

ARLA PROJECT – LEBANON

LBNB7-4100/IB/9710686

MANAGEMENT SUPPORT CONSULTANCY

**“INSTITUTIONAL STRENGTHENING OF THE MINISTRY OF
LABOUR AND THE NATIONAL EMPLOYMENT OFFICE”**

TERMS OF REFERENCE

PROGRAMME MONITORING CONSULTANTS

OFFICE OF THE MINISTER OF STATE FOR ADMINISTRATIVE REFORM

TABLE OF CONTENTS

1. BACKGROUND INFORMATION	1
1.1. INTRODUCTION	1
1.2. THE MINISTRY OF LABOUR.....	1
1.3. NATIONAL EMPLOYMENT OFFICE.....	2
1.4. ADMINISTRATIVE ISSUES	3
1.5. THE NEED FOR REFORM.....	4
1.6. PROBLEM IDENTIFICATION.....	4
1.6.1 <i>Work Permits</i>	5
1.6.2 <i>Labour Protection and Labour Relations</i>	6
1.6.3 <i>Employment Promotion</i>	7
1.7. OTHER DONOR INTERVENTIONS IN THE SECTOR	8
2. PROJECT OBJECTIVES	9
2.1. CONTRIBUTION OF THE ARLA PROGRAMME.....	9
2.2. OVERALL OBJECTIVE.....	10
2.3. SPECIFIC OBJECTIVES	10
3. ASSUMPTIONS.....	11
4. SCOPE OF WORK	12
4.1. GENERAL ORIENTATION	12
4.2. IMPROVING SERVICE DELIVERY.....	12
4.3. PREPARATION OF FUNCTIONAL AND STRUCTURAL REFORM.....	13
4.4. IMPLEMENTATION OF THE REFORMS	14
5. LOGISTICS AND TIMING	15
5.1. LOCATION OF THE ASSIGNMENT.....	15
5.2. LOGISTICS	15
5.3. MSC STEERING COMMITTEE.....	15
5.4. DURATION	16
5.5. WORK PLAN	16
5.5.1 <i>Phase 1: Inception Phase</i>	16
5.5.2 <i>Phase 2: Improving Service Delivery</i>	16
5.5.3 <i>Phase 3: Preparing for Functional and Structural Reform</i>	17
5.5.4 <i>Phase 4: Implementing Reform</i>	17
5.5.5 <i>Phase 5: Evaluation</i>	17
6. REQUIRED OUTPUTS/REPORTING.....	18
6.1. OUTPUTS.....	18
6.2. REPORTING	18
6.2.1 <i>Monthly reports</i>	18
6.2.2 <i>Quarterly Reports</i>	18
6.2.3 <i>Annual Reports</i>	19
7. REQUIRED INPUTS	20
7.1. FINANCING	20

7.2.	TECHNICAL ASSISTANCE (€ 985,000)	20
7.2.1	<i>General comments</i>	20
7.2.2	<i>Long-Term Expert – Labour Administration Expert (Project Manager)</i>	20
7.2.3	<i>Short-Term Experts</i>	21
7.2.4	<i>Local Consultants</i>	22
7.3.	TRAINING AND STUDY TOURS (€150,000)	22
7.4.	PROVISION OF EQUIPMENT. (€200,000)	22
7.5.	SPECIALIST SERVICES (€140,000).....	23
7.6.	OPERATIONS (€25,000).....	23
7.7.	PROCUREMENT	23
8.	MONITORING AND EVALUATION	25
9.	TECHNICAL AND FINANCIAL PROPOSALS.....	26
9.1.	TECHNICAL PROPOSAL.....	26
9.2.	FINANCIAL PROPOSAL	26

LIST OF ANNEXES

ANNEX 1.A	ORGANIZATIONAL STRUCTURE MINISTRY OF LABOUR
ANNEX 1.B	ORGANIZATIONAL STRUCTURE NATIONAL EMPLOYMENT OFFICE
ANNEX 2	SIMPLIFIED LOGICAL FRAMEWORK MSC LABOUR
ANNEX 3	BUDGET MSC LABOUR *
ANNEX 4	EVALUATION GRID MSC LABOUR
ANNEX 5	SERVICE PRE-INFORMATION NOTICE MSC LABOUR *
ANNEX 6	SERVICE PROCUREMENT NOTICE MSC LABOUR *

* = FOR INTERNAL PMC USE ONLY; NOT FOR BIDDERS

TERMS OF REFERENCE

MANAGEMENT SUPPORT CONSULTANCY “INSTITUTIONAL STRENGTHENING OF THE MINISTRY OF LABOUR AND THE NATIONAL EMPLOYMENT OFFICE IN LEBANON”

1. BACKGROUND INFORMATION

1.1. INTRODUCTION

The Administrative Reform of the Lebanese Administration (ARLA) programme is a three-year, multi-sectoral programme to rebuild public sector capacity in Lebanon. Total investment in the ARLA programme is Euro 45.2 million, of which Euro 38 million is provided under grant funding by the European Union’s MEDA facility. ARLA funds are channelled to the beneficiary institutions through the Office of the Minister of State for Administrative Reform (OMSAR), supported by a Programme Monitoring Consultancy (PMC).

This document contains the detailed formulation of a Management Support Consultancy (MSC) in the Ministry of Labour (MoL) and the National Employment Office (NEO). The MoL is one of several ministries selected to receive support through the ARLA programme.

ARLA actions include ministry-specific interventions (such as this MSC), and a series of “horizontal” (cross-ministry) initiatives to modernise the core agencies and procedures of the Lebanese Administration. These horizontal actions will tackle some of the problems facing all ministries in Lebanon (including MoL), such as:

- insufficient delegation of HR functions to line ministries;
- establishment levels that are enshrined in out-of-date legislation, and which make it legally difficult to recruit new skills to meet the needs of a modern economy;
- high levels of vacancies even in those established levels;
- a skewed profile of civil servants, who (overall throughout GoL) have an average age of 58 years. (One legacy of the civil war is a shortage of mid-career civil servants).

1.2. THE MINISTRY OF LABOUR

The Ministry of Labour and Social Affairs was established by law in 1952. In 1959, the Office for Social Development was created, moving all social services from the MLSA to this new entity. In 1961 Legislative Decree (LD) no. 8352 was passed re-organising the Ministry of Labour and Social Affairs. In 1983 the Office for Social Development was divorced from the Ministry and merged with the Ministry of Public Health. From that year on, the Ministry became known as the Ministry of Labour (MoL). Its essential functions include the following:

- To oversee and deal with all employer-employee relations: working conditions, health and safety, wages, benefits, and (individual) labour disputes (for settling them amicably)
- To promote employment opportunities and monitor the dynamics of supply and demand for labour (both local and foreign)
- To control the influx of foreign labour through issuing and withholding work permits

- To co-operate with trade unions and employers' associations to develop sound labour relations and mediate and prevent (collective) labour conflicts
- To issue and/or amend labour laws and monitor their implementation
- To supervise the tutorship over the Office for Social Development (from 1959-1983) National Employment Office, and the National Social Security Fund.

The main piece of legislation governing employer-employee relations is the Labour Law passed in 1946. Since then few minor modifications were introduced, for example the 1987 modification raising the age of end-of-service in the private sector and all other autonomous agencies and offices subject to the Labour Law from the age of 60 to 64 years.

The Ministry of Labour is composed of a single Directorate-General, under which the following departments, bureaus and regional offices resort:

- The Diwan (administrative affairs)
- Bureau of programmes and projects
- Department of Manpower
- Department of Labour and Industrial Relations
- Regional Labour Offices (5 in total, as follows: North Lebanon, Mount Lebanon, Beka'a and South Lebanon – Saida and Nabatiyah).

Annex 1.a provides the organigramme of the Ministry of Labour, which was never changed after its re-organisation in 1961. In 1994, OMSAR prepared a series of detailed studies recommending changes to the government structure in Lebanon. One of these studies dealt with the Ministry of Labour, and this study was submitted to the Minister of Labour. However, there was no follow-up realized. In April 2000, due to new policies concerning merger and deconcentration of Ministries, a new study was commissioned by OMSAR to review the earlier proposals. The report was submitted to the Minister of State for Administrative Reform in August 2000. It included detailed proposals for restructuring the Ministry, including staffing.

