will be tested from the outset of the pilot and component two will be added after one year. The fourth component (evaluation) is being contracted separately. STEP includes a pilot phase, meaning that many of the requirements set out in this ToR are indicative.

Objective

3. The programme aims to incentivise small and medium-sized enterprises (SMEs) to expand production and create new permanent jobs for predominantly low-skilled Lebanese workers as well as – in accordance with Lebanese legislation - temporary jobs for Syrian refugees. STEP is expected to achieve this through the provision of finance and employment incentives, as well as a flexible package of technical assistance to facilitate access to Business Development Services.

The recipient

4. The ultimate recipient of support and benefits through this contract will be predominantly low-skilled Lebanese and Syrians who – in line with Lebanese Labour regulations - find employment as a result of this programme. This will be achieved through the provision of support and services to SMEs with whom the project will work to create jobs.

The scope

9. The STEP theory of change (see Annex 1) assumes that the provision of capital and wage subsidies to targeted SMEs will enable these firms to expand output and take on new workers, and that low-skilled Lebanese and Syrian refugees – in line with Lebanese regulations - will benefit from these new jobs. The main functions the SP will deliver to help achieve this are:
 - (i) **Provision of matching grants to eligible SMEs:** eligible SMEs will be offered matching grants through a 'Competitive Investment Fund for Jobs' to invest in activities which enable them to expand output and create jobs. Allocations would be based on eligibility and performance criteria which will be proposed by the programme's Steering committee at contract award. These will then be refined and adopted during the inception phase of the pilot. The Fund would finance part of the costs of a given eligible investment under the condition that the grant recipient generates a certain number of jobs within an agreed timeframe. Eligible

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expenditures will include business development services (see below) and possibly also equipment or infrastructure to improve practices, technology, or processes for products to reach new markets.

- (ii) **Facilitation and/or referral to existing business development services (BDS) to support SMEs, if necessary:** engaging with SMEs to encourage the uptake of new practices and facilitate market linkages. STEP will facilitate access to the existing market for Business Development Services in order to create market linkages and to bring best private sector management and technical practices and expertise to participating firms. Specialist management consultants may be used for in depth business needs diagnosis and mentoring during a process enhancement period covered by the matching grant. Duplication of existing support mechanisms should be avoided as STEP seeks to foster market demand for existing business service providers.
 - (iii) **Establishing a central platform for jobseekers to register** in order to gather data on potential beneficiaries and facilitate matching of candidates to jobs. This is optional information firms may want to draw on in case suitable candidates cannot be sourced through exiting channels. This will be worked up in close collaboration with the independent evaluator who may use this information for the programme's impact evaluation.
 - (iv) **Provision of wage subsidies to eligible SMEs:** This will be added after the pilot year to measure the job creation impact of additional employment incentives. These incentives will take the form of a payroll subsidy to lower the cost to firms of employing new staff (e.g. reimbursement of the social security contribution or another form of wage subsidy).
 - (v) **Creation of savings accounts for Syrian workers, accessible on leaving Lebanon:** a small salary top up (e.g. the equivalent of social security contributions at minimum wage) paid by donors directly into a 'savings fund' that Syrian workers can access on their return to Syria or their resettlement to a third country. This component gives the GoL assurance that jobs for Syrians are temporary and provides Syrians with savings that could be used as a safety net on leaving Lebanon.
10. These functions will be delivered through three programme components. Component 1 (encompassing i, ii, and iii above) will provide matching grants that firms can use to invest in eligible activities which enable them to expand output e.g. BDS and possibly also some new equipment and/or eligible working capital and operating costs. BDS might also include training for new employees targeted at particular business needs. Component 2 will provide short/medium term wage subsidies to eligible SMEs and will be added to the treatment package after the pilot year. Component 3 relates to savings accounts for Syrian workers.
11. Costs for management and administration of the programme and of the different components are included within the overall budget envelope with management and administration costs (as a percentage of total costs) clearly set out.
12. During the inception and pilot phase market outreach strategies, initial firm screening and matching of firms to BDS need to be fine-tuned and perfected. The SP will need to collaborate with the Independent Evaluator (IE) to explore potential methodologies to allow for a robust experimental impact analysis. For example, substantive programme over-subscription and actual update of the treatment needs may support these objectives. Initial power calculations for the randomised controlled trial design show that the sample size of treatment and control group firms may need to exceed 500 firms during the first firm selection round at the start of the pilot. This means that a much larger amount of interested firms may have to be screened in to find 500 firms that meet the programme's eligibility criteria. These power calculations will be updated by the independent evaluator (IE) during

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the programme inception phase. The SP will outline their strategy for extensive programme awareness and outreach targeted at firms and potential beneficiaries. The approach will have to cover the lagging regions and to making use of various existing firm databases and means of communication with firms and potential programme beneficiaries.

13. Data of applicant firms that meet the selection criteria needs to be made available to the independent evaluator as soon as the screening process has been completed. The independent evaluator may wish to finalise the programme's evaluation design based on the characteristics of those firms that have passed the minimum selection criteria. The evaluator will lead on impact evaluation design including sampling techniques (see separate ToRs), but the SP may be expected to raise awareness of the lottery approach to programme participation during the roadshows. The SP may also be requested to support public drawings.
14. After the pilot year combinations of different services (i.e. matching grants and/or wage subsidies) will be provided to groups of SMEs in order to test the effectiveness of different packages of support. The approach will be agreed at a later stage on the basis of lessons from the pilot and in consultation with the independent evaluation contractor. Whilst this may provide opportunities to overcome multiple constraints that an enterprise might face, it may also present risks including that support from more than one component could provide a level of subsidies that will excessively distort the market. The SP will maximise the benefits of multiple components whilst at the same time, minimising the costs and risks.
15. The SP will outline their approach to delivering the functions set out above, including clear roles and responsibilities of all consortium members. The proposal should include an approach for extensive programme outreach, SME selection mechanism and criteria and administration of the matching grant in line with STEP principles (see table 1). This will include evidence-based recommendations of what constitutes a match, recommended eligible investments and the amount (e.g. 50% or a flexible share). The SP should indicate the level of support they would provide for grant applications, an outline of the proposed firm screening process including timelines and process for assessing due diligence, entrepreneurial commitment and managerial capacity, robustness of initial business improvement plans and potential for additional job creation. In addition the SP will outline their role in linking grant applicants to business development services (e.g. professional business needs analysis, mentoring, networking opportunities, facilitating access to tailored BDS products) and when to enter and exit partnerships in line with STEP principles and the overall objective of job creation. The SP will also outline their approach for managing component II and III of the programme. Latter should focus on a strong governance proposal which safeguards against protection risks and political patronage. In addition, The SP will outline their approach to measuring results, capturing learning, data protection and sharing of real time data with the evaluator and other stakeholders to inform adaptive programming. The SP will justify whether the job seekers platform is an essential component for their approach to delivering the required outputs and results.

Table 1: Principles Underpinning STEP

Principle	Description
Benefits primarily accrue to low-skilled Lebanese and Syrian refugees	The focus of the programme is job creation, predominantly for poor workers, although recognising that a mixture of low-skilled and some medium-skilled employment is likely to be needed, depending on the SME circumstances; we would expect recipients of jobs created through this programme to be a balance between Lebanese workers

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	and Syrian refugees. This is likely to require working in the three sectors in which Syrians are eligible to work ¹ , but also looking for opportunities outside these three sectors in order to reach significant numbers of Lebanese workers and find companies with the largest propensity to grow. The pilot phase will monitor other characteristics of beneficiaries (e.g. age, gender, disability) and targeting may be explored for the implementation phase to ensure equitable distribution of benefits.
Additionality	STEP will enable SMEs to invest where and/or in ways that they would not have been able to in the absence of the programme.
Scale	The pilot phase of STEP will test an approach that can subsequently be scaled-up.
Non-distortionary	STEP will support a package of interventions that aim to address constraints to SME growth and employment creation with minimal market disruptions and distortions.
Aligned with Government of Lebanon priorities	STEP is a GoL-led initiative and the SP will need to engage closely with key government counterparts to ensure their continuing support and ownership.
Ensure minimum safeguards are in place	STEP must be compliant with UK counter terrorism legislation and must ensure that the firms it is working with employ adequate safeguards with respect to labour standards (salary, working hours etc.), protection of refugees, environmental protection and financial management. The SP and the evaluation contractor will be expected to propose a sustainable system for identifying and tracking workers, whilst protecting personal data.
Sustainability	STEP will take a sustainable approach by supporting SME activities and investments that are durable and resilient to challenges, and also responsive to changes in the environment and market.

Requirements

16. This section details the programme requirements and deliverables in line with the inception, pilot and scale-up phase.

Inception phase

17. DFID requires the following specific outputs to be delivered by the SP during the inception period:

- Final operational manual
 - Inception report
 - Plan for outreach/awareness raising activities developed and implemented
 - Templates for quarterly progress and financial reports
- (i) A draft **Operational Manual** (OM) is currently under development and will be available by the end of December 2017. This will propose principles and parameters for delivering the three components, based on data and evidence collected up to June. The SP will take ownership of the manual, adding to and refining the draft in order to provide the detail to operationalise the approach. A final version will be agreed with the Steering Committee at the end of the inception phase. The final OM will include:

¹ Agriculture, construction and environmental services

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- Criteria and process for SME selection including grant application support and due diligence;
- Mechanism for delivering the matching grant, wage subsidies and the savings account
- Proposed approach to facilitating access to Business Development Services (framework matching to external providers, nature of services offered and under what conditions etc.)
- Reporting requirements of SMEs at different stages of the programme;
- Approach to collecting and validating data from SMEs;
- Approach to setting up a feedback mechanism for beneficiaries and wider stakeholders (from the firm level and beyond);
- Approach for how data will be used for programme adaptation
- The approach to portfolio management at the programme level;
- The identification, monitoring and mitigation of risks, including triggers or measures of risks;
- The process for consultation, engagement and collaboration with DFID and the Steering Committee throughout the programme
- Roles and responsibilities of SP and EI;

(ii) Draft inception report. The SP must submit: an annual work plan including man-days (detailed for year one and indicative for the remaining years), list of outputs, proposed revisions to the log frame (see Annex 2 attached), and detailed risk register with appropriate mitigation strategies. Therefore, the inception report will then provide any amendments to these based on the review of the operational manual and design work. The inception report should include:

- Annual work-plan of main activities and project budget including the financial forecast;
- Revised logframe including making recommendations on changes to logframe outputs and indicators. This will include populating baselines and establishing annual milestones and targets, and developing the approach to risk management;
- Monitoring Framework and system, including credible data collection methodology and budgeting, agreed roles and responsibilities with regard to the independent evaluation team, knowledge management and dissemination strategy (which should also feedback to communities), and explicit attention to how data will be used to inform programme adaptation. Measurable intervention milestones in addition to the annual milestones in the logframe will be required.² Agreed definitions of key terms will also be included in this section;
- Risk Register with appropriate mitigation strategies and approach to monitoring (data sources, frequency of monitoring etc.);
- Final proposal for Governance structure of the programme including stakeholder advisory committee and mechanism for incorporating beneficiary and wider feedback;

Pilot Phase

18. Outputs to be delivered during the pilot phase will be agreed by the end of the inception phase.

Implementation Phase

² Note the other relevant M&E requirements and issues below.

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19. Outputs to be delivered during the implementation phase will be agreed by the end of the pilot.

Monitoring and Evaluation and Logframe Arrangements

20. The M&E requirements of the SP are:

- (i) Facilitate, in consultation with the evaluation contractor, the implementation of the impact evaluation. This will include:
 - a. Recommending and implementing an approach of how to handle randomization in the Lebanese context. This may include leading or supporting public drawings.
 - b. Explanation of basic impact evaluation design during road shows (e.g. concept of lottery)
 - c. Effective outreach work to reach firms and potential programme beneficiaries. Latter will cover awareness of the savings account. Extensive outreach work at the firm level is required to generate substantive programme oversubscription followed by selection of a large pool of promising firms in line with the programme's eligibility criteria. The SP will be responsible for generating a sufficiently large sample of pre-screened firms to ensure that the impact evaluation will yield statistically significant results.
 - d. Collection of critical firm level data during the screening process and continuation of data from treatment firms throughout programme life. This should be agreed with the evaluator and fed into final OM and inception report.
 - e. Proposal of a system of how to track additional workers at the firm level and agreement on wider data collection methodologies with the SP.
 - f. Timely sharing of quality data with evaluating team, after firm screening and throughout pilot and implementation;
- (ii) Design and implementation of an M&E framework that allows full reporting against all logframe indicators and additional data which will have to be collected at the firm level in regular intervals
- (iii) Due diligence and counter terrorism checks for all benefitting firms as well as monitoring of adherence to minimum safeguards and standards at the workplace.
- (iv) Proposal and operationalization of a solid approach of how to protect data in line with UK standards;
- (v) Establishment of a programme feedback mechanism which will capture reactions and views from beneficiaries, wider programme stakeholders and communities. Latter should give some insides into how jobs are being perceived and communicated;
- (vi) To devise and implement an effective mechanism for turning lessons and learning into proposals for programme adaptation.
- (vii) Ensure an effective and efficient VFM measurement system is in place. This will build on the VfM section in the business case and should be developed into a system that enables a full process evaluation of the service delivery components. The SP will be required to take stock of processes and evaluate efficiency and effectiveness at regular intervals. This is to inform optimal content and design of the programme's components. Findings, lessons and recommendations for programme adaptation should be included in the progress reports (see reporting section). Draft questions for these evaluation criteria include:

Efficiency:

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- To what extent has the programme delivered its intended outputs to time and to cost?
- What are the major factors influencing the achievement or non-achievement of outputs?
 - How effective is the firm screening process? To what extent has the programme attracted credit constrained firms with bankable improvement ideas?
 - What is the willingness of firms to be pointed towards firm enhancement processes and to commit to the improvement process?
 - What is the capacity of firms to timely source the grants “match”
- How well is the programme interacting with existing SME support and stimulus packages? Does the matching grant incentivise enhanced financial inclusion and good financial management with impacts on creditworthiness?
- What are major cost drivers of the different components?
- Are individual programme components and the overall programme cost efficient?

Effectiveness:

- What are the main factors influencing the achievement or non-achievement of outcomes?
 - How effective is BDS facilitation and referral?
 - Do investments into operational enhancements translate into additional jobs? How long does this process take?
- Were particular investments cost-effective at the firm level?
- To what extent have outcomes been delivered on time and at which cost?
- How have benefits been distributed amongst different groups (poor/women/men/rural/urban/Syrian/Lebanese) and sectors? What are the reasons of latter (e.g. lack of eligible applicants or investment opportunities?)
- How effective is the programme in incentivising adherence to labour and protection safeguards?

Constraints and dependencies

21. The SP is expected to be in place by 2017. The SP will work in full co-operation with the Steering Committee (SC) and the cross-ministry Advisory Group (AG) including taking into consideration cultural and other differences that may shape these working relationships (see paras 50- on governance arrangements).
22. Local, context specific knowledge is essential for this programme. The SP will have a strong proposition of how to bring local expertise into the team and how to navigate within a complex political economy environment. For international companies a consortium with a Lebanese company or organisation is highly desired.
23. The STEP programme has an additional evaluation component that will be contracted separately. This contract will be let to manage the impact evaluation of the matching grant (and in later years also the wage subsidies) to measure jobs created and jobs maintained up to 2020, to capture changes in employment quality, third party monitoring of the programme efficiency and effectiveness as is will also capture some of the programme supply chain effects. This will require close collaboration and coordination between the SP and the evaluator. The SP will collect all logframe and evaluation data from treatment firms and the evaluator will be asked to validate some of the data during evaluation baseline activities and one year follow ups. The IR will be responsible to collect all data from firms in the control group. Data quality and data sharing will be paramount throughout this programme. Both SP and evaluator will device a mechanism for lesson learning and adaptive programming.

Reporting

24. The SP will provide quarterly narrative and financial reports, which will be designed to meet the requirements of DFID and potentially other donors who support the programme. The reports include:

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- Narrative on activities and progress, key challenges/constraints, lessons learnt and recommendations for programme adaptation;
 - Activity plan for the subsequent period;
 - Risk register
 - Systematic update on progress towards logframe targets, vfm indicators. The periodic process evaluations will be captured in Q4;
 - Financial report, invoices and expenditure projections. This should include a quarterly financial forecast of expenditures (the budget) disaggregated monthly for the financial year April to March as well as a comparison of budget with expenditure for the previous quarter.
 - External audit reports on the annual financial statements including a representative sample of downstream partners.
25. The format for quarterly progress and financial reports will be agreed with DFID during the inception phase.
26. The SP will document and disseminate through a variety of media useful results and lessons learned.
27. Table 2 is a summary of the deliverables described above.

Table 2: STEP Deliverables

Deliverable
PILOT INCEPTION PHASE (December 2017 – March 2018)
Final Operational manual
Draft Inception report
Final inception report
Plan for outreach/awareness raising activities developed and implemented
Templates for quarterly progress and financial reports
PILOT PHASE (March 2018 – November 2018)
Quarterly progress reports
Report of findings from pilot phase including lessons learnt
IMPLEMENTATION PHASE (December 2018 – September 2020)
Quarterly progress reports
Final report in September 2020

Duty of care

28. Suppliers must set out in their bid documentation, how they will respond to Duty of Care and Security requirements. The British Embassy in Lebanon has assessed country and project risks and includes a summary assessment against the various risk factors at Annex 3.
29. The SP is responsible for the safety and well-being of their Personnel (as defined in Section 2 of the Contract) and Third Parties affected by their activities under the contract, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.
30. DFID will share available information with the SP on security status and developments in-country where appropriate.

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31. The SP is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this contract. Travel advice is available on the FCO website and the SP must ensure they (and their Personnel) are up to date with the latest position.
32. Tenderers must develop their response to the tender on the basis of being fully responsible for Duty of Care in line with the details provided above and the initial risk assessment matrix prepared by DFID. They must confirm in their Tender that:
 - They fully accept responsibility for Security and Duty of Care;
 - They understand the potential risks and have the knowledge and experience to develop an effective risk plan;
 - They have the capability to manage their Duty of Care responsibilities throughout the life of the contract.
33. If you are unwilling or unable to accept responsibility for Security and Duty of Care as detailed above, your bid will be viewed as non-compliant and excluded from further evaluation.
34. Acceptance of responsibility must be supported with evidence of Duty of Care capability and DFID reserves the right to clarify any aspect of this evidence.

Performance Requirements and Management

Oversight and accountability

35. DFID will be the lead donor and will be the direct counterpart to the SP. The SP will report to the Steering Committee. The DFID Lebanon Economic Advisor is the Senior Responsible Owner (SRO) for the programme and will also be working on a day-to-day basis with the SP on behalf of the Steering Committee. The DFID Programme Manager will monitor financial management, corporate compliance and reporting aspects of the programme.

Contracting model

36. DFID is interested in exploring a payment by results (PbR) contracting model. DFID would accept the initial use of part-input-financed payments for the deliverables that are less certain, allowing the Supplier to test experiments before scaling up and linking payments to the achievement of outputs. The Supplier is free to propose an alternative contracting model so long as this is well reasoned. The Supplier should clearly set out a payment model and indicative milestones for each phase; Inception, Pilot and Implementation Phase.
37. DFID will agree Key Performance Indicators (KPIs) with the SP which are likely to include: Quality of delivery, management, financial, personnel, and innovation indicators. The SP should propose a suite of KPIs for the implementation period, to be agreed by the end of inception. These KPI's will be linked to a percentage of the fees payable under this contract. The percentage will be agreed by the end of the inception.

Contractual Period, Break Points and Programme Scope

Timing

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38. STEP is expected to operate from December 2017 – September 2020. The indicative total value of the contract is up to £14.1 million, with the bulk of this to be spent on matching grants. Indicative estimates for the proportion of the total budget to be spent on different components during the pilot phase are shown in table 3.

Table 3: Tentative Value of STEP Components during the pilot phase

Component	Approximate %
Component 1: Matching grants	85%
Component 3: Refugee savings	15%

39. The contract for the service provider will be made up of three separate phases:

- **Inception phase:** Inception is planned as 3 months, however, the programme will be permitted an extended period for the completion of all inception activities. During the inception phase, the SP will make any final revisions to the design of the programme and operational manual, building on the design work (led by the World Bank and DFID). They will also be required to agree reporting formats and conduct outreach activities to raise awareness of the programme amongst eligible firms.
- **Pilot phase:** During this 9 month phase, the SP will test the concept and collect data to help assess the effectiveness of the approach.
- **Implementation phase:** The implementation phase will start immediately after approval of the pilot phase and will last to September 2020.

Background

40. Since the outbreak of the conflict in Syria, Lebanon has been under substantial strain to deal with the economic, social and humanitarian consequences of the conflict. The crisis has led to an unprecedented mass influx of displaced Syrian nationals into the Lebanese territory, making Lebanon the largest host nation in terms of refugees per capita in the world.

41. The rate of private sector job creation in Lebanon is insufficient to keep up with the growth in labour supply from Lebanese workers and Syrian refugees. Job creation has consistently lagged behind growth in labour supply which has been exacerbated by the arrival of 1.3m refugees since 2011. The World Bank estimates that leaving the refugee influx aside the economy would need to create more than six times the number of jobs which it has been creating between 2004 and 2007 to absorb the new Lebanese labour market entrants.³ The unprecedented influx of displaced Syrian nationals into Lebanon over the past five years has added to the challenge, particularly in low skilled sectors where Syrian workers tend to be focused.⁴ Recent reports emphasise that the main constraints to Lebanon's jobs problem lie on the demand side which is characterised by:

- Shortcomings in the general investment and trade climate

³ 2009 labour force survey, CRI projections and work behind the Bank's 2016 CPF

⁴ Syrian refugees in Lebanon are predominantly young and unskilled. UNHCR and World Bank (2016) estimate that the Syrian refugee population in Lebanon has similar or slightly lower education levels compared to the Syrian pre-crisis population which was characterized by 13% secondary school attainment.

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- Product and factor market constraints including access to infrastructure, finance and markets;
42. In order to alleviate the impact of the refugee influx on the economy and the labour market the Government of Lebanon presented the proposal of a Subsidised Temporary Employment Programme (STEP) at the 'Supporting Syria and the Region' conference in London in February 2016. The concept is to provide finance and possibly additional employment incentives that will encourage SMEs to expand production and create new permanent jobs for Lebanese workers as well as temporary jobs for Syrians within what is permitted under Lebanese laws and regulations. During subsequent scoping work it was agreed to conduct an initial pilot to test the market and to measure direct and indirect job effects. If successful the programme will be scaled up in Lebanon and has the potential to be replicated to solve similar labour market challenges around the globe.
43. The UK government has signalled its readiness to provide seed financing for the pilot, and further funding for full implementation, if the results from the pilot phase are satisfactory. The rationale for the UK's involvement is to support the GoL in its efforts to:
- Pilot a balanced job creation programme which directly targets both Lebanese and Syrian refugees.
 - Test whether matching grants to SMEs for capital investments and business development services lead to expanded output and employment in the Lebanese context.
 - Test whether additional wage incentives are required on top of capital incentives to create sufficient new formal jobs for Lebanese and temporary jobs for Syrians.
44. The potential demonstration effect of this pilot is immense. It is the first Government-led attempt at boosting the economy through the involvement of both Lebanese and Syrian labour and in doing so, turning the large labour supply shock into an economic dividend. Large scale tests of how to relax some of the most binding constraints to firm level growth and employment creation are yet to be tested in the Lebanese context and the current political space presents a unique opportunity.
45. Given the research points towards the demand for labour being the key challenge in Lebanon, the programme is targeted towards testing the feasibility of demand-side incentives for job creation in the Lebanese context. Whilst interventions on the supply side (training, job matching etc.) could potentially be complementary, they do not tackle the primary constraint. Furthermore, other interventions (e.g. NEW, the Danish Refugee Council's LEADERS programme and the livelihoods programme of the IRC) are currently piloting approaches to address quality and mismatches in labour supply and evidence being gathered through these programmes could inform the post-pilot phase of STEP.
46. Full background to the assignment can be found in the extracts from the Business Case, attached as Annex 4.

Governance Arrangements

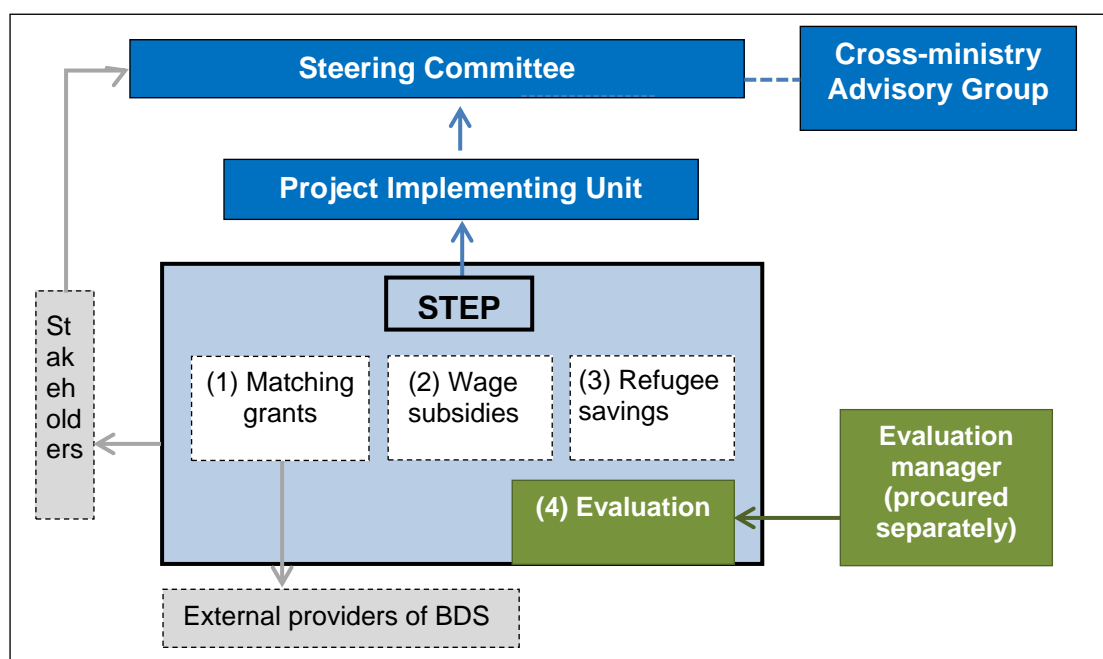
47. The following governance structures are proposed. The relationships are summarised in figure 2.
- **Steering Committee (SC):** meeting on a quarterly basis ensuring coordination with other relevant programmes and input from other stakeholders. The SP will present progress reports to the SC and highlight issues that need to be resolved at this forum or issues that have to be escalated to the Cross-ministry Advisory Group. SC members should include: (i) DFID (and potentially other donors contributing to the programme or interested in doing so); (ii) technical-level staff at the relevant ministries (iii) UNDP (as the

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lead agency on the 'livelihoods' sector of the Lebanon Crisis Response Plan (LCRP) and iv) relevant members of the private sector. The World Bank will also play an active role on the Steering Committee of the programme, providing technical advice of the design and ongoing supervision of the project implementation as well as the impact evaluation in collaboration with DFID.

- The Steering Committee will be supported by the **Project Implementing Unit (PIU)**, based within the Ministry of Foreign Affairs (MFA). The PIU will work with development partners during the design stage and subsequently manage work plans of the SP. The PIU will convene meetings and act as the secretariat for the Steering Committee. DFID is currently funding an individual with strong private sector expertise and local knowledge to head up the PIU at the Ministry.
- **Cross-ministry Advisory Group:** forum for key ministries to engage with the programme on a six-monthly basis to ensure effective policy and programmatic coordination. Meetings would update ministries on progress made and provide a forum to escalate issues that need ministerial oversight. Recommended ministries for inclusion are Ministry of Economy and Trade, Ministry of Labour, Ministry of Foreign Affairs, Ministry of Social Affairs and the Prime Minister's Office.
- **Evaluation Manager:** This function will be procured separately. The team will be responsible for designing and implementing the independent impact evaluation. The evaluation manager will also be providing support and quality assurance of the development of the results management system

Figure 2: Proposed governance arrangements



Existing information

48. The following documents are published on DFID's supplier portal:

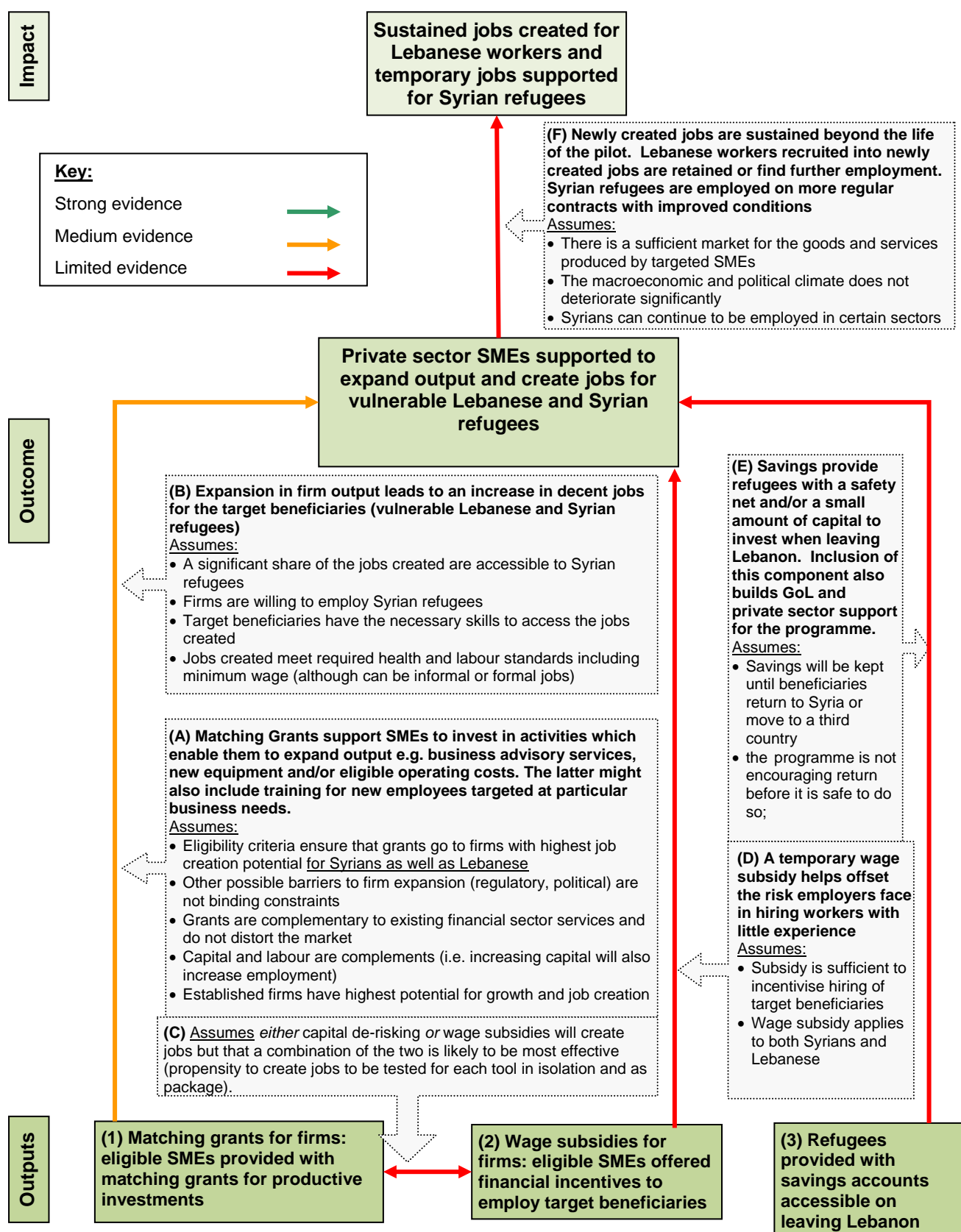
- (i) [The STEP business case](#) – Annex 4
- (ii) Draft programme logframe- Annex 2
- (iii) Terms of reference for independent evaluator – Annex 5
- (iv) Lessons learnt from STEP scoping work – Annex 6
- (v) BDS mapping – Annex 7

49. External reports:

- (i) EBRD, EIB and WB, "[What is holding back the private sector in MENA](#)", 2016
- (ii) [Lebanese SME Strategy: roadmap to 2020](#)
- (iii) Margaret McMillan, John Page, IGC policy report, "[From the bottom up: Firm capabilities and the in-between sector, a path to jobs and growth in Tanzania](#)", October 2016
- (iv) McKenzie, "[can we ex ante target or pre-specify groups for whom the intervention may work a lot better than average?](#)"
- (v) McKenzie et al "[The Additionality Impact of a Matching Grant Program for Small Firms:](#)"

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Annex 1: Draft Theory of Change



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Annex 3: Duty of Care – Country Risk Assessment

Summary Risk Assessment Matrix

Project/intervention title: Subsidised Temporary Employment Programme

Location: Lebanon

Date of assessment: 17/01/17

Assessing official: Sarah Love

Theme	DFID Risk score	
Country/Region	Lebanon (excluding red and amber zones)*	Lebanon (including red and amber zones)
OVERALL RATING⁵	3	4
FCO travel advice	3	4
Host nation travel advice	n/a	n/a
Transportation	3	3
Security	3	4
Civil unrest	2	2
Violence/crime	3	4
Terrorism	4	5
War	2	2
Hurricane	1	1
Earthquake	3	3
Flood	1	1
Medical Services	2	2
Nature of Project	1	1

* see latest details on UK Foreign Office Travel Advice <https://www.gov.uk/foreign-travel-advice>

1	2	3	4	5
Very Low risk	Low risk	Med risk	High risk	Very High risk
Low		Medium	High Risk	

⁵ The Overall Risk rating is calculated using the MODE function which determines the most frequently occurring value.