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USAID/LEBANON LEBANON INDUSTRY VALUE CHAIN DEVELOPMENT (LIVCD) PROJECT

SIX MONTH START-UP PLAN
OCTOBER 2012

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In accordance with Section F.5a of the contract, LIVCD presents our Start-up Plan, detailing activities that DAI will undertake to ensure a rapid and efficient start-up for the first six months of the project including the initial value chain assessment, schedule of activities and travelers, mobilization, and other logistical requirements. Based on past experience DAI understands that effective start-up requires focused attention and planning for administrative, management, and technical activities. Below we discuss tasks and benchmarks associated with each of these areas.

A. OPERATIONAL TASKS

DAI's approach to starting-up the LIVCD Project is a multi-phased plan that includes utilizing our extensive project management experience while leveraging in-country resources to ensure a successful project launch.

In-Country Resources

Mark Birnbaum, Deputy Chief of Party, arrived in Beirut on October 10th and immediately began coordinating activities with local subcontractor KDS in recruiting for vacant CCN positions, identifying potential office space, researching the requirements for project registration, and opening a project bank account. On October 11th, Mr. Birnbaum met with USAID COR Georges Frenn to review critical operational tasks.

Chief of Party, Dr. Jane Gleason, arrived on October 21st and immediately began preparing the technical planning for value chain assessments, interviewing proposed LIVCD candidates, and operational activities such as finalizing office space selection. Dr. Gleason and Mr. Birnbaum met with Georges Frenn on Wednesday, October 24th to review the contract, discuss value chain selection and the initial six-month assessment, as well as operational issues such as vetting local candidates for long-term positions.

In addition to Home Office support, the project team will also utilize DAI's current project in country, Lebanon Water and Watershed Sector Support (LWWSS) to facilitate registration, gain an understanding of local practices, and establishing policies and procedures that adhere to all Lebanese laws.

Start-up STTA

The Start-up Manager, Marina Mutchler, also traveled to Lebanon on October 21st to provide management and oversight for ensuring LIVCD's financial procedures, including opening bank accounts and establishing project accounting and procurement guidelines; management systems, including inventory management, policy manuals, and deliverables tracking; and personnel systems, including records retention and employment agreements.

Start-up Administrative Backstop and Project Coordinator, Kaitlin Asrow will travel to Lebanon on November 4th and focus on setting up systems to ensure that DAI and USAID policies and procedures are followed, including training local administration staff on their responsibilities and using applicable systems for document retention. She will also research and recommend solutions for project registration and VAT exemption- in the absence of an MOU with the Government of Lebanon while finalizing project vehicle and IT procurement.

IT Specialists Dejan Momirovic and Ana-Maria Ungureanu will travel to Lebanon in the beginning of December to install all of the required IT equipment and software, complete cabling and wiring in the office, establish the local area network (LAN) and Virtual Private Network (VPN), as well as training LIVCD's local IT Specialist. In addition, Virginia Tausss will travel to Lebanon in the middle of December to customize and train all local staff on DAI's proprietary management information system- TAMIS. Finally, DAI will identify a consultant to visit Lebanon in January who will install DAI's Financial Accounting System- FAS.

B. TECHNICAL TASKS

To achieve the LIVCD project objectives, DAI will undertake tasks grouped under the following three components:

1. Conduct a complete assessment of the prospects for rural value chains in Lebanon based on secondary and primary market research, analysis of the current environment for value chains in Lebanon, and a reconciliation of market intelligence with the capacity of Lebanon's rural sector to select the value chains for LIVCD intervention.
2. Undertake value chain upgrading activities to increase the competitiveness of selected Lebanese value chains that have the potential to raise incomes of the rural population, supply key markets, and increase export growth and/or the number of rural tourists.
3. Provide assistance in accessing value chain finance for producers and other value chain actors in the rural economy.

