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

LIVCD QUARTERLY PROGRESS REPORT - YEAR 2, QUARTER 3
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I. INTRODUCTION

PROGRAM OVERVIEW AND OBJECTIVES

The LIVCD Project aims to increase the competitiveness of eight selected value chains: Grapes, Olive Oil, Pome Fruits, Processed Foods, Rural Basket including Honey, Floriculture, Rural Tourism, and Stone Fruits, as well as the cross-cutting value chain activities of Capacity Building, Access to Finance, Communications, and Market Intelligence. LIVCD activities expand the number of Micro, Small, and Medium Enterprises (MSMEs) that can compete in selected markets; improve linkages between those firms and other actors throughout the value chain; increase the gross value of products and services in local and export markets, and expand exports. The net effect of these activities will contribute to improved economic stability and food security for Lebanon, especially in rural areas, and decrease migration from rural to urban areas. Building on recent support to the rural sector through agricultural and other related economic development projects, LIVCD partners with local private sector companies to work in eight selected value chains that have the potential to compete in regional and international markets. It is expected that by the end of the project in September 2017, as a result of project interventions, the following results will be achieved:

- A minimum of seven functioning¹, competitive value chains.
- An increase of at least 700 businesses or micro-enterprises benefiting from horizontal and vertical linkages.
- At least 12,000 small and medium commercial growers benefiting from the dissemination of improved production and post-harvest technologies.
- At least 30 new export markets, niche markets, or distribution channels for selected value chain products.
- An annual increase of at least 10 percent in the volume and value of exported agricultural products of selected value chains for each value chain. If, for some value chains actual and potential export is limited, displacing imports with domestic production may be considered.

OVERVIEW & STRUCTURE OF QUARTERLY REPORT

Section Two provides a summary of project highlights for the quarter April 1 to June 30, 2014.

Section Three provides a summary of progress of LIVCD Program Activities since project inception, arranged by Value Chain and the approved Work Plan Activities.

Section Four presents the Indicator Performance Tracking Table (IPTT) providing LIVCD project results for the Performance Indicators reported quarterly, per the approved LIVCD M&E Plan.

Section Five summarizes LIVCD grants and co-investments.

¹ In response to a recent RIG performance audit, LIVCD and USAID have recently defined a functional value chain as the following: It is a competitive and inclusive value chain. Competitiveness can be measured by increase in sales, improvement in quality and productivity. Inclusiveness can be measured by the number of value chain participants including micro, small and medium enterprises, farmers and other organizations, receiving assistance. The assistance can include business development services, application of improved technologies or management practices and facilitation of business linkages.

2. HIGHLIGHTS AND MAIN RESULTS THIS QUARTER

LIVCD's overall objective is to develop functioning, competitive value chains to increase incomes of the rural population including MSMEs. This quarter's results demonstrate progress towards this objective. LIVCD assisted a total of 889 MSMEs this quarter, each of whom benefited from business development services including access to new technologies, training and equipment and other assets to improve productivity, and assistance to improve products in order to reach export markets. These gains were enhanced by linkage facilitation, bringing together value chain actors with high quality products with those who have access to markets. Finally, LIVCD supported access to finance, through co-investments and grants, as well as by introducing financial services from banks and MFIs and assisting farmers and MSMEs in preparing loan applications.

The major highlights and results related to the LIVCD Objective and Intermediate Results achieved in Year 2 Quarter 3 (April 1 to June 30, 2014) are noted below, with details of each intervention provided in the detailed status updates in Section 3 of this report.

Of the 889 MSMEs benefiting from LIVCD assistance this quarter, 798 were micro-enterprises (defined as having 1-5 employees, or for beekeepers and egg producers owning up to 25 hives or 250 chickens respectively). This is an important indication that LIVCD is making progress in building inclusive value chains by linking micro-enterprises into the target value chains to create sustainable income-generating opportunities.

LIVCD provided training and technical assistance to encourage adoption of improved production practices (including agricultural practices for farmers, and processing techniques for processors) with the objective of increasing productivity. LIVCD supported training to 698 individuals this quarter; the majority of these were producers in the Pome Fruit (Apple and Pears), Stone Fruit (Avocado and Cherry), and Rural Basket- Honey agricultural value chains who attending training sessions to learn new skills to improve agricultural practices and productivity. LIVCD also supported training in the Processed Foods value chain related to improving marketing of Lebanese products in the U.S., workforce development training for students, and training to cooperatives to improve the quality of products.

Additionally, 52 MSMEs benefited from new linkages with other firms. Nearly all of these (51) were micro-enterprises; the number of new linkages involving micro-enterprises (where a transaction successfully took place) is also an important indicator of inclusion in the value chain.

This quarter, LIVCD entered into 12 PPPs through co-investments and Development Agreements to leverage private sector investment in the targeted value chains. Additionally, LIVCD assisted MSMEs to access new finance from banks. A total of 102 farmers in the Pome Fruit (Apples and Pears) and Stone Fruit (Avocado and Cherries) value chains attended workshops at which BLC presented loan products appropriate for agricultural investment and offered assistance to farmers to fill out the application. Five MSMEs benefited from more targeted support from LIVCD in the form of feasibility studies to support loan applications or assistance will completing the application. These farmers will benefit from access to lending to enable them to invest in their farmers, and achieve higher productivity, make new business linkages, and increase access to markets leading to higher incomes.

This quarter LIVCD impacted 229 jobs including both new jobs created as well existing jobs supported through training, technical assistance and inputs allowing individuals to do their existing job more efficiently, or expand their self-employment. LIVCD impacted these jobs through assistance to micro-enterprises who received training and inputs to start or expand self-employment through egg production, handicrafts production, and honey production. Creation or expansion of self-employment through micro-enterprises is

an important part of achieving inclusive value chains, because it provides economic opportunities for small actors in the value chain.

In terms of participation of women in LIVCD activities, 24% of all MSMEs (and individuals from firms) benefiting from LIVCD assistance this quarter were women. The value chains with the greatest participation of women were: Rural Tourism, Rural Basket, Processed Foods and Avocado.

3. SUMMARY OF PROGRESS OF LIVCD PROGRAM

ACTIVITIES

The following section provides a status update of the key activities and achievements for each of the selected value chains: Grapes, Olive Oil, Pome Fruits, Floriculture, Stone Fruits, Processed Foods, Rural Basket, Rural Basket- Honey, and Rural Tourism, as well as the four cross-cutting components of Access to Finance, Institutional Capacity Building, Communications, and Market Intelligence. For each value chain, first an overview of the Upgrading Strategy, including the Axes and Expected Results, is presented followed by a detailed discussion of the Activities and progress to date, and results where applicable.

POME FRUIT

LIVCD Pome Fruit Value Chain Upgrading Strategy Overview: LIVCD intends to work with 3,000 small and medium scale apple and pear farmers and 20 companies and cooperatives to increase production of current varieties and adopt new varieties. Emphasis will be placed on increasing the quantity and quality of Grade A production. As apples and pears are grown over various parts of Lebanon, the project in the first and second year will focus support in the North, Bekaa, and Mount Lebanon, focused on areas where host communities are suffering from high numbers of Syrian refugees. Also, LIVCD will promote the adoption of a set of new technologies, innovations, and best practices at the farm level including intensive production and use of dwarf varieties, especially for apples where production on trellises will be promoted along with netting to reduce climate impact. The Project will produce an interactive training curriculum illustrating fertility management, pruning, pest management, and timing of harvests in addition to IT tools to help farmers manage orchard pests and to more fully comprehend basic farm accounting.

Local service providers and extension agents connected with private businesses, NGOs, or cooperatives will be trained on best practices to extend and disseminate production information and inputs in order to assist farmers in improving their productivity and quality. At the processing and cold storage level, small processors and cold storage facilities will be linked to farmers and assisted to upgrade their facilities, as well as in certification. The Project will also assess external markets to better understand demand and requirements so new markets can be entered and or existing markets sales increased through better grading, packing, and storage. Early investments in replanting and processing, linked to LIVCD's processed food value chain activities, will support long term impact and assist host communities in need of support in the Bekaa and the north.

Priorities for the pome fruit value chain include preparing demonstration plots and establishing/support production service centers in host communities for farmers to visit in order to understand the importance of applying good agricultural practices. LIVCD will also prepare the curriculum for intensive production and provide training to 500 farmers in the first two years and 3,000 over the life of the project. In addition, LIVCD will emphasize identifying traders who are interested in Grade A produce and subsequently work with participating farmers to increase the availability of higher value pome fruit to meet this demand.

Life of Project Expected Results from the Pome Fruit Upgrading Strategy:

Axis One: Respond to growing regional market by supporting Lebanese exporters to develop contacts, linkages, trade and analytical capacity to react to export market opportunities

- *Expected results:* Diverse and profitable sales channels for farmers, new markets accessed, and increased exports.

Axis Two: Increase efficiency of sorting, packing, and cooling facilities

- *Expected results:* Increased quality and quantity, and modern agriculture practices implemented that promote efficient and profitable production.

Axis Three: Support and promote small and medium processing operations

- *Expected results:* Increased income for rural actors and additional investments.

Axis Four: Work with lead partners to oversee regionally specific programs on improved productivity

- *Expected results:* Production costs reduced, higher yields of more competitive products result in increased income, and proper varieties grown for domestic and export markets.

Activity Updates:

Axis I Respond to growing regional market by supporting Lebanese exporters to develop contacts, linkages, trade and analytical capacity to react to export market opportunities

Activity I.I Create business and market linkages between farmers, exporters, and food processors

New linkages between farmers and exporters and farmers and food processors provides additional outlets for apple production. LIVCD is supporting linkages between farmers and exporters seeking Grade A apples and pears; these linkages will be successful and lead to higher revenues for farmers if the farmers can increase the percentage of Grade A apples and pears produced, and if exporters can successfully find and sell to export markets seeking high quality apples. Additionally, LIVCD is supporting linkages between farmers and processors who seek lower quality apples; these linkages depend on processors developing high quality products based on apples and pears and positioning them as high value specialty products in domestic and international markets.

Linkage Facilitation for fresh Apple Exports (Planning): LIVCD aims to facilitate linkages between producers of apples and other fruits, and exporters. Activities include assistance to exporters in conducting market research, assisting producers to meet quality requirements through improved production and post-harvest practices, and introducing exporters to farmers who can supply appropriate quality products (directly or through aggregators).

- *Progress to date:* A potential linkages between LITAT Group and Abdo Skaff, an apple and grape producer, as well as with Liban Village cold storage was explored; the LITAT Group was interested in exporting high quality apples, pears, cherries, and grapes to Ukraine and Egypt at a later stage, and discussed with farmers the different apple varieties they are working with and noted possible prices. LITAT conducted a market survey on high value target markets in Ukraine and Egypt and found that due to the situations there these were not competitive markets for them. LIVCD is seeking to identify and work with other exporters to identify and target export markets for Grade A apples and pears.
- *Expected Results:* Increase in value and volume of pome fruit exports; new vertical linkages between farmers, aggregators, and linkages; increased incremental sales of Grade A apples.

Barouk and Freidis Cooperative's export of Apple Molasses to the U.K. (Completed):

- LIVCD facilitated a linkage between **the Barouk and Freidis Cooperative**, which produces a mix of apple and quince molasses and other processed food using raw material sourced from Lebanese farmers, and **Equitable Gourmet**, an importing company based in the U.K. that supplies specialty food retail stores. LIVCD supported the linkage by reviewing the labels provided by Equitable Gourmet to ensure compliance with U.K. regulations, and then tested a sample of the molasses at LARI-Fanar for chemical and biological characteristics, again to ensure compliance with regulations and prepare for export. The Cooperative shipped a trial order for 360 bottles of 250 ml apple molasses in May 2014. The products will be sold in U.K. retail outlets under the label of Marigold, the private label of a reputable company. In June 2014 as a result of the trial shipment, six shops in the U.K. ordered apple and quince molasses; Equitable Gourmet owner and Manager Mr. Wadih Takla assured LIVCD that there will be a larger order next quarter.
 - *Result:* Approximately \$600 in exports based on the first shipment; 1 MSME benefiting from vertical linkage to U.K. importer.
- LIVCD also supported a successful linkage between the **Barouk and Freidis Cooperative and Liban Village cold store /apple supplier**. At this time of the year it was challenging to find apples at competitive prices, since all apples are in the cold storage. LIVCD assisted the Cooperative to purchase apples by linking them to the Liban Village cold storage. Small and lower quality apples were sent to the Barouk and Freidis Cooperative for processing. This successful linkage provided a marketing outlet for lower quality apples, while the Cooperative obtained the needed raw material to make the molasses.

- *Result:* 2 MSMEs benefiting from vertical linkage
- LIVCD Facilitated a linkage between **the Cooperative Union of Deir Al Ahmar and Neighborhoods and Mechaalany to produce apple vinegar. Machaalany will purchase grade C apples from the farmers that are members of the Cooperative to produce apple vinegar.**
- Results: 150 farmer benefiting and Mechaalany will buy around 24 tons

Activity 1.2 Support exporters to develop strategic linkages with export market in the GCC

Pome Fruit Export Strategy for GCC (Planning): LIVCD prepared a list of exporters in the Gulf market and is planning meetings to agree on a strategy to increase apple and pear exports from Lebanon.

Activity 1.3 Develop market analyses and provide training on market analyses and market identification

Market study in the U.K. for selected fruits and vegetables (Planning): LIVCD is developing a Scope of Work for [REDACTED] to conduct an extensive market study in the U.K. for selected fruits and vegetables.

Activity 1.4 Facilitate and support actors adopting, upgrading, or establishing quality and origin seals and promote the seal locally and internationally; Identify a regulation body to implement the quality and safety seal Planned for next quarter

Axis 2 Increase efficiency of sorting, packing, and cooling facilities

Activity 2.1 Encourage investment in upgrading post-harvest units

Cold Storage Upgrade Proposal (Planning): LIVCD received an Expression of Interest in response to its Annual Program Statement from Liban Village cold storage to upgrade its facility. LIVCD accepted the EOI and Liban Village is currently developing a full proposal.

Axis 3 Support and promote small and medium processing operations

Activity 3.1 Develop business linkages between producers and processors Planned for next quarter

Activity 3.2 Provide technical support in packaging, branding, and labeling

New Product Development – See Activity 1.1. Barouk and Freidis Cooperative’s export to the U.K.

Activity 3.3 Support diversification in apple/pear processing such as fresh juice, mixed juice, fruit puree, concentrates, and molasses

“Market Study for the Lebanese Health and Specialty Sector” for Processed Apple Products (In Progress): LIVCD conducted a market study for the health sector in Lebanon, including apple chips, a potential new product. The market study assessed demand for the selected items, and where there is demand, assessed quality standards and terms of sale, including packaging, labeling, payment terms, and other factors. The study identified specific marketing channels where producers can sell, and will work with rural apple/pear processors to meet the potential demand and make linkages with buyers. LIVCD will assist in following up on the study to update information about demanded products and buyers.

- *Expected Result:* Incremental sales from processors to domestic distributors/buyers; MSMEs benefit from vertical linkages (processors and domestic distributors/buyers)

Activity 3.4 Explore opportunities to upgrade production facilities

Barouk and Freidis Cooperative Facility Upgrade (Planning): LIVCD identified the Barouk and Freidis Cooperative as a potential small processing facility to be upgraded to

process apples into molasses. LIVCD is developing a strategy with the Cooperative to upgrade their facility, and will prepare a proposal for a co-investment.

Activity 3.5 Assist processing facilities to require need quality and origin certificates Planned for next quarter

Axis 4 Work with lead partners to oversee regionally specific programs on improved productivity

Activity 4.1 Increase production of Grade "A" Apples/Pears

Activity 4.2 Increase accessibility to quality seedlings Planned for next quarter

Activity 4.3 Train Farmers on appropriate orchard management

Activity 4.4 Reduce climate impact on production quality and quantity Planned for next quarter

Activity 4.5 Reduce cost of production and create economies of scale

Apple and pear farmers suffer from low productivity due to high production costs from inefficient farming and post-harvest practices (such as over application of pesticides and inappropriate irrigation and fertigation techniques) with low output of Grade A apples, exacerbated by inappropriate transport methods and below-standard cost storage. In order to support farmers to increase productivity, LIVCD is working on regionally-based production programs to promote improved production practices. This includes: 1) Demonstration Plots, which are established with lead farmers under Development Agreements using improved apple varieties, technology, and production practices to serve as a model (and site to conduct training) for apple and pear farmers; and 2) Production Service Centers, which are co-investments with partners to establish sustainable extension services, including training, to apple and pear farmers.

Apple Productivity Demonstration Plots (In Progress): LIVCD has signed four Development Agreements to establish apple demonstration plots in different areas. The demonstration plots will provide practical examples and sites for training in producing new varieties and production and post-harvest techniques to increase the percentage of Grade A apples produced:

- Zahle, Zahle Caza: [REDACTED]; an existing plantation of new apple varieties on trellises was adopted as a demonstration plot.
 - Zaarour, Mtein, Al Metn Caza: [REDACTED]; an existing orchard of new apple varieties on trellises on terraces was adopted as a demonstration plot.
 - Sannine, El Metn Caza: Sannine Cooperative for Sustainable Agriculture (SCSA); a new demonstration plot will be established on trellises planting new varieties that have high market potential in local markets.
 - Aoura, Jbeil Caza: [REDACTED]; a new demonstration plot will be established on trellises planting new varieties that have high market potential in local markets.
 - LIVCD has initiated contact with potential partners in Donnieh, Akkar, Keserwan, Ainata and Becharreh to establish additional demonstration plots in those areas.
- *Progress to date:* LIVCD developed a preliminary list of potential varieties to be planted in the newly established demonstration plots. All seedlings will be purchased by the partner organization or farmer managing each demonstration plot. LIVCD expects that all demonstration plots will be planted with the new varieties by the end of March 2015. Training is underway at the demonstration plots, see Apple Productivity Training Implementation below.
- *Expected result:* Farmers trained on production practices and apply practices on their farms (see Apple Productivity Training Implementation below); increase in area planted with new varieties

Apple Productivity Training Implementation: LIVCD technical experts are conducting technical training sessions for farmers on topics related to improving productivity of apple and pear farmers; summer pruning, orchard management, fertigation, and winter pruning. The training sessions are held at the various demonstration plots noted above. Note

that most farmers attend more than one training, the numbers below represent number of participants.

- *Progress to date:* The Apple Productivity Training program in Bekaa was launched in February 2014 with the Chamber of Commerce, Industry, and Agriculture – Zahle. ; The following training was completed:
 - **Winter Pruning:** Two training sessions on appropriate pruning on trellis techniques using the interactive training method were delivered to farmers at the Zahle – Bekaa demonstration plot. Participants were divided into two groups and were invited to two different pruning sessions. The first took place on March 5th, 2014 and the second was delivered on March 19th, 2014.
 - **Summer pruning** – Summer pruning for apples and pears allows sunlight to ripen the fruit, ensures good cropping the following year, and helps to induce flower buds, improving quality of the fruit and productivity of the orchard. It reduces the work needed in the orchard during the winter by removing branches in the summer instead of waiting for winter. LIVCD trained 20 participants at Ainata Cooperative in the Bekaa.
 - **Fertigation** – Fertigation is the application of nutrients through irrigation. It is a more efficient and effective way to fertilize crops, saving time and money and improving yields. Results are achieved by using a ‘little and often’ principle to enhance plant growth and health. The use of fertigation enables a highly accurate nutrient supply to be delivered to plants. Small and frequent application of fertilizers, in exact amounts that meet crop requirements, increase the efficiency of nutrient uptake, and minimizes nutrient losses. . LIVCD trained 21 participants in Zahle, Bekaa.
 - **Orchard Management** – This training focuses on applying Good Agriculture Practices (GAP) in orchards concerning the right pruning, harvesting, and grafting techniques. It involves planting system, planting distance, best varieties, and the nursery plants have to be considered carefully to ensure maximum production. LIVCD trained 23 participants in Zahle, Bekaa.
- *Expected Result:* 3,000 apple and pear farmers trained in improved production practices and applying them in their orchards; increased production of Grade A apples, increased incremental sales of apples and pears.

Apple Productivity Interactive Training Development (Completed): LIVCD, in collaboration with four experts, prepared an interactive curriculum for the apple/pear farmers, which is ready to be scaled up in different regions. The development of the interactive training course, delivered over five days, included Training of Trainer (TOT) sessions on topics including ‘Modeled delivery of varietal selection in an office setting and in field setting’, ‘Practice delivery of an interactive training session with colleagues’, as well as piloting activities with farmers.

- *Results:* Training curriculum developed; Approximately 60 participants attended the training (some individuals participated in more than one session).

Co-investment for Apple Production - Sannine Cooperative for Sustainable Agriculture (SCSA) (In Progress): LIVCD is co-investing with the Sannine Cooperative for Sustainable Agriculture (SCSA) to establish a Production Service Center (PSC) that will provide technical services to apple farmers at a low cost. The purpose of the PSC is to reduce the cost of apple production and increase the percentage of Grade A apples that farmers produce in Western Sannine Mountain, including Sannine, Zaaroor, Bakich, Baskinta, Mtein, and Tarchich. Farmers in the area are seeking opportunities to redesign their old orchards according to modern practices to enhance the quality of their apples, optimizing agricultural practices and yields, decreasing production costs by relying on natural resources, and analyzing markets. Services to be provided by SCSA include pruning on a fee basis, quality composting, supplying appropriate seedlings, and facilitating linkages with various value chain actors such as input suppliers, service providers, market and

research centers, and universities. SCSA will establish a demonstration plot that will function as a training facility for farmers for LIVCD's interactive training program.

- *Progress to Date:* Land preparation for establishing the nursery, composting unit, and demonstration plot was completed. LIVCD delivered four electrical pruning shears to SCSA, and the SCSA staff were trained on how to use them. Procurement of a compost turner, traceability label printer, and other items are in progress.
- *Expected Results:* 50 farmers apply new standards and technology to enhance production, quality, and marketing of their apples (achieve Global GAP in two years); increase in output of Grade A apples, another 150 farmers receive training and apply new practices in their orchards; linkages between farmers and service providers established; increase in productivity of orchards (reduced cost and increase percent of Grade A apple output); increase in incremental sales of farmers.

“Proximity Agriculture Center” (PAC) co-investment (In Progress – See also Cherry Value Chain Activity 3.2): LIVCD is co-investing with Caritas to establish a Proximity Agricultural Center (PAC), with the aim of increasing the productivity of apple, pear, and cherry orchards. This is to be accomplished by increasing yields, but more importantly by increasing the percentage of Grade A apples, pears and cherries produced in the Keserwan area. Under the co-investment, the PAC will provide services for farmers in the area to increase their orchard profitability and develop market linkages; these services include intensive training and facilitation activities, building on existing knowledge and resources, and services such as rental of electric shears for summer pruning. Caritas and LIVCD have identified service providers (technical experts in apple, pear, and cherry production) as well as farmers, and are implementing technical assistance and capacity building so that they can provide and apply best agricultural services and practices (see details under “Apple Productivity Training Implementation” below). The trained farmers and service providers (Center Clients) will then be adopted by the center as certified farmers and service providers and will be supported accordingly. The farmers who will become clients of the center will be linked to trusted traders and will be encouraged to make collective purchases of their needed inputs and services with the aim to create economies of scale, and will be oriented to get the services from the certified service providers in order to receive quality and reliable services.

- *Progress to date:* LIVCD procured four electric shears for the PAC under this co-investment and provided training on how to use them for summer pruning (see below). The PAC will offer the electric shears for rent to area farmers. Additional procurement under this co-investment is expected to be completed this summer, after which the Center will be equipped with new equipment to provide services related to increasing orchard productivity through GAP for orchard management including weeding, shredding, plowing and harvesting.
- *Expected Results:* 60 farmers applying GAP to increase productivity, and output of Grade A apples; a minimum of 10 service providers adopting best practices; and 20 successful linkages between producers, processors, and traders.

STONE FRUITS: AVOCADOS

LIVCD Avocado Value Chain Upgrading Strategy Overview: LIVCD intends to build a model of organization and collaboration between producers, aggregators, millers and industrialists in Lebanon and facilitate the creation of a Lebanese brand of avocados with actors. LIVCD will work with small scale farmers- that constitute more than 89 percent of avocado growers- to renew existing orchards by supporting implementation of innovative agricultural practices such as adoption of drip-irrigation systems, pest management, and introduction of new varieties. Co-investments will be considered to increase production, and similar to other tree crops these investments will require immediate funding in order to ensure proper management and oversight during the life of the project.

Avocados are grown mainly on the coastal areas of Lebanon; the project in the first and second year focuses support on expanding the area of cultivation through selecting adequate varieties and new techniques. LIVCD will identify success stories and organize farmer field days to replicate and scale up successful models where the climatic conditions are adequate and soil content is conducive for avocado production. In addition, the project will work on increasing the production through extension, trainings, PPPs, and co-investments. LIVCD will prioritize developing linkages between producers and aggregators, as well as between aggregators and exporters, while facilitating international technical expertise to develop a manual for a set of new technologies, varietal characteristics, and best agricultural practices, including though not limited to fertility management, irrigation systems, and pest management (once the PERSUAP is approved). Finally, support will be provided to study the feasibility to develop a new line of processed avocados such as avocado oil and cosmetic products in conjunction with the processed food value chain activities and partners.

Efforts will be made to focus on vulnerable social groups such as host communities, women, and youth. LIVCD will create linkages between different stakeholders, such as local communities, private sector, NGOs, and cooperatives. These linkages are essential for the successful implementation of the project. The project will ease access to services such as development of small agricultural investment and business support, advice, and financing for youth and women. Youth will be included in the training of trainers' activities. LIVCD will also promote utilizing science, technology and innovation in creating a Lebanese brand of avocados and through improved production practices tested in conjunction with universities and private sector partners.

Life of Project Expected Results from the Avocado Upgrading Strategy:

Axis 1: Increase Exports to Select Markets

- *Expected Results:* Increase in volume of exports of targeted products, new export markets/distribution channels opened, and new commercial linkages.

Axis 2: Increase Quantity and Improve Quality of Avocado Production

- *Expected Results:* Improved avocado quality, and profitable and marketable avocado investments.

Axis 3: Increase Avocado Processing

- *Expected Results:* New market potential and exports and increased revenues.

Activity Updates:

Axis I Increase exports to select markets

Activity I.1 Facilitate access to market intelligence and analysis for value chain actors through private sector organizations Planned for next quarter

Activity 1.2 Develop business and market linkages between growers and exporters Planned for next quarter

Activity 1.3 Develop market linkages between exporters and importers Planned for next quarter

Activity 1.4 Facilitate support for developing promotional materials for Lebanese avocados

Avocado Promotional Day (Completed): LIVCD held a day of activities to promote Lebanese avocados on May 15th, 2014. More than 90 women from the Batroun Committee for Culture and Development, in addition to women avocado producers from the area, gathered at Batrouniyat garden, in Batroun and learned how to identify avocado varieties to achieve higher quality and meet high market demand. The session also focused on the importance of the avocado value chain in Lebanon and the potential of utilizing avocado oil for cosmetic use. ██████████ conducted a cooking session. He introduced avocado recipes in Lebanese cuisine; this was broadcast on ██████████ show on Future TV. He prepared many delicious dishes using avocado as an ingredient. During the event, the women learned about the health benefits of the avocado and how it can help in weight loss. The purpose was to promote domestic consumption of avocados, to increase demand so that farmers will be able to sell more to the domestic market. LIVCD prepared a recipe book with ██████████ recipes for avocado dishes, which will be distributed in the summer of 2014 to further raise awareness of avocados and promote sales.

Results: Avocado recipe book; Increased awareness of advantages of avocados, and support for avocado sales

Axis 2 Increase quantity and improve quality of avocado production

Activity 2.1 Provide potential co-investors with advice on suitability, marketability, and profitability of planned avocado investments

Avocados are a relatively new crop to Lebanon and there is private sector interest in investing in avocado orchards. Many of these potential investors already have avocado orchards and are interested in expanding them with varieties demanded in target markets, and establishing proper production infrastructure and practices. LIVCD is supporting these potential investors by providing an assessment of existing orchards and advice on investments to improve orchard productivity, increase incremental sales and farmers' income. Where farmers are interested in investing, LIVCD assists with the development of feasibility studies. Several potential investors applied for and are expected to receive Kafalat loans as a result of these efforts.

Potential co-investment in orchards with farmers (Planning): LIVCD staff and technical expert Mohammad Hijazi visited and assessed avocado orchards throughout Lebanon, to identify potential investments to improve productivity through use of new varieties, new infrastructure, and improved practices. Where farmers show interest, LIVCD is working with them to recommend investments.

- LIVCD received an Expression of Interest (EOI) from investors in new avocado orchards in Gebrayel, Akkar, and in Chouit, Metn. LIVCD has completed two feasibility studies with these potential investors, and the first farmer received approval for a Kafalat loan from Bank Audi, while the second loan application is being prepared.
- LIVCD also received an EOI from ██████████, in Wadi Baakoudeen, South Lebanon, who plans on planting 10 dunums of land with avocado trees. The land is currently being prepared, and ██████████ requests LIVCD's assistance to install the irrigation system, choose the variety best adapted to the soil and climate conditions, and other good agriculture practices. LIVCD will evaluate the proposal for this co-investment. This will include working with the partner to prepare a feasibility study including budget and costing. LIVCD will also assess the potential to collaborate in the areas of technical assistance, packaging, and marketing.

Potential co-investment in orchards and technical assistance with Hariri Foundation (Planning): LIVCD received a proposal for improving avocado production submitted by the Hariri Foundation, for upgrading existing orchards and encouraging the establishment of new orchards in South and North Lebanon. Through the proposal, the Hariri Foundation offers avocado farmers continuous technical assistance, and the availability of verified, disease-free avocado plants at affordable prices. The co-investment is in its final stages, and will be submitted for USAID approval soon.

Increasing Access to New Varieties from Costa Nostra Nursery (In Progress): LIVCD signed a Development Agreement with Costa Nostra nursery, the exclusive supplier of high quality, certified Brokaw avocado varieties. Costa Nostra will offer avocado farmers working with LIVCD the planting material at a discount.

- *Expected results:* Linkages between Costa Nostra nursery and farmers created; Increased area planted with high quality avocado trees; increased productivity and production; increased incremental sales and income to farmers, investment in the value chain leveraged.
- Potential Collaboration with EMKAN, a local NGO dealing with community development and providing microfinance services. LIVCD will collaborate with EMKAN to develop a service center in Akkar to enhance better quality and quantity of produced avocado. Farmers will benefit from training which will increase the production of already established orchards.
- Expected Results: Establishing a service center, and conducting workshop to 63 retail markets
-

Activity 2.2 Training on improved production practices for better productivity

LIVCD is supporting an Avocado Production Training program in order to increase the skills of avocado farmers in producing avocados; this training and farmer application of new practices is expected to increase the productivity of orchards through higher quality and lower costs.

LIVCD Avocado Production Training (In Progress): LIVCD assessed producers' needs in Bisri, Chouf and Chouit, Mount Lebanon, and based on the results has designed a Production Training Program:

- Training for Grafting: LIVCD designed and organized technical training on grafting for all the region's avocado farmers in January 2014.
 - Training on variety selection: LIVCD held two workshops to build farmer capacity to select varieties. The workshop aimed to raise awareness and skills among farmers to select avocado varieties based on physical features and agricultural characteristics.
 - Orchard management: LIVCD is planning for additional training sessions focusing on avocado orchard management to improve productivity.
- Progress to date:
- Training sessions on production practices were held in Batroun, with the objective of empowering farmers with knowledge and skills in order to make them experts in their own field, sharpen the farmers ability to make critical and informed decisions that render their farming profitable and sustainable, and improve production practices for better productivity.
 - Training sessions in Rmeileh (Caza Shouf, Mount Lebanon), with the objective of introducing the LIVCD project to Rmeileh farmers. The training focused on helping farmers differentiate between avocado varieties, type, and time of production with the aim of increasing area planted to avocado. In total, 77 producers received avocado seedlings at the end of the training. [REDACTED], LIVCD expert in avocado provided the seedlings free of charge to the farmers, and will follow up later in the year to assist with grafting and other production practices.
- *Expected results:* Avocado farmers trained and applying new practices, increased orchard productivity and incremental sales.

Technical Manual for Avocado Production: LIVCD’s avocado expert, [REDACTED], is drafting a training manual with a technical and scientific curriculum addressing production levels of avocados including orchard establishment, technical practices, seedling selection, harvesting, and post-harvest practices, focusing on technical practices to increase productivity and increase the area in more appropriate and profitable varieties. Once complete, this manual will be distributed to avocado farmers to help them improve their production practices and increase productivity of avocado orchards, leading to higher output, quality, and revenues for Lebanese avocado farmers.

- *Expected Results:* Training manual contributing to sustainability of training results and increase successful application of recommended practices, leading to improved productivity.

“Strategies for Agriculture Resilience and Adaptation to Drought in Lebanon” – Conference held in June 2014, addressing sustainable agricultural water use and land management to better cope with the increasing risk of drought in Lebanon and how to raise attention on its effect on agriculture including avocados. See full update in Communications update below.

Activity 2.3 Organize fragmented producers into production clusters and link them to aggregators

Axis 3 Increase avocado processing

Activity 3.1 Establish market for avocado oil with support from the private sector, universities, or subcontractors

Avocado Oil Production Development: LIVCD in collaboration with the Lebanese University is conducting research in order to extract oil from avocados and use it in beauty and cosmetics products.

- *Progress to Date:* Research on applications of avocado in beauty and cosmetic products and potential markets is ongoing. Results will be presented on a later stage of the project.
- *Expected Results:* Identify new market opportunities for Lebanese avocados, increase sales of avocado and increased income of farmers and processors.

STONE FRUITS: CHERRIES

LIVCD Cherry Value Chain Upgrading Strategy Overview: LIVCD will work with small scale farmers - more than 50 percent of all cherry growers - to upgrade existing orchards by introducing innovative agricultural practices such as adoption of drip irrigation systems, efficient pruning techniques, and replanting new varieties. Targeted co-investments and PPPs will facilitate improving the quality and quantity of production and post-harvest facilities, such as pre-cooling and cold-storage. Cherries are grown in a number of regions in Lebanon; the Project in the first and second year will prioritize implementation of demonstration plots for early and late varieties, in both Kfertay and Qaa el Rim. These models will then be scaled up and replicated in other locations where climatic conditions are adequate and soil structure is appropriate for cherry production. Selected regions such as Zahle are highly affected by the Syrian crisis, and witness the highest number of registered refugees in Lebanon. LIVCD will support the host communities through projects in the stone fruits value chain in order to reduce the socio-economic impact of the crisis. Significant early investments will be initiated in year one and two in order to provide the most effective returns over the life of the project since newly planted varieties will take at least three years to produce significant yields.

LIVCD will also work on upgrading existing cold storage and improving post-harvest practices through extension, trainings, and PPPs through co-investments. One immediate action is to develop linkages between producers and aggregators, as well as between aggregators and exporters. LIVCD will also provide international technical expertise to develop a manual on new technologies and best agricultural practices. Regarding marketing strategies, the Project will facilitate an assessment of external markets to study demand and requirements in order to select the most suitable variety demanded for export. Finally, LIVCD will support studying the feasibility of developing a new line of processed cherries such as dehydrated cherries and chocolate with cherries as high value added products in conjunction with the processed food value chain activities and partners.

Assistance will be targeted at vulnerable social groups such as host communities, women, and youth. LIVCD will create linkages between different stakeholders, such as local communities, private sector organizations, NGOs, foundations, and cooperatives. These linkages are essential for the successful implementation of the project. Strategies for accessing financial services will be shared with beneficiaries including seeking investment capital, business support, and other services for youth and women, both of whom will be included in the training of trainers' activities. Although, female participation in cherry production is currently low, it could be enhanced through special extension services and training related to production and post-harvest practices. Those activities are addressed as a means of improving the status of women's' participation in this value chain. Initiatives will also promote utilizing science, technology, and innovation by introducing new cooling and precooling technology, developing new varieties with partners and international nurseries, and applying new techniques in demonstration plots for new varieties and harvesting techniques and tools for optimal harvesting time.

Life of Project Expected Results from the Pome Fruit Upgrading Strategy:

Axis 1: Increase Exports

- *Expected Results:* Increase in producer's income, grade A production, and exports.

Axis 2: Increase Efficiency of Sorting, Packing, Cooling and Processing Facilities

- *Expected Results:* Production costs reduced.

Axis 3: Increase Quantity and Quality of Cherry Production in Lebanon

- *Expected Results:* Sustainable trading linkages established between different actors in the value chain and new processed cherry products marketed.

Activity Updates:
Axis 1 Increase exports
Activity 1.2 Conduct stakeholder meetings Planned for next quarter
Axis 2 Increase efficiency of sorting, packing, cooling, and processing facilities
Activity 2.1 Facilitate support for upgrading post-harvest facilities in sorting, packing, and cooling
<p>From Farmer to Market (FFM): Developing a Sustainable Cherry Value Chain in Jabal Moussa co-investment (In Progress): LIVCD is co-investing with the Association for Protection of Jabal Moussa Reserve (APJM) in production and marketing of dehydrated cherry products under the Jabal Moussa brand. LIVCD will provide assistance to over 180 cherry producers in the area in and around Jabal Moussa Biosphere Reserve (specifically in the seven villages of Yahchouