

# Asset Factsheet

## Naaam – Business Solutions Center Lebanon



### CONTEXT

Since October 2019, Lebanon has been navigating a profound socio-economic crisis, compounded by a lack of substantial political initiatives to stabilise and rejuvenate its economy. Following the catastrophic blast in Beirut in August 2020, construction and reconstruction have become a top priority for Lebanon's recovery.

Moreover, recent conflicts in the region, particularly the repercussions of the Palestinian conflict in South Lebanon, have further strained investments and decelerated economic activity across the country. Nevertheless, the need for reconstruction after the conflict is expected to increase.

In response, TFAWOQ has shown remarkable resilience in adjusting its intervention to meet this urgent need and counter the distortion in the construction labour market.

### DEVELOPMENT CHALLENGES

- Economic downturn, high unemployment, and underemployment rates due to significant economic challenges.
- Lack of access to construction jobs, especially for vulnerable communities.
- Construction market distortion due to the lack of standards, informality, and inflation
- Untapped potential of digitalisation for improved access to jobs, networking, and skills development
- Skill gaps in the construction sector and lack of affordable professional development opportunities.
- Need for long-term socio-economic sustainability, especially in environmental concerns and green transitions.

### WHAT IS IT ABOUT

Naaam is an integrated business solutions center (BSC), facilitating accurate information on construction jobs, transparent quotation & procurement management based on international industry standards, as well as contact to standard and personalized technicians. It also offers MSE hybrid training & mentoring based on needs, networking with other actors in the market (technicians, contractors, suppliers etc.) to foster a sense of community and shared knowledge, coaching for quality assurance & ensuring construction standards. Most of these services are optimized through the Naaam web-based platform, which can be accessed at [www.naaam.org](http://www.naaam.org).

The Naaam platform is specifically designed to cater to the self-employed and MSEs, which constitute 80% of the local market's economic activities. By joining Naaam, free-lance and Micro Small and Medium Enterprises (MSMEs) can benefit from a networking path to new markets, promoting their skills and expertise through a public platform that is easy to use and highly effective in reaching potential

### TFAWOQ Program – Naaam initiative

**Implemented by:** The Nawaya Network

**Funded by:** Swiss Agency for Development and Cooperation (SDC), Leopold Bachmann Foundation, Canton of Zurich and City of Zurich, Canton of Basel-Stadt, among other donors.

### SHORT DESCRIPTION

The Naaam platform revolutionizes the traditional home maintenance and construction labour market and contracting industry by introducing a modern integrated service centre optimised by digital solutions. It empowers MSEs in the construction sector through skills training, business support, and the provision of tailor-made solutions aimed at optimizing their operations and enhancing business success. The innovative platform facilitates connections between clients seeking construction-related services and MSEs that offer these.

### COUNTRY/PROVINCE

Lebanon – Beirut, Mount Lebanon, and North Lebanon.

### IMPACT

The Naaam initiative has significantly transformed access to construction and home-maintenance jobs in Lebanon. Supported freelancers and MSEs improved the quality of work, leading to access to more complex and better jobs that allow higher income and business growth. NAAAM has the potential to contribute to a paradigm shift towards a more sustainable, efficient, and digitally empowered construction sector in Lebanon, paving the way for further innovation and resilience.

## WHAT MAKES THE ASSET UNIQUE?

- Solution designed based on **multiple systems approach**, including the construction economic sector, the labour market for professionals in this market, and skills development opportunities.
- NAAAM **adaptability & resilience** is based on data & traceability of actors' behavioural change.
- NAAAM has contributed to regulating a chaotic market and **reducing the barriers to MSEs and self-employed people entering the labour market**.
- BSS offers a **comprehensive suite of interrelated services**. The network of individual experts is developed naturally, fostering a collaborative environment built on **trust**.
- It promotes operational **efficiency and cost-effectiveness**, setting local benchmarks to inspire other entities to optimize their performance.
- NAAAM is universally accessible, blending digital and face to face supported services.
- A rich range of **quality online non-formal micro-courses** are designed based on needs.
- BSC promotes and steers **further professional development, quality of service, industry standards, working culture, accountability, and transparency**.
- BSC strongly focuses on the **client and quality**.
- A **personalised approach to training and coaching** the technicians and MSEs, delivered on the job.
- BSC offers **affordable services**, key to **including more vulnerable communities**.
- BSC is an example of the **localisation approach**.
- Supports **green transition** through the shift towards more sustainable and eco-friendly operations.

## PARTNERS

**The Nawaya Network:** NAAAM is anchored at The Nawaya Network, a local NGO operating for 12 years in Lebanon, supporting 5,000 youth across Lebanon, on how to use their talents and skills to generate an income. This business centre is a new service for Nawaya, diversifying the portfolio and expanding direct beneficiaries to the private sector, other than only youth. Even if they have experience with start-up support and youth social business, the concept of the market system was new for Nawaya. To absorb this innovation, the project provided technical support to Nawaya in business outreach, communication, management tools to operate this new business model, project management, and networking.

## POTENTIAL FOR REPLICATION

### Preconditions for replication:

- **Digital literacy:** The targeted audience must be digital-friendly and use digital tools for work.
- **Contextual adaptation:** the solution needs to be adjusted to the local labour market in selected sectors. NAAAM work better in markets where entrepreneurship and self-employment are typical.
- **Capacity transfer:** The ability to transfer knowledge and skills to the local partner while maintaining a high-performance standard.
- **Multiple capacities** are needed to run these complex projects, where project management needs to be backed up with technical/sectoral expertise.