The first six months of the project will focus on value chain assessments and training local staff on performing in depth analysis, writing reports in a standardized format, developing sustainable partnerships, and documenting all findings and information in the LIVCD databases. Some of the specific technical activities and deliverables are noted below, while a more detailed Gantt chart has been included in Annex A:

Component 1: Initial Assessment

- Activity 1: Analyze Current Environment for Rural Value Chains in Lebanon (Phase 1)
- Activity 2: Perform Market Analysis and Intelligence Gathering (Phase 2)
- Activity 3: Reconcile Market Intelligence with Capacity of Rural Economy (Phase 3)

Component 2: Value Chain Activities to Increase Competitiveness

- Activities 1 & 2: Building Partner Networks for Targeted Value Chains
- Activity 3: Build Fully Functional Value Chains
- Activity 4: Business and Ancillary Services
- Activity 5: Building Capacities of Local Organizations

Component 3: Accessing Value Chain Finance

- Activity 1: Assess Demand for Agricultural Finance
- Activity 2: Assess Supply of Product Offerings
- Activity 3: Strengthen Finance Providers
- Activity 4. Develop New Products and Services
- Activity 5. Strengthen Relationships
- Activity 6. Design and Maintain Small Grants Program

Key Deliverables and Submission Deadlines

1. Six-Month Start-up Plan (30 days)
2. Subcontracts Management Plan (30 days)
3. Initial Value Chain Findings (Two months)
4. Value Chain Assessment Report (Six months)
5. Annual Work Plan (After six months)
6. Annual Training Plan (After six months)
7. Draft Performance Monitoring Plan and Targets (After six months)
8. Quarterly Reports (Two weeks after the end of the quarter)

To accomplish the tasks outlined under Component 1 above, DAI strongly believes that the resident staff should be closely involved in the initial value chains assessments. This will build local ownership of the process and permit for a smooth transition from the Initial Assessment to the development of a work plan and implementation of the upgrading strategies and investments for Components 2 and 3.

In November, Ms. Nadine Chemali, the Marketing Export Technical Manager, and Mr. Nasser Lama, Agribusiness Technical Manager will begin their long term assignments. In the initial period, they will concentrate efforts on identifying promising value chains, especially those that are not focused exclusively on agriculture.

Towards the end of Month 2 (November) three short-term specialists from the DAI Home Office will come to Beirut to train the resident staff and selected partners in conducting value chain assessments. The plan at present is as follows:

Cheryl Doty: Ms. Doty will arrive on or about November 25 to conduct a two-week training in value chain assessments. The assessment will be practical in nature. It will focus initially on identifying promising market opportunities and identifying potential resource constraints that hinder the drive to competitiveness. Ms. Doty will also assist the team to screen the list of possible LIVCD value chains to narrow the list down to those seven that will initially constitute the LIVCD portfolio. She will work with the resident staff to formalize methodology and templates for the assessments. The key to success of the initial assessments is to ensure consistency across value chain assessments.

Tom Lenaghan: Mr. Lenaghan will be the Value Chain Assessment Team Leader and in that role responsible to the Chief of Party of the production of the value chain assessment reports. He will come for an initial trip in December, at which time he will work with the team to outline the data requirements for value chain assessments. In addition to data requirements, Mr. Lenaghan will discuss the specific requirements for stakeholder engagement, end market analysis, and overall value chain mapping. He will do this during the time that Ms. Doty is conducting the training.

From January through the end of March, Mr. Lenaghan will come to Lebanon on several short-term assignments to ensure that the assessment teams are collecting data appropriate for the assessments. Of particular importance is for the assessment team to map the value chain and assess the nature of the relationships between and among value chain actors.

Ms. Katherine Cooley: Ms. Cooley will also arrive in Beirut to be part of the assessment team. We anticipate that Ms. Cooley will assist with initial value chain training for of the resident staff, including preparation of agenda, materials, facilitation of appropriate units, and leadership of breakout groups for “hands on” data gathering and stakeholder engagement. During implementation of the initial assessments, Ms. Cooley will work closely with value chain technical leads to ensure methods and data quality are consistent between all value chain studies and an agreed upon timeline is maintained. She will also provide key research related to production, competitiveness, characteristics of supply and demand, trade flows, and local stakeholders, and assist in field work whenever possible and appropriate. Ms. Cooley and the resident staff will work closely on every feature of the value chain assessments.

Other potential experts: During the training period in late November and early December, the LIVCD resident team along with short-term consultant, Doty, Lenaghan and Cooley, will narrow down an expansive list of potential value chains to seven value chains. These seven will constitute the LIVCD initial portfolio.

It is important to note that based on that final selection, LIVCD might require other short-term consultants with specific technical expertise to assist with the data collection and analysis of specific value chains. For example, if rural tourism is deemed worthy of the LIVCD portfolio, as is likely to happen, we would require the assistance of an outside expert who has knowledge and experience in this area. In addition, we are likely to invite a short term banking and finance expert to conduct an analysis on potential sources of financing for value chain participants.

Initial value chain possibilities: Lebanon has the potential to be highly competitive in world or regional markets in a number of rural value chains. The value chains that seem to provide the best opportunities are:

1. Olives
2. Olive oil
3. Dairy, including dairy products such as cheese and laban
4. Grapes (including wine)
5. Alfalfa or other fodder crops
6. Rural tourism
7. Poultry
8. Stone fruit including canned or dried fruit
9. Sheep and goat production for meat and cheese
10. Apples
11. Vegetable crops - probably tomato, eggplant, potato, among others
12. Furniture making
13. Stone cutting for construction material
14. Information technology for rural areas

The table below illustrates the start-up staff proposed by DAI.

Title	Name	Mobilization Dates
Local Long Term Staff		
Chief of Party*	Dr. Jane Gleason	October 21
Deputy Chief of Party*	Mark Birnbaum	October 10
Agribusiness Technical Manager and VC Facilitator*	Nasser Lama	November 10
Marketing Export Technical Manager*	Nadine Chemali	October 16
Agricultural Production Technical Manager/ VC Facilitator*	TBD	TBD
Crosscutting Team & PPP Manager	Leon Chammah	November 17
Market Research Specialist	Hania Chahal	TBD
Operations Start-up Staff		
Start-Up Manager	Marina Mutchler	October 21
Administrative Backstop	Kaitlin Asrow	November 4
IT Specialist/Systems Admin	Dejan Momirovic	December 1
IT Specialist/Systems Admin	Ana-Maria Ungureanu	December 1
Management Information Systems Specialist	Virginia Tauss	December 15
Financial Accounting Systems Specialist	TBD	January 15, 2013
Technical Start-up Staff		
Technical Backstop and Value Chain Assessment Coordinator of Stone Fruits	Dave Besch	January 15, 2013
Value Chain Team Leader	Tom Lenaghan	December 1, 2012
Value Chain Assessment Training Specialist	Cheryl Doty	November 25, 2012
Value Chain Assessment Coordinator	Katherine Cooley	November 25, 2012

*Key Staff as noted in the LIVCD Contract

The timeline below details the six-month start-up plan:

LIVCD Six Month Start up Plan

Key: = Deliverable = Event R = USAID Review Ongoing activity

Major Tasks and Deliverables	October 2012		November 2012		December 2012		January 2013		February 2013		March 2013	
	Oct 1-15	Oct 16-30	Nov 1-15	Nov 16-30	Dec 1-15	Dec 1-30	Jan 1-15	Jan 16-30	Feb 1-15	Feb 16-28	Mar 1-15	Mar 16-30
Mobilization												
Mobilize Expat staff, COP and DCOP												
Initial meeting with USAID COR												
Confer with DAI LWSS project regarding registration, administration, recruitment, and other logistics												
Establish temporary office with KDS, local subcontractor												
Begin recruiting local staff for TBD positions and sign employment agreements with approved staff from the proposal												
Speak with local lawyer and accountant regarding registration												
Procure IT equipment from the US												
Establish in-country bank accounts and transfer funds												
Submit Six Month Start-up Plan to USAID		R										
Submit Subcontracts Management Plan		R										
Recruit, hire, and train Lebanon staff												
Identify, secure, and begin setting up office												
Establish communications and IT capability												
Establish inventory system												
COMPONENT ONE: INITIAL ASSESSMENT—ANALYZE PROSPECTS AND SELECT TARGET VALUE CHAINS												
Activity 1: Analyze Current Environment for Rural Value Chains in Lebanon (Phase 1)												
High level assessment of VCs												
In-depth analysis and mapping of VCs												
Primary and secondary data collection												
Interview key stakeholders along VCs												
Hold VC stakeholder planning sessions												
Provide all data relevant to this exercise												
Report/presentation on findings and recommendations												
Activity 2: Perform Market Analysis and Intelligence Gathering (Phase 2)												
Detailed VC assessment												
Convene roundtables w/representatives from each level of VC												
Detailed end market assessment												
Provide all data relevant to this exercise												
Report/presentation on findings and recommendations											R	
Activity 3: Reconcile Market Intelligence with Capacity of Rural Economy (Phase 3)												
Interview key public/private stakeholders												
Conduct field visits to assess economic capacity												
Design specific VC interventions												
Provide all data relevant to this exercise												
Comprehensive report titled "Value Chain Assessment Report (VCAR)" on findings and recommendations												

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LIVCD Six Month Start up Plan												
	Key: ■ = Deliverable = Event R = USAID Review Ongoing activity											
Major Tasks and Deliverables	October 2012		November 2012		December 2012		January 2013		February 2013		March 2013	
	Oct 1 15	Oct 16 30	Nov 1 15	Nov 16 30	Dec 1 15	Dec 1 30	Jan 1 15	Jan 16 30	Feb 1 15	Feb 16 28	Mar 1 15	Mar 16 30
COMPONENT TWO: VALUE CHAIN ACTIVITIES TO INCREASE COMPETITIVENESS OF LEBANESE VALUE CHAINS												
Activities 1 & 2: Building Partner Networks for Targeted Value Chains												
Identify "first partners" for inclusion in project								□	□			
Formalize lead partner -- project relationships								□	□			
Enter into "Assistance Agreements" with stakeholders												■
Activity 3: Build Fully Functional Value Chains												
Develop integrated VC upgrading strategy												
Ongoing qualitative and quantitative market research												
--strategic approach to accessing identified markets												
Design tailored interventions to respond to constraints and unforeseen competitive constraints						□						
VC upgrading strategy that identifies constraints and points to interventions needed to ensure firms/farmers are able to meet market demands												■
End market strategy for each VC, demonstrating how VCs will achieve competitiveness & meet demands of end market												■
Provide technical assistance and related resources to address constraints along VCs												
Identify training needs and develop training plan for training VC actors					□	□	■					
Provide capacity building in marketing through seminars and focused training and develop strategies to meet market demand											□	
Evaluate need to assist in establishing sustainable private sector firm to undertake VC/related market research in Lebanon												
Activity 4: Business and Ancillary Services												
Gather/organize business and ancillary service providers for participation in project			□	□	□	□						
Assess current business and ancillary service product offerings in marketplace relevant to VC participants												
Facilitate increased flows of embedded services from providers of support services or products to farmers and firms in chosen VCs												
Activity 5: Building Capacities of Local Organizations												
Assess Organizations												
Assess NGOs, professional/civil society organizations to identify constraints/opportunities related to their capacity development												
An assessment of the NGOs, professional and civil society organizations, activities, and capacities										■		
Identify, Enroll, and Organize Organizations for Participation in LIVCD												
Identify, enroll and organize NGOs, professional and civil society organizations for participation in project activities										□	□	□
Build Capacities of Selected Organizations												
Design and implement a capacity building program for targeted organizations												■

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COMPONENT THREE. ACCESSING VALUE CHAIN FINANCE												
Activity 1: Assess Demand for Agricultural Finance												
Access to finance assessment and reporting integrated into individual VC analysis and reporting (see Component One)												
Report detailing cross-cutting demand												
Action plan to address the major constraints identified												
Activity 2: Assess Supply of Product Offerings												
Finalize and document assessment of financial products and services available to MSME and agricultural enterprises, including govt/donor incentives and embedded finance												
Report mapping available products against identified demands and highlighted unmet effective demand												
Activity 6. Design and Maintain Small Grants Program												
Goals/objectives/target beneficiaries of grant program established with USAID												
Grant manual submitted								R				
Publish APS and seek out potential grantees												
Initial grants approved												
Workplans, Reports, PMP, Gender and Environmental Programming												
Annual Workplan Submission												
Annual Training Plan												
Finalize and submit PMP and targets												
Baseline surveys for PMP												
Environmental Screening Proposed Activities-- EMMP												
Pesticides Evaluation Review and Safe-Use Action Plan (PERSUAP)												
Gender Integration Plan												
Submit budget information and financial pipelines (USAID's accrual exercise and at COR request)												
Submit quarterly reports										R		

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