1.3. NATIONAL EMPLOYMENT OFFICE

In 1977 the National Employment Office was established (L.D. no 80 of 27/6/1977) as a semi-autonomous agency under the tutelage (supervision) of the Ministry of Labour. Between 1983 and 1994 it was merged with the Ministry of Labour, but after 1994 it emerged again as a semi-autonomous agency under the tutelage of the MoL. The mandate of the NEO are defined by LD no. 80 of 1977, as follows:

- To establish and supervise public employment offices in Beirut and other Lebanese regions
- To prevent unemployment and supervise the efficient functioning of the labour market
- To upgrade the qualifications of the labour force, notably out-of-school youth, the unemployed and adult workers
- To conduct research on the labour market through studies and surveys.

The NEO is headed by a Director-General and governed by a Management Board, consisting of the Minister of Labour (Chairman), D-G of the Ministry of Labour (Vice-Chairman), 5 representatives of the employers' associations, 3 representatives of trade unions, 3 representatives of the Lebanese (state) University, 1 representative of the D-G Technical and Vocational Education, 1 representative of the pedagogical centre for research and development.

The NEO is composed of two departments and several bureaus. Annex 1.b. provides the organigramme of the National Employment Office, which dates back to its inception in 1977. Up to the present it has opened up one employment service bureau in Beirut, providing a matching function between job seekers and employers in search of workers. It has the legal mandate to open up regional employment offices, but so far lack of financial resources has prevented this.

1.4. ADMINISTRATIVE ISSUES

As in a number of other Ministries, the functions and structure of the MoL were defined almost 40 years ago and have now become outdated and inappropriate for a modern administration. The Labour Law that governs the operations of the Ministry was conceptualised more than 50 years ago.

Over the years the workload of the Ministry has increased due to the increase in the number of enterprises, increases in the labour force, and increasing number of foreign workers entering Lebanon in search for jobs.

Staffing structure of the Ministry remained unchanged, resulting in increased pressure on staff due to an increased case-load per employee. Analysis of the legislation and interviews with MoL staff confirm moreover that the staffing structure is severely distorted. The legislation provides for far too many low-skilled employees, such as secretaries, clerks, office messengers and drivers, and too few positions for qualified professional staff, such as labour inspectors, statisticians, and policy analysts. Table 1 below provides the official staffing structure of the MoL by administrative grade.

Table 1. MoL Staff Structure

Grade	Description	Number of Staff
I	Director-General	1
II	Department Head	2
III- administrative	Heads of Sections or Bureaus	14
III – professional	Labour inspectors, medical doctors, engineers (health and safety) and statisticians	20
IV	Administrative staff: assistant labour inspectors, clerks, typists, telephone operators and bookkeepers	81
V	Manual workers: drivers, guards, messengers	
	Total	118
	Vacancies	72
	Total Staff provided for in Legislation	190

The actual staff numbers in MoL and NEO are substantially less than provided for in the official legislation. The MoL currently has 118 employees, of which 90 are working in the central office in Beirut and 30 in the regional offices. Similarly in NEO the number of actual positions is 40 compared to a total of 106 established positions. Moreover, the staff composition is heavily biased towards older workers (over age 50).

The MoL, and any other Ministry for that matter, is not free in conducting a personnel policy that best fits the requirement of the Ministry. Staffing levels, by functional categories, have been fixed by law or decree, and can only be amended by a new law or decree, a difficult and time-consuming affair. In addition, staff additions during the past 10 years have been largely motivated by political considerations.

The MoL and NEO lack analytical, programming and policy making skills. In the organisational structures dating back to 1961 and 1977, a policy making section was not foreseen. No management information systems are in place to reflect on and steer the output of the two institutions. Moreover, there is little understanding what this output could be and how best the MoL and NEO can contribute to the balanced economic and social development of Lebanon. As a result of the influx of foreign labour, the Ministry is largely perceived as the "Ministry of Permits" in the eye of the public.

In the area of IT equipment, the MoL and NEO have received their shares under the World Bank loan administered by OMSAR. The MoL received 16 PCs, 12 printers and one server, while NEO received only 10 PCs, but was already in the possession of two servers, 3 PCs and 12 printers. In both organisations, PCs are primarily used for secretarial work, accounting, bookkeeping and data entry, not for statistical, analytical and programming purposes. Majority of staff working with PCs are grade IV and contractuales. Computers are hardly used by professional staff (grade III and higher).

1.5. THE NEED FOR REFORM

After 15 years of civil war, the socio-economic situation in Lebanon has drastically changed and this has had and will continue to have its effects on the world of work. Ten years after the war with major infrastructure projects completed, employment and social issues have come to the fore. Reducing unemployment and solving other pressing social issues (a defunct social security system, expanding health costs, pockets of poverty among vulnerable population groups) have been put on the political agenda. A review of the social sector, with a focus on social security, social safety nets and social services, will be launched as another intervention financed under the ARLA programme.

As elsewhere in the developed world, the Lebanese Administration bears a traditional responsibility in the labour and social field, most importantly to protect the rights of workers, to enhance job opportunities, and to facilitate social dialogue among employers' and workers' representatives in order to avoid labour conflicts. Labour administration is the tool at the disposal of governments to achieve these objectives, to enforce labour legislation and to offer solutions to the various and complex problems the world of work faces, working in cooperation with the social partners.

At present, the Ministry of Labour is ill prepared to take on this role. Although it has the lead responsibility in this area, the MoL has very limited policy making capacity and inadequate human, financial and material resources for the provision of effective and efficient services in this area. In order to modernize its administration and improve its services to the public the Minister of Labour has requested OMSAR for assistance under the ARLA programme.

1.6. PROBLEM IDENTIFICATION

During interviews with key MoL staff the bottlenecks preventing an improved performance in labour administration were identified and extensively discussed. Staff issues, in the form of

shortage of qualified staff, came on top of the agenda, as could be expected from the analysis provided in section 1.4. It was made clear that this Management Support Consultancy was in no position to achieve staff increases. This is a topic that bears on all Ministries and should be tackled through an ARLA-wide initiative.

In addition, it is clear to everyone involved that the existing structure of the MoL is no longer adequate for Lebanon today. There is a need for a functional review to discuss the essential functions a Ministry of Labour and the National Employment Office should perform in a market economy, taking into account the financial envelope available. Lebanon is facing a huge and growing government deficit, and in this regard the Ministry of Labour is facing a competition for resources with other government priorities. An increased financial envelope is not very likely, and solutions will need to be found in re-allocating resources towards agreed priority functions.

A functional review will also need to address perceived overlaps and duplications in tasks and responsibilities between MoL and other Ministries (for example, in the area of technical and vocational training) and between MoL and the semi-autonomous agency under its tutelage, i.e. NEO. This opens up the question if a NEO should be merged into a MoL new-style, or is best left as a semi-autonomous organisation.

Once a functional review has been completed, the logical next step is to revise the mandate of the Ministry and introduce organisational and structural revisions. This will open up questions as to how MoL should be re-organized? How tasks and responsibilities should be shared among departments, (regional) divisions and sections? What essential tasks should be carried out by the core Ministry and what other tasks can be left to semi-autonomous agencies?, etc. Finally, this review should result in a revised structure of MoL, with an adequate provision of human financial and material resources

It is obvious to all that such administrative reform cannot be achieved overnight. Such a reform process is time-consuming and requires consensus about the new direction and organisation among key stakeholders (Council of Ministers, OMSAR, MoL staff, and the social partners). In addition, it requires a new Law or Decree to be passed by Parliament.

Meanwhile there is an urgent need to address problems and bottlenecks in day-to-day tasks carried out by MoL and NEO. In other words, there is a need to introduce administrative modernization to improve the service delivery in MoL and NEO. A summary of major bottlenecks by major function is presented below.

1.6.1 WORK PERMITS

Although not initially envisaged as a core function, the granting of work permits to foreign nationals has become a core activity of the MoL. The number of permits issued increased from around 5,000 in the 1960s to more than 70,000 today. Roughly 80 % of applications relate to maids and other unskilled labour, including agricultural workers. Approximately one quarter of total staff is engaged with this activity.

A work permit from the Ministry of Labour is required for foreign nationals to work in the country. However, the number of permits it issues is far below the actual number that enters the country. Thus the majority of foreign workers work without permits, particularly Syrian workers who constitute the largest majority in the country and Palestinian workers. The UNDP estimated the total number of foreign workers at around 600,000 at the end of 1995, of which

about 450,000 are Syrian workers, who are mainly engaged in seasonal employment in agriculture and construction and other manual work.

The whole administrative process of applying, approving, and issuing of work permits is manual. A computer is used in the final stage to register the work permit number, and the name, sex, age, nationality, job classification etc. of the worker in a database. This database is used for statistical purposes. The Central Administration on Statistics (CAS) publishes the data in its monthly bulletin of statistics.

A number of small amendments in work procedures, training of staff in public relations and client handling and investment in software applications and hardware to automate the issuing and renewal of work permits will result in large efficiency savings and a better service to the public. Staff is aware of the potential gains that computerisation can bring and is keen to take that road.

Preliminary analysis has indicated that the information system architecture should consist of a central data base accessible through an Intranet from various MoL offices. External organisations, such as Ministry of Finance, who collects the fees, and NEO, who screen applications on referral from the Minister of Labour, should be able to access the database as well. An Internet site should also be developed (perhaps as part of a comprehensive MoL web-site) to provide information to the public on work permit application procedures.

1.6.2 LABOUR PROTECTION AND LABOUR RELATIONS

The protection of workers and the improvement of occupational safety and health are fundamental functions of labour administration. The MoL in Lebanon has a mere 20 labour inspectors for a total of 37,000 companies (registered with the National Social Security Fund). This makes it difficult to undertake supervision of employers' compliance with labour laws and regulations, encourage the active involvement of managers and workers in health and safety issues, and to prevent occupational risks in a pro-active manner.

Moreover, a small survey among the corps of labour inspectors indicated that they spent approximately 50% of their time checking work permit applications, 20% on preventing labour disputes, 15% on working conditions and health and safety issues, and 15% on administrative tasks. Thus also here the area of work permits has overtaken the traditional labour inspection functions in importance.

In interviews with MoL key staff, several bottlenecks, besides staffing problems, were identified. These related to an incomplete library and archive system to handle 1. labour safety inspections; 2. labour disputes at the individual level and at the collective level; and 3. trade union registration. Files are all on paper and thus not easily filed, retrieved and shared. Staff face difficulty in accessing and updating data and in preparing reports. Special mention was made of the usefulness to establish a library of jurisprudence in labour conflicts. The incomplete filing system resulted in a total absence of administrative data on labour inspections, health and safety issues, labour disputes, trade unions, and trade union membership, which prevented any programming of activities. Staff is much frustrated by the situation and aware of the need to introduce modern document and database management systems.

Furthermore, it was mentioned that employers complained often and were irritated by the duplication of efforts among MoL departments when requesting information from employers.

Improving coordination between the different departments and streamlining the information requirements expected from employers could easily address this issue.

In general, the introduction of a document management system and the adoption of information technology in the day-to-day work of labour inspectors would solve a number of these problems: staff would be more productive, so that staff/case-load could increase; archiving would become a lot easier with majority of information kept in a central database; administrative statistics would be readily available.

In the area of health and safety prevention, the adoption of IT would have to be accompanied by a proper programming of inspection visits, plus a cycle of evaluation and feedback to see through changes. This will need to be institutionalised through new and updated work procedures. Modern equipment kits are also required for health and safety inspectors.

1.6.3 EMPLOYMENT PROMOTION

The agency tasked with employment promotion in the broadest sense is the National Employment Office (NEO). It provides an employment service function through a central bureau in Beirut. The experience so far has not been very encouraging. Canvassing enterprises for vacancies and placements is extremely difficult in a labour market that puts a premium on personal connections. Furthermore, the bureau is facing competition from private recruitment agencies that cater to the high-end of the labour market (38% of those registered with the NEO have an university education), but also recruit skilled and semi-skilled workers on behalf of employers.

The employment service bureau is computerized, but not in the most efficient way. Physical cards and computer records co-exist, with the employment officer (grade III) filling in the physical card and the clerk (grade IV) typing the information from the card in the computer. With the result that the employment officer is not using the computer, has no knowledge of the computer and cannot perceive the potential use of the computer to improve his day-to-day work. The resulting database is thus mainly used for statistical purposes, not for matching job seekers with active vacancies. Simple amendments could help to rectify this, at the same time improving service delivery as well as job satisfaction for NEO employees.

The NEO carries out labour market studies and surveys. An enterprise-based labour market survey is conducted annually (1998, 1999 and 2000) in collaboration with ILO and the Faculty of Social Sciences of the University of Lebanon. Other, less regular surveys include a survey of the unemployed, and a tracer survey of students who complete vocational training financed through the NEO. In discussions, it became clear that the NEO has the ambition to establish a labour market information system and become the depository of all labour market studies and surveys carried out in Lebanon. A request for technical assistance was made to make this happen.

Last but not least, the NEO is also involved with the financing of vocational training for three target groups: 1. out-of-school youth; 2. adult workers requiring re-training; and 3. handicapped. Training courses are financed by NEO but conducted by NGOs. Besides the financing, NEO checks the feasibility of the training programme for the labour market and supervises the content of the training as well as the quality of the training provider. Students who complete the course receive a NEO certificate. The programme is severely handicapped by lack of funds. For example, in 1999 no budget was made available and no training could be financed.

1.7. OTHER DONOR INTERVENTIONS IN THE SECTOR

Other donor involvement in the MoL is negligible. In the past, it has benefited from ILO advisory assistance and training in the areas of labour inspection, occupational health and safety, labour education and trade union organisation and combating child labour.

For the conduct of labour market studies and surveys, the NEO is largely dependent on international organizations for technical advice and financial support. The UN system has been active in last few years in supporting the following projects:

- First Manpower and Labour Market Survey (UNDP/ILO), carried out in 1997 and repeated annually since then;
- Development of a “National Strategy for Employment Promotion and Sustainable Economic Growth” (UNDP/ILO), carried out in 1998;
- Support to the Adult Training Centre in Dekwaneh and establishment of an accelerated programme in vocational training (UNDP/ILO).

2. PROJECT OBJECTIVES

2.1. CONTRIBUTION OF THE ARLA PROGRAMME

The analysis provided in Chapter 1 indicates that within the scope of public administration reform important improvements are within reach to strengthen service delivery and increase the relevance of the MoL and the NEO to the public at large. It is important to target both institutions since they complement each other and provide the institutional framework for the implementation of labour administration in Lebanon. ARLA support could be envisaged at two levels to tackle the twin problems of an inadequate organization structure and deteriorating service delivery.

First, introduce administrative modernisation. Or in other words, work from the bottom-up by improving existing services of the MoL and NEO. The core functions of the MoL and NEO should be targeted. This should be done through a combination of amendments in work procedures, training in public relations and client handling for those staff that deal directly with the public, training in use of the computer by professional staff, development of software applications (including Internet and Intranet applications) that will allow faster processing and sharing of documents, files, permits and limited investments in equipment, including the upgrading of computer hardware. The functional areas to be targeted include the issuing of foreign work permits, labour inspections, health and safety prevention measures, labour relations, labour market studies and surveys, and employment services.

Second, introduce administrative reform. Or in other words, work from the top-down by reviewing the functional and organizational structures of MoL and NEO in the light of the requirements of Lebanon's changed socio-economic situation. For example, with unemployment becoming a huge social problem, there will soon be a need to develop and implement a more pro-active employment policy, including the provision of technical and vocational training to school drop-outs and the unemployed. It is imperative that the Ministry of Labour has a role to play here. Overlap and duplications in the provision of technical training need to be sorted out between MoL, NEO and the Ministry of Technical and Vocational Training. Private recruitment agencies have mushroomed; there exists neither an official licensing system nor any monitoring or supervision of their activities. This should belong to the core responsibility of the Ministry of Labour. The pros and cons of deconcentrating the issuing of work permits to a semi-autonomous agency under the supervision of the MoL should be discussed and reviewed.

In short, such a review will result in recommendations for the functional and structural reform of the two institutions, including changes in mandate, organization, staffing and relations with other institutions. It is important that the two axes of strengthening service delivery and functional and structural reform work in tandem and support each other. Work on service delivery improvement will provide ideas and insights on how to best reorganise and restructure the Ministry. A new structure will require improved work procedures that will further enhance service delivery.

This brings us to the overall and specific objectives of the ARLA intervention.

2.2. OVERALL OBJECTIVE

The overall objective of this MSC is to improve service delivery of core functions in MoL and NEO and to advise on and assist with the implementation of functional and structural reform in these two institutions in light of the changing socio-economic situation in Lebanon.

2.3. SPECIFIC OBJECTIVES

The specific objectives are as follows:

- to strengthen institutional capacity in the Department of Manpower to streamline and speed-up the processing of work permit applications and in general provide a better service to the public;
- to strengthen institutional capacity in the Department of Labour and Industrial Relations to protect workers, improve occupational health and safety and prevent labour conflicts;
- to strengthen institutional capacity in the National Employment Office to conduct labour market research, build up a depository of employment and labour market surveys and improve its public employment service function.

A logical framework is presented in Annex 2.

3. ASSUMPTIONS

It is assumed that this MSC will be implemented in a stable political environment, where the Council of Ministers is concerned with public administration reform and is willing to take a clear look at the functional responsibilities of the MoL and the NEO and support proposed revisions, where necessary. Successful implementation is also dependent on the continuous support obtained from MoL and NEO senior management to introduce changes in organisational structure and work procedures, backed up by decrees and regulations, where necessary. Computer illiteracy and an insufficient knowledge of what automation means in a modern administration at the higher echelons of the two beneficiary institutions form another deterring factor that needs to be taken into account.

Provided the political support from the highest echelons, serious understaffing and insufficient absorptive capacity in the beneficiary institutions challenge project implementation. There exists a real danger that implementation is slowed down because of insufficient numbers of qualified staff. New staff recruitment is necessary, but lies outside the scope of this assignment. Another risk is that trained staff, especially those that have gained marketable IT skills, leave the Ministry for more lucrative employment in the private sector.

4. SCOPE OF WORK

4.1. GENERAL ORIENTATION

A Consultancy firm or consortium will be contracted by the Office of the Minister of State for Administrative Reform (OMSAR) to undertake the project entitled: "Institutional Strengthening of the Ministry of Labour and the National Employment Office in Lebanon".

The Consultancy firm or consortium wishing to bid for this technical assistance contract must have:

- Experience in labour administration reform, in particular as regards:
- Organizational and functional reform of ministries or departments of labour
- Improved service delivery in labour protection, industrial relations and employment promotion
- Knowledge of labour legislation and international labour standards
- Experience in designing, developing and maintaining management information systems to support decision-making in modern administrations
- Experience in planning and managing Human Resources Development components in technical assistance projects through a combination of fellowship, in-service or on-the-job training programmes
- Experience in developing countries and in Middle East countries in particular
- Experience of working on projects funded by major international donors (EU, UNDP, ILO, World Bank)

The Consultancy firm or consortium will be expected to field a team of international and local consultants to carry out the assignment. The team will be headed by a project manager who will assume overall responsibility for the output of the team towards achieving the overall and specific objectives of the assignment. The project manager will be based in the MoL.

The Consultancy firm or consortium will be expected to carry out the following tasks.

4.2. IMPROVING SERVICE DELIVERY

Work Permits:

- review of legal and regulatory text governing the application, screening, approval and issue of foreign work permits, plus recommendation on how to simplify the procedures;
- review of administrative processes governing the application, screening, approval and issue of foreign work permits, plus recommendations on how to streamline the procedures;
- review of the process of classifying those jobs that are open to foreign workers in Lebanon (positive list) or closed to foreign workers in Lebanon (negative list);
- Preparation of a strategic plan to simplify and streamline work permit applications, providing a better, more expedient service to the public, including recommendations for legislative and procedural changes, training of staff, upgrading of hardware and development of software. Also training in other areas than computer use should be elaborated (for example in document management, client handling etc.)

- Implementation of the strategic plan, including the anticipated computerisation of the section issuing work permits, using available Internet and Intranet solutions to share information among local offices and with related institutions (NEO and Ministry of Finance). This task will entail a series of sub-tasks as follows:
 - Development of software application
 - Installation of hardware
 - Pilot testing of application
 - Computer training for staff
 - Evaluation and feed-back.

Labour Protection and Labour Relations:

- An assessment of the current legal framework and operating procedures, including a review of human and financial resource requirements, in the Department of Labour and Industrial Relations concerning labour inspections, health and safety prevention measures and labour relations
- Preparation of a strategic plan to strengthen service delivery in the above mentioned areas for employers and workers, including recommendations in procedural changes, such as adopting a cycle of planning, programming, monitoring and evaluation and building a library and archive system for labour inspectors. The plan should also spell out to what extent the use of computers and management information systems can facilitate the work of labour inspectors and how such computerisation can be brought about, including the upgrading of hardware, development of software and training of staff. Also training in other areas than computer use should be elaborated (for example in occupational health and safety, labour inspection, document management, client handling etc.)
- Implementation of the strategic plan. This will include the procurement of at least 4 health and safety equipment kits for labour safety inspectors, as well as training in the use of the kit.

Employment Promotion:

- An assessment of current operating procedures, including a review of human and financial resource requirements, in the National Employment Office concerning the public employment service function, the conduct of labour market studies and surveys, and the financing and provision of vocational and technical training to out-of-school youth and the unemployed.
- Preparation of a concise plan to strengthen the employment service function and improve the quality of labour market studies and surveys and build up a depository of labour market and employment surveys and studies.
- Implementation of the plan.

4.3. PREPARATION OF FUNCTIONAL AND STRUCTURAL REFORM

- An initial assessment of the legislation establishing the MoL in 1952 and changing its structure in 1961. A review of OMSAR and other proposals to reform the structure of the MoL and NEO
- Preparation of a policy paper advising on the core functions of a Ministry of Labour in the context of the changed socio-economic situation in Lebanon
- Organisation of a study tour to 1 or 2 EU countries to witness the functioning of a modern labour administration in a market economy

- Organisation of a high-level workshop to discuss the policy paper and the findings of the study visit among government representatives and representatives of the social partners to seek consensus as to what the priority functions should be
- Preparation of a new structure for the Ministry of Labour based on the agreed priority functions with wide participation of MoL officials as well as other relevant institutions (OMSAR)
- Submission of the new MoL structure, in the form of a Law Proposal, to the Council of Ministers for approval.

4.4. IMPLEMENTATION OF THE REFORMS

- Preparation of a financial and operating plan for the reformed MoL

This plan would:

- Estimate recurrent costs for the MoL on a three-year rolling basis
- Prepare investment requirements in equipment, furniture
- Develop operating manuals and work procedures
- Develop performance measures for the various departments in the MoL
- Develop reporting guidelines for the various departments in the MoL

- Preparation of a human resources plan for the reformed MoL.

This plan would:

- Prepare a grading plan for all positions in MoL
- Prepare job descriptions for all grade I, II, III and IV posts
- Prepare a staff (re-)allocation plan
- Conduct a detailed training needs analysis
- Prepare a recruitment plan to bring new staff into the reformed MoL

- Organisation of a fellowship programme in labour administration for 3 to 4 staff who will take up key positions in the reformed MoL

The fellowship programme should ideally provide for a twinning arrangement with a labour administration in one of the EU countries. It could also be with an international organisation specialized in the labour and employment field, for example the International Labour Organisation, making use of their international training centre in Turin.

5. LOGISTICS AND TIMING

5.1. LOCATION OF THE ASSIGNMENT

The Project will be carried out in Beirut, Lebanon. Occasional travel to MoL regional offices will be required.

5.2. LOGISTICS

Upon signature of the contract, the Consultancy firm or consortium will expeditiously mobilise its long-term expert and other relevant consultants in Beirut to initiate the project. It is envisaged that the mobilisation period will not exceed one month from the date of signature of the contract.

By virtue of its approval of these Terms of Reference, the Ministry of Labour undertakes to provide adequate and reasonable office space for the Consultancy firm or consortium, including air-conditioned / heated offices, desks, chairs, and local telephone access within Lebanon. Offices will be fully equipped with sufficient electrical outlets to connect personal computers and uninterruptible power supplies if required.

The Consultant will be responsible for funding all their international telecommunications, courier and fax costs.

The beneficiaries will make available all relevant information (documents, correspondence, studies etc.) and provide all necessary support (consultation meetings arrangement, etc.) to the consultants for carrying out the scope of work.

5.3. MSC STEERING COMMITTEE

There will be a MSC Steering Committee, comprising:

- Representative of MoL (Chair) - nominated by the Minister
- Representative of NEO – nominated by the Minister;
- EU Project Coordinator, OMSAR
- Representative, EU Delegation
- MSC Project Manager
- PMC Monitoring Expert

The Steering Committee can also invite others to attend as observers as appropriate. It is advisable to invite the senior labour administration expert of the ILO Multidisciplinary Team for the Arab States, based in Beirut, as an observer, in his capacity as a technical expert.

In principle, the Steering Committee will meet every quarter:

- to review the inception report (1);
- to review the Quarterly reports (7);
- to review the Annual reports (2).

The purpose of the Steering Committee is:

- to recommend the approval of the reports of the project;
- to recommend the approval of variations proposed to work plans and budgets;

- to provide direction and guidance to the project and to assist the project to meet its overall objectives.

5.4. DURATION

Project duration is 24 months. Nonetheless, there is the possibility that the project could be extended if it is succeeding in its goals, and subject to the availability of funding.