### Internal and external success factors:

- **Objective and vision:** The innovation should align with private stakeholders' interests and motivations and the local implementor's business model.
- Strongly **focused on the client and quality**, kept track, allowing for longer-term success and the possibility of being distinguished.
- **Robust Technology Infrastructure:** A strong technical foundation is necessary for operations and scalability.
- **Market dynamics:** Adapting to both labour and economic sector market conditions and trends is

## TARGET GROUPS

- **Micro & Small Enterprises:** These companies and self-employed people form the backbone of Lebanon's construction industry, representing a significant portion of employment and economic activity. NAAAM provides tailored support and resources to help these enterprises thrive, offering opportunities for skills development, access to new markets, and business growth.
- **Architects, Engineers, and Designers** play a pivotal role in shaping Lebanon's built environment. NAAAM offers specialized training and networking opportunities to empower these professionals to excel in their fields.
- **Suppliers & Tech-Leaders:** From materials and equipment to services and solutions, suppliers are essential partners in the construction ecosystem. NAAAM facilitates connections and collaboration between suppliers and other stakeholders, fostering a dynamic marketplace and promoting efficiency, sustainability, and innovation.
- NAAAM has a particular focus on the **vulnerable community** of Lebanese population, Palestinian and Syrian migrants.

## APPROACH AND ACHIEVEMENTS

In 2023, the implementation of the Business Solutions Center under the Naaam platform, marked a significant milestone in supporting self-employed and Micro and Small Enterprises (MSEs) within the construction sector. By focusing on crucial areas such as outreach, training, employment services, market access, and business performance enhancement, these initiatives achieved remarkable success.

- **Outreach Success:** The initiative targeted self-employed and 300 MSEs but exceeded expectations by engaging 704 MSEs, showcasing a highly effective engagement strategy. The platform also showed significant participation, with 279 MSEs joining the program and 234 gaining access to the Naaam platform, highlighting the high demand and appreciation for the services offered.
- **Training and Upskilling:** Training sessions were crucial in upskilling beneficiaries. Additionally, the platform served as access to jobs or skilled labour (depending on the actor), for 112 MSEs. Notably, 33 MSEs improved their hiring practices, including a commendable number of female-headed MSEs, promoting gender inclusivity and diversity within the sector.
- **Market Access and Business Performance:** The initiatives facilitated access to new markets for 75 MSEs and improved business performance for 100 MSEs, demonstrating the effectiveness of the support provided. Moreover, income increase efforts were successful, with 75 MSEs generating over \$200 in additional income, underscoring the economic empowerment and sustainability these programs fostered among the MSEs.

These achievements illustrate the tangible impact of the Business Solutions Center and the Naaam platform on the economic empowerment and sustainability of MSEs in the construction sector, promising a brighter future for these enterprises.

### LESSONS LEARNED

#### Key insights:

Scalability and adaptive evidence-based management are the approaches for projects aiming to introduce innovations. NAAAM initially developed small-scale pilots and gradually expanded to a larger scale based on success and dealing with new obstacles. Agility is critical to success, especially when working in an environment going through (multiple) crises.

#### Lessons learned:

1. **Knowledge about Labor & Market Needs and Industry Gaps:** Identifying and responding to labour market needs and industry gaps was crucial to the initiative's success. Tailoring services to address the challenges self-employed and other professionals faced in accessing jobs and performing high-quality service led to potential expansion opportunities and results that surpassed expected program standards.
2. **Market-Driven Model and Social-Private Business Practices:** Adopting these practices contributed significantly to the initiative's success, demonstrating the effectiveness of aligning social goals with business strategies.

#### Areas for improvement:

1. **Defining key Performance Indicators:** It is important not to pressure the platform to reach large numbers prematurely. This approach ensures that quality and impact are prioritized over quantity.
2. **Collaboration and Partnerships:** Enhancing collaboration, particularly with the private sector, is important, not only as beneficiaries but as co-investors in this novel business model.
3. **UX/UI Deep Dive:** To identify areas for enhancement, a comprehensive examination of the user experience (UX) and user interface (UI) compared to industry practices is needed.

**Sustainability:** Evidence shows that private sector beneficiaries are willing to pay for BSC added value. This, along with fees for additional services (e.g. employment mediation), enables a financially viable model with different revenue streams. NAAAM is anchored in a local organization and is sustained by actors' interest in continuing this way of working.

**Impact at scale:** Technicians start with small jobs. Once their skills and reputation improve, they are required to perform not just more jobs but bigger-scale and more complex jobs that require more accountability and more experts to oversee the projects. Rather than increasing access, the project aims to support businesses in growing so they can create more employment opportunities. NAAAM can diversify its supported job profiles and expand in different areas to achieve impact at scale.

## BENEFICIARY STORY

Following the completion of his civil engineering degree at the Lebanese university, Mostafa, a young engineer, faced challenges securing engineering roles amidst the local market's profound crisis. Turning to the steelwork industry, he specialized in crafting modular and robust steel furniture.

In 2022, Mostafa Zeort embraced digitization by joining the Naaam business solutions center. Through the center's proactive strategies, he connected with Ali El Moussa, an architect. Their collaboration on a gym project, focusing on steel construction, yielded a profit of \$2000.

Utilizing tailor-made digital tools, Mostafa has undergone a remarkable professional transformation. He now exhibits exceptional punctuality and meticulousness, ensuring timely delivery of orders to all his clients. Furthermore, he provides comprehensive completion reports detailing the work undertaken, underscoring his commitment to digitization and customer satisfaction.



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