5.5. WORK PLAN

It is up to the Consultancy firm or consortium to propose a detailed methodology and work plan for the assignment when presenting their proposal. However, it is envisaged that the MSC will be structured in a phased manner, with particular attention being given to leaving behind a strengthened, more capable institution. The work plan should be phased as follows:

- Phase 1: Inception Phase (months 1- 2)
- Phase 2: Strengthening Service Delivery (months 3 – 22).
- Phase 3: Preparing for Functional and Structural Reform (months 11 – 16)
- Phase 4: Implementing Reform (months 17 – 22)
- Phase 5: Evaluation Phase (months 23 – 24).

5.5.1 PHASE1: INCEPTION PHASE

During the inception phase the consultants will undertake a rapid but comprehensive assessment of the institutional challenges facing MoL and NEO in improving service delivery. At the end of the inception phase the consultants will submit an inception report which will present:

- an assessment of the situation at present
- key issues and challenges (distinguishing between administrative/project issues and policy issues)
- proposed steps to address the key issues;
- a revised methodology, work plan and budget for the first year of project operation;
- a revised logical framework with updates to the risks and assumptions;
- detailed task descriptions, expert profiles, work allocations and schedules of short-term international experts and local experts;
- detailed proposals for immediate procurement of equipment and expenditure on services and training, so that the MoL and NEO can obtain early benefits from these inputs, and outline proposals for subsequent procurement timetable.

5.5.2 PHASE 2: IMPROVING SERVICE DELIVERY

During this phase the Consultants will work closely with the various departments in MoL and NEO that have been identified for improving service delivery. Starting from a thorough assessment of existing operational procedures and the human and financial resource requirements, the Consultants will prepare a detailed strategic plan how to improve service delivery. Implementation of the plan is likely to involve advisory support, study visits, training, development of software and upgrading of hardware. Specific attention should be paid to

introduce a cycle of planning, programming, monitoring and evaluation using the outputs from the information systems put in place.

5.5.3 PHASE 3: PREPARING FOR FUNCTIONAL AND STRUCTURAL REFORM

During this phase the Consultants will assist the Minister of Labour in preparing for institutional reform of his Ministry. The end result of this phase should be a Law Proposal submitted to the Council of Ministers, with concrete proposals on reforming the structure, staffing and financing of the Ministry of Labour and the National Employment Office. The Ministry, with help of the Consultants, should make this a consultative process, involving the social partners and other key decision-makers, in the discussion on the optimal structure for the Ministry.

5.5.4 PHASE 4: IMPLEMENTING REFORM

In this phase the Consultants will assist the MoL and NEO to design and implement action plans for reform, including:

- preparation of job descriptions
- assistance with putting the personnel resources in place (recruitment, establishment of appropriate staff appraisal systems)
- provision of training (on the job training, fellowship programmes, etc)
- development of an operations monitoring and performance reporting system
- development of operating manuals, work procedures
- provision of equipment (IT equipment, office equipment and furniture)

5.5.5 PHASE 5: EVALUATION

During this phase the outputs of the project will be measured against the envisaged results. A draft final report will be drawn up by the Consultants reviewing the results achieved and recommending future action. A draft final report will be presented in the Steering Committee, and the views and suggestions from members of the Steering Committee will be presented in the final report.

During this phase the MSC project will close, and ensure that all relevant documents are provided to the beneficiary and stakeholders.

6. REQUIRED OUTPUTS/REPORTING

6.1. OUTPUTS

The final outputs of the project will be as follows:

- Work permit Management Information System
- Labour inspection Management Information System
- Labour archive and documentation center
- Labour market documentation center
- Trained staff
- Policy paper on new role and function of MoL
- Study tour to EU countries
- Law Proposal on revised MoL mandate and organizational structure
- Financial and operating plan for new MoL
- Human resources development plan for new MoL
- Fellowship programme for 4 key staff

6.2. REPORTING

The Consultancy firm or consortium will follow a monthly, quarterly and annual reporting cycle. Reports will be submitted to OMSAR, EU Delegation, MoL, NEO and all members of the Steering Committee. The Inception, Quarterly and Annual Reports shall be considered to be approved, if no comments by OMSAR, MoL or the EU Delegation are received within 30 days of their submission.

6.2.1 MONTHLY REPORTS

The Consultancy firm or consortium will prepare short (2 page maximum) monthly reports, summarising progress in the last month, problems / issues, and planned activities in the coming month. These reports are primarily intended as up-to-date information for the project's stakeholders.

Monthly reports are to be submitted within 7 days after the end of each month.

6.2.2 QUARTERLY REPORTS

Quarterly reports will form the basis for project monitoring within the ARLA programme. These reports will include (maximum 10 pages, plus annexes):

- a one-page executive summary;
- a summary of consultant's activities during the respective period, with list of personnel employed and their assignments, as well as a detailed forecast of activities foreseen for the up-coming three months;
- an indication of progress made towards achieving the expected results (deliverables) of the intervention, pointing out difficulties or impediments and recommendations for suitable remedies on the project-level.

- an evaluation of progress made towards the fulfilment of the wider and specific objectives of the MSC linked to the logical framework; and
- recommendations for measures at the **policy level**.

In each quarterly report, the consultants shall include a rolling summary of mobilization, activities, and expenditures, from the start of the project to the end of each quarter.

Quarterly reports are to be submitted within 15 days of the quarter end i.e. by April 15, July 15, October 15 and January 15.

6.2.3 ANNUAL REPORTS

The consultants will submit two annual reports. The first annual report will essentially present a mid-term review of the project, while the second annual report will represent the project completion, or final report.

The Annual Report should draw on, but not repeat, the content of the Quarterly Reports. It should provide a high level summary of key issues and progress, and should be critical in its review of achievements to date in relation to the MSC's objectives and expected results. The Annual Report should be no more than 20 pages plus appendices. It should include a one-page executive summary, and a work plan and budget for the coming year. It should be suitable for wide circulation if judged appropriate. The first Annual Report is due 12 months from the date of commencement of the contract.

The last annual report should be more substantive, and form a stand-alone **project completion** or **final report**, which provides a comprehensive review of the project. It should include:

- a one-page executive summary;
- a summary of the project history and consultant's activities, with a summary of inputs, expenditure and staff deployment over the period of the project;
- a review of progress made towards achieving the expected results (deliverables) of the intervention, pointing out difficulties or impediments and recommendations for suitable remedies on the **project-level**.
- an evaluation of progress made towards the fulfilment of the wider and specific objectives of the MSC (making reference to the logical framework) and recommendations for modifications and improvements on the **policy level**;
- a summary of lessons learned (a) at project implementation level and (b) policy level.

This final report will aim to provide conclusions and recommendations that could be useful to the EU Delegation, the Commission, MoL, OMSAR and other Lebanese institutions for future technical co-operation projects.

The Final Report is due on the close of the second year of the project.

7. REQUIRED INPUTS

7.1. FINANCING

The overall budget for the MSC is €1,500,00 made up as follows:

- technical assistance (including all consultant's costs) €985,000
- training and study tours €150,000
- equipment €200,000
- sub-contracted services €140,000
- operations €25,000

The project Steering Committee might decide to approve reallocation the foreseen budget on the basis of the Inception Report and Work Plan and the mid-term project review (Annual Report & Work Plan) at the end of the first year.

7.2. TECHNICAL ASSISTANCE (€ 985,000)

7.2.1 GENERAL COMMENTS

One long-term international expert will be provided who will assume responsibility for managing the project and delivering the outputs. In addition, the Consultancy firm or consortium is required to propose a pool of short term international and local experts with a diverse range of skills in labour administration, public administration reform, human resource development and training, information and communication technologies.

In addition to their technical qualification, all experts should have a high level of professional consulting and inter-personal skills. The requirement is for consultants who can work effectively as a team and with the staff of MoL. They must establish the trust and confidence of staff in the MoL, at a time when there may be uncertainty and resistance to change amongst staff. Experts should have experience of working in international cooperation projects, and preferably in the Middle East.

Guidance and transfer of experience to counterparts and seconded staff is an essential part of the mission of the European experts. All experts should be proficient in the use of computers, and in Microsoft Office (Word, Excel, PowerPoint). For the international experts, working ability in Arabic will be highly valuable, and in French very useful.

The Tenderer will define in his proposal the expected role of each of the proposed international and local experts, as well as the intended work schedule. He will describe facilities to provide permanent technical back-stopping support to the MSC (in particular to the long-term expert) during the expected 24 calendar months of the programme.

7.2.2 LONG-TERM EXPERT – LABOUR ADMINISTRATION EXPERT (PROJECT MANAGER)

The Project Manager, or long-term expert, should be provided for a period of 20 months. His/her role demands the creation of an effective working relations and dialogue with his/her Lebanese counterparts. The long-term expert is a critical position, and a high weighting will be attached to the quality, capability and availability of this individual.

This long-term expert may be a consultant, or an adviser seconded from a relevant EU institution – perhaps under a twinning arrangement. The primary role of the long-term expert will be to help the Minister of Labour to introduce administrative modernization and administrative reform in the Ministry of Labour.

Although this expert will ideally have excellent experience and expertise in various aspects of labour administration (labour relations, occupational health and safety, labour inspection, public employment services, employment promotion etc.), the expert's main role is not only to advise on specific issues of labour administration or to develop positions for the Minister of Labour in relation to specific cases. Rather s/he should focus on developing the performance and effectiveness of the Ministry of Labour, and will facilitate the best use of the equipment, training, services and the consultancy resources provided within this project to this goal. The expert must therefore have both relevant experience and a high level of commitment to achieving successful institutional reform and management change.

The proposed long-term expert should have the following qualifications:

- Advanced academic degree in law, social sciences or economics
- A minimum of 15 years of post-graduate experience, of which some years have been spent in running a government organization or institution
- Practical experience with management of change in public sector institutions and the provision of high level policy advice to Ministers
- Previous exposure to the labour and employment field, either as a consultant, adviser or a government official
- Experience as project manager and team leader on EU or internationally-funded consulting projects would be highly useful
- Preferably experience with EC procurement and reporting regulations
- Preferably experience in MEDA countries, ideally in Lebanon.
- Good working knowledge of English, while French would be highly desirable

7.2.3 SHORT-TERM EXPERTS

The pool of **short-term international experts** is required to support the MSC according to specific needs of the project. It is highly advisable to bring in short term experts with extensive experience, including overseas experience, in different aspects of labour administration. Ideally, the short-term international experts should work in tandem with a team of local experts, where the international experts take major responsibility for the design and development of assistance packages and the local experts take major responsibility for the implementation, including the training of staff.

A total number of 600 man-days of international short-term experts should be provided by the Tenderer. The Tenderer should submit indicative schedules for short-term expert inputs in their proposals. These schedules can be revised, if necessary, in the Inception Report work plan for the first year of the project, on the basis of the Consultant's assessment of the situation during the inception phase.

Short-term international experts will have the following qualifications:

- Advanced academic degree

- A minimum of 5 years professional experience in one or more aspects of labour administration (labour relations, occupational health and safety, labour inspection, work permits, employment services, vocational training, employment promotion)
- Preferably experience with international technical co-operation projects
- Preferably experience in MEDA countries
- Good working knowledge of English, while French would be highly desirable

7.2.4 LOCAL CONSULTANTS

It is proposed to engage 30 person months of local consultants and trainers with experience in:

- legal review / legislative drafting / revision and repeal of existing decrees & decisions
- public administration reform;
- management systems and processes (IT, financial control, human resources, document management);
- IT systems requirements analysis, specification, and installation/training;
- public sector performance management systems;
- implementation of improved customer service delivery (quality, responsiveness);
- specific operational and technical aspects of labour administration as necessary.

Much of the local consultant's inputs will be deployed in the field of training. Their inputs are likely to include; training in the application of new procedures manuals and staff skill training and development (computer skills, programme management, document management, communication skills, analytical skills).

7.3. TRAINING AND STUDY TOURS (€150,000)

Given that there is a need for both the development of new skills as well as reorientation of existing MoL staff, the project has a significant training component. The budget will provide for:

- A study tour to 1 or 2 EU countries for key decision makers (maximum 10);
- An extensive in-country training and skill development programme for MoL staff;
- A short-term fellowship programme for a maximum of four staff members who will take up key positions in the reformed MoL

7.4. PROVISION OF EQUIPMENT. (€200,000)

A lump sum of €200,000 is provided for the purchase of equipment for the MoL. This will allow for procurement of:

- Computers, printers, (standard) software, telecommunications and other related office equipment
- Purchase of furniture and other materials to support a library and archive center;
- Security and health kit for labour inspectors
- Specialist publications and information sources

Procurement of equipment would be undertaken through an open, transparent, competitive tender process, as per the EU procurement rules that apply to the ARI A programme.

7.5. SPECIALIST SERVICES (€140,000)

A lump sum of €140,00 is provided for specialist services. This includes the development of tailor-made software for the work permit management information system and the labour inspection management information system, as well as the development of Internet and Intranet solutions for sharing information among offices.

In general, software development should be sub-contracted to a local IT/software company. Detailed specifications will need to be drawn up by the Consultants and care should be exercised to develop systems that can be expanded and upgraded at relatively low cost. Procurement would be undertaken through an open, transparent, competitive tender process, as per the EU procurement rules that apply to the ARLA programme.

7.6. OPERATIONS (€25,000)

A lump-sum amount of €25,00 is provided for the procurement of a project car. At the completion of the project, the car will be handed over to the beneficiary institution.

7.7. PROCUREMENT

The text below reflects current understanding of the procurement process in an MSC.

Tenders and contracts of services and equipment within the ARLA programme will be implemented as per:

- the current EU rules and procedures;
- the EC Manual of Procedures;
- the relevant clauses of the Framework Agreement between the EU and the Republic of Lebanon and of any implementation protocols applicable to the ARLA Programme.

The consultants proposal must break down costs into five categories as follows:

- **Technical Assistance** includes all fees, per diem / housing allowance, direct costs (local transport, telecommunications, photocopying, office/support costs etc., except secretarial cost which falls under Operations) and all reimbursable costs (international travel, baggage, etc) associated with the provision of international and local technical assistance;
- **Training** (except when part of the Tenderer's technical assistance) includes all fees for trainers; paid-for training courses; course fees; workshop and seminar costs; local, regional and international travel, per diem/accommodation costs (in the context of training or study tours); and the costs of books, CD-ROMS, software; and other training materials;
- **Studies and Services** (except when part of the Tenderer's technical assistance) includes all services sub-contracted out to third parties, such as user surveys, special studies; translations of legislation, web-site or intranet design and maintenance, public information campaigns; some IT maintenance and installation services);
- **Information/Equipment** for use by the beneficiary includes computers, cabling, printers, and related equipment; software; telecommunications equipment; furniture, and those IT maintenance and installation costs which form part of a "hardware + services" package.
- **Operations** – includes project secretarial costs, project vehicles when appropriate, and all other activities which do not fall within the above categories.

Note that the categories "Monitoring, Evaluation and Audit" and "Contingencies" cannot be used for this (or any other) MSC. Please note also that the categories Training, Studies &

Services, Equipment and Operations are to be funded from separate budgets and that their procurement has to take place through the involvement of the OMSAR Procurement Unit.

In practice the allocation will depend upon the structure of the Tenderer's proposal, in particular which services they propose to supply as part of their direct technical assistance services, and which they would expect to supply through sub-contracting in of services. For example training, studies or services provided by the Tenderer would be funded within "technical assistance", but purchased or contracted-out training or other services would be funded from the "training" or "other studies and services" category. **It is the responsibility of the Tenderer to make the allocation of costs to these categories transparent and explicit in their financial proposal.**

Funding and procurement of items from the above five categories is as follows:

- technical assistance (international and local) is funded from the main ARLA project Euro account, operated by EC Headquarters, Brussels. The contracting of technical assistance is managed by the SCR, European Commission, Brussels;
- all locally procured items (e.g. equipment, studies and services) other than technical assistance with values in excess of Euro 5,000 (for supplies) and Euro 12,000 (for services) must be procured by a competitive process according to relevant EU/GoL procedures¹. Procurement of these items will be managed by OMSAR with assistance from the PMC, and the procurement will be funded from:
 - either a local Lebanese Pound account held at the Central Bank of Lebanon, and operated by the EU Delegation Beirut. Payments will be made against a relevant request submitted by OMSAR to the EU Delegation, Beirut;
 - or the main ARLA account held in EC Headquarters, Brussels for all expenditure related to contracts and payments in currencies other than the Lebanese Pound. Payments will be made against a relevant request submitted by OMSAR to the EU Delegation Beirut, who would then seek approval for payment by EC Headquarters, Brussels;
- all other locally procured items and local expenses for training, operations, studies and services and equipment will be procured by OMSAR with assistance from the PMC, and funded from the local Lebanese Pound account operated by OMSAR.

Responsibility for the procurement and delivery of MSC activities and outputs is therefore shared between the MSC contractor, the EU and OMSAR (assisted by the PMC). Specifically, however, the contractor will be responsible for:

- provision of the technical assistance inputs as set out in the contractor's approved proposal and (subsequently) the approved inception and annual reports and work plans;
- timely delivery of terms of reference or procurement specifications to OMSAR for all items to be competitively tendered and procured;
- timely delivery to OMSAR of purchase requests for those locally procured items (other than technical assistance) which are not competitively tendered;
- timely delivery of the inception, monthly, quarterly, annual and final reports.

The EC is responsible for the timely release of funds in support of the MSC.

Responsibility and accountability for the overall achievement of ARLA programme activities and MSC project outputs rests with OMSAR.

¹ THE ARLA FINANCING AGREEMENT SPECIFIES EIGHT DIFFERENT MECHANISMS OF PROCUREMENT (FOUR FOR SUPPLIES AND FOUR FOR SERVICES), DEPENDING ON THE VALUE OF THE TENDER.

8. MONITORING AND EVALUATION

Monitoring and evaluation of the MSC will be undertaken at three levels:

- **project level supervision** of the project by the MSC Steering Committee;
- **internal ARLA monitoring and evaluation** by OMSAR and the PMC's resident Monitoring and Evaluation Expert (who also sit as observers in the Steering Committee Meetings of all ARLA MSCs);
- **external monitoring and evaluation** of the overall ARLA programme, which will be undertaken by periodic visits of independent monitoring and evaluation contractors engaged by the EU.

The costs of monitoring and evaluation are borne by the ARLA programme, and not from the budget of this MSC.

The MSC contractors, as well as the beneficiary institution, the PMC, and OMSAR, are obligated to make available all information required for the use of the external monitoring and evaluation missions. This will include, but will not be limited to, reports of the MSC contractor's internal project monitoring systems.

9. TECHNICAL AND FINANCIAL PROPOSALS

9.1. TECHNICAL PROPOSAL

Within two weeks of the launch of the tender documents, bidders may request clarifications in writing to the terms of reference.

The bidder's Technical Proposal (maximum 15 pages, including figures, tables, charts, graphs and maps) shall address the overall project approach and contract management arrangement of the Consultancy firm or consortium, in particular:

- (i) the project approach, methodology, and deliverables
- (ii) detailed bar chart (time schedule) of activities and
- (iii) related bar chart of personnel and
- (iv) qualifications of the proposed project staff (CV's of 5 pages maximum, highlighting expertise and experience for this particular assignment).

Bidders must clearly present their 'track record' in each of the required fields of expertise and experience, as spelled out in Chapter 4.

Technical proposals will be evaluated using the following criteria:

- the firm/consortium's experience in the subject areas of the assignment, maximum score 15 points (out of 100);
- the overall backstopping and contract management arrangement of the firm/consortium, maximum score 3 points;
- the quality of the proposed approach, methodologies and work schedule in response to the ToR, maximum 17 points;
- the experience of the international long-term expert for the various tasks assigned (reference to the work schedule must be provided), as demonstrated in his/her CV, maximum score 45 points;
- the experience of the international short-term experts and the local experts for the various tasks assigned (reference to the work schedule must be provided), as demonstrated in their CV's, maximum score 20 points.

Bidders whose Technical proposal scores less than 80 points (out of 100) will not qualify for the assignment..

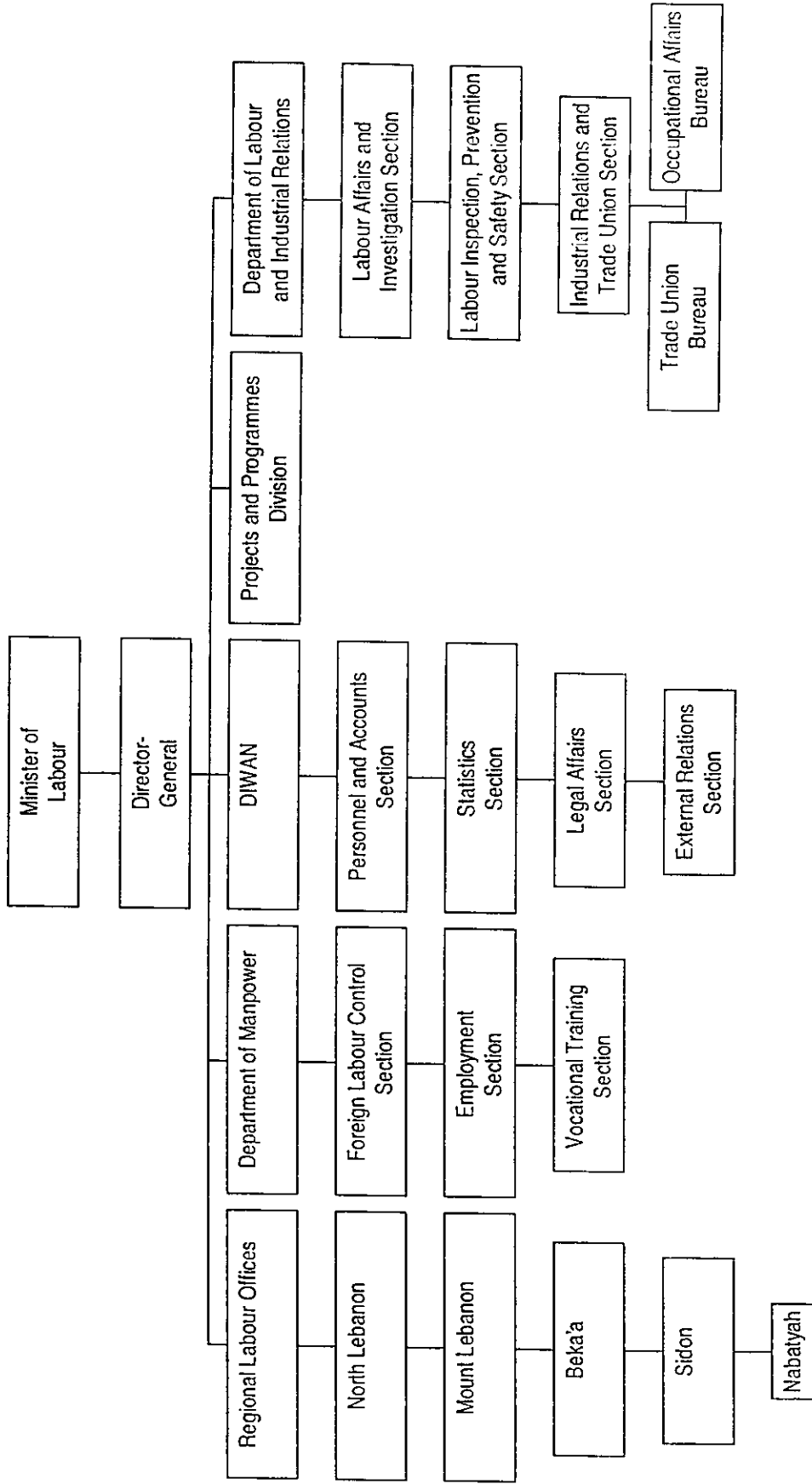
9.2. FINANCIAL PROPOSAL

The bidder's Financial Proposal shall be in conformity with the Standard EU "Breakdown of Prices" format, distinguishing between (a) Fees, (b) Direct Expenses, and (c) Reimbursable Expenses, and indicating (i) units, (ii) unit rates in Euro, and (iii) amounts in Euro.

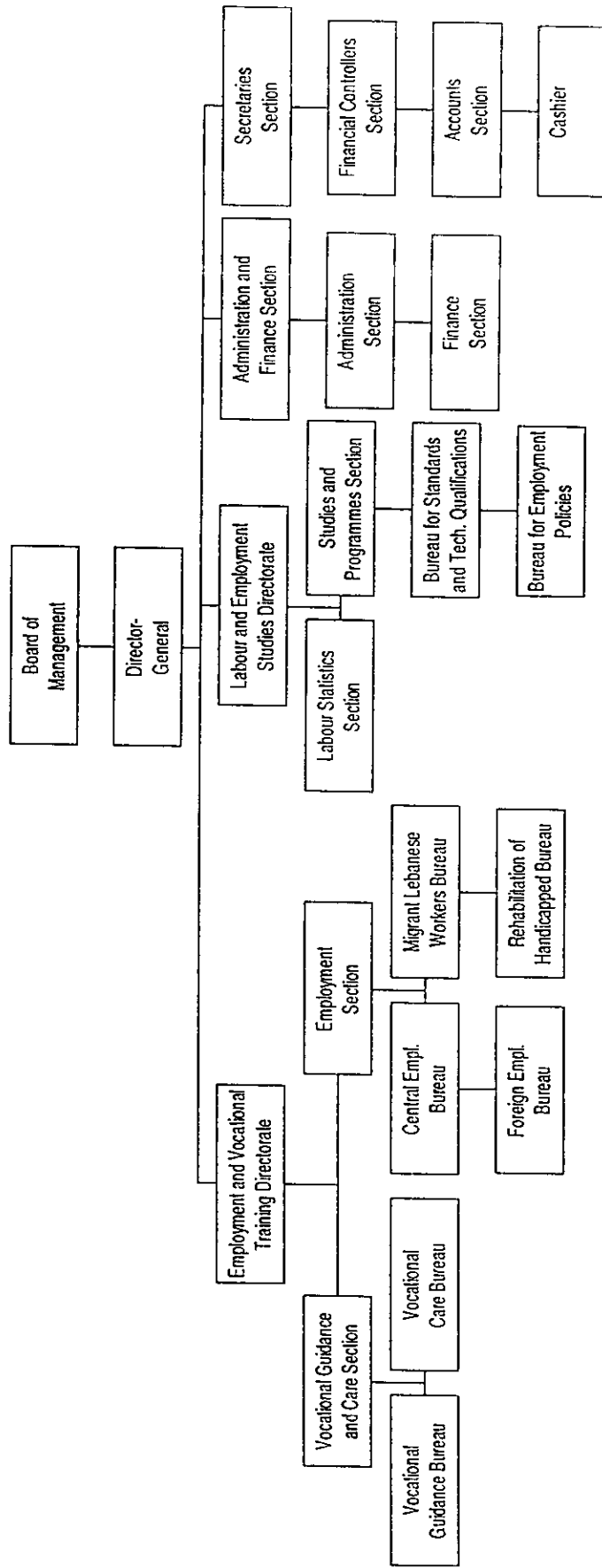
The budget to be made available for the present project will not exceed Euro 1.5 million.

The technical quality and the price of the tender shall be evaluated according to the 80/20 rule. The contract will be awarded to the Consultancy firm or consortium proposing the most economically advantageous offer.

Annex 1.A Organizational Structure Ministry of Labour



Annex 1.B Organizational Structure of National Employment Office



Annex 2.: Simplified Logical Framework: MSC Ministry of Labour

	Verifiable Indicators	Means of Verification	Assumptions
<p>Goal: Functional and structural reform of MoL successfully prepared and implemented</p>	<ul style="list-style-type: none"> • Law Proposal for new MoL mission and mandate • revised MoL organisational chart • budget MoL reflecting changed orientation • MoL annual reports reflecting changed orientation 	<ul style="list-style-type: none"> • Law Proposal • MoL organisational chart • MoL budget • Annual reports of MoL and/or semi-autonomous agencies 	<p>MoL obtains support from Council of Ministers to revise mandate and functions</p> <p>Flexibility among MoL cadre and staff to support change</p>
<p>Objectives:</p>			
<p>1. to strengthen institutional capacity to streamline and speed-up the processing of work permit applications</p>	<ul style="list-style-type: none"> • Reduced time needed to process applications • system design for work permit management information system completed • hardware and software procured and installed • staff trained in software systems and improved work procedures 	<ul style="list-style-type: none"> • client satisfaction surveys • work permit MIS • IT implementation report and user specifications • IT hardware and software tender documentation • software development documentation • training materials • training evaluation reports 	<p>Continuous support from MoL senior management and MoL cadre to automate the processing of work permits</p>
<p>2. to strengthen institutional capacity to protect workers, improve occupational health and safety and prevent labour conflicts</p>	<ul style="list-style-type: none"> • Increased coverage of enterprises and workers • system design for labour inspection management information system completed • hardware and software procured and installed • staff trained in software systems and improved work procedures 	<ul style="list-style-type: none"> • enterprise surveys • labour inspection MIS • IT implementation report and user specifications • IT hardware and software tender documentation • software development documentation • training materials • training evaluation reports 	<p>Sufficient absorptive and processing capacity in MoL</p>
<p>3. to strengthen institutional capacity to conduct labour market research, build up a labour market information system and improve public employment services</p>	<ul style="list-style-type: none"> • labour market studies conducted • labour market information system developed • increased number of vacancies • higher matching proportion of job seekers with available vacancies 	<ul style="list-style-type: none"> • labour market reports • labour market information and documentation center • public employment service statistics 	<p>Trained staff continue working with the Ministry</p>

<p>Outputs:</p> <ol style="list-style-type: none"> 1. Work permit MIS 2. Labour inspection MIS 3. Labour archive and documentation center 4. Labour market information system 5. Trained staff 6. Policy paper on new role and function of MoL 7. Study tour to EU countries 8. Law Proposal on revised MoL mandate and organizational structure 9. Financial and operating plan for new MoL 10. Human resources development plan for new MoL 11. Fellowship programme for 4 key staff 		<ul style="list-style-type: none"> • MIS reports • Reports of MoL • Training reports • Quarterly progress reports • Annual Report • Project completion report 	
<p>Inputs:</p> <ol style="list-style-type: none"> 1. Technical Assistance 2. Training and Study Tours 3. Equipment 4. Specialist Services 5. Operations 	<p>Euro 985,000 Euro 150,000 Euro 200,000 Euro 140,000 Euro 25,000</p>		

Annex 3. Budget estimate for MSC Ministry of Labour

MSC cost group summary

TA	SV/Services	Training	Equipm.	Operations	Total
985,000	140,000	150,000	200,000	25,000	1,500,000
65.67%	9.33%	10.00%	13.33%	1.67%	100%

MSC cost group allocation

Description	Cost group	Unit	Quantity	Unit price/Euro	SubsistRate	Total Euro
Long-term	TA	man-month	20	15,000	2,000	340,000
Short-term	TA	man-day	600	500	150	390,000
Local	TA	man-month	30	5,000	-	150,000
International air travel	TA	return ticket	26	1,000		26,000
Luggage	TA	lump-sum	1	7,000		7,000
Local support staff	TA	month	24	1,500		36,000
Local office (consumables, telecom, fuel)	TA	month	24	1,500		36,000
Development of software	SV/Services	lump-sum	to be specified and sub-contracted			70,000
Development of Internet/Intranet	SV/Services	lump-sum	to be specified and sub-contracted			70,000
Seminars/Workshops	Training	participant-day	700	100	all in	70,000
Overseas fellowship	Training	participant-course	4	12,500	all in	50,000
Study tour	Training	participant-program	10	1,000	285	30,000
Project vehicle	Operations	lump-sum	1	25,000		25,000
Computers	Inf./Equipm.	lump-sum	to be specified and sub-contracted			200,000
GRAND TOTAL						1,500,000

Evaluation Grid

Project Ref:

Project Title: MSC Institutional Strengthening of the Ministry of Labour and the National Employment Office, Lebanon

Committee Member : Mr/Ms xxxxx

Please insert your marks in the column for each firm

Points allocation	Firm#1	Firm#2	Firm#3	Firm#4	Firm#5
10					
10					
5					
5					
5					
5					
5					
45					

A Profile of Long-term Expert (Labour Administration) / Team Leader

- A.1. Relevant work experience in managing government institutions in EU or elsewhere
 - A.2. Experience in public sector institutional reform, capacity building & change management
 - A.3. Relevance and quality of experience in labour administration
 - A.4. Relevance and quality of experience in professional consultancy (team leadership)
 - A.5. Experience in the MEDA region
 - A.6. Experience with EC procurement and reporting regulations
 - A.7. Arabic language skills
- (subtotal)**

B Profile of short-term and local experts

- B.1. Experience and qualifications of short term international experts
 - B.2. Experience and qualifications of local experts
- (subtotal)**

C. Approach, methodology and work plan as set out in the Technical Proposal

- C.1. Coherence and clarity of the proposal, the methodology and work plan
 - C.2. Quality of the measures set out in the consultants proposal to address key risk areas
- (subtotal)**

D Project management experience of the Firm/Consortium

- D.1. Experience and qualifications of head office professional staff available to long-term expert
 - D.2. Experience with EC projects and procurement regulations
- (subtotal)**

E Experience of the Firm/Consortium

- E.1. Evidence that the firm has proven success in capacity building in public sector institutions
 - E.2. Relevance and depth of experience of the firm/consortium in labour administration
 - E.3. Relevant experience in labour / institutional reform in the MEDA region
- (subtotal)**

Total

15					
5					
20					

10					
7					
17					

2					
1					
3					

5					
5					
5					
15					

100					
------------	--	--	--	--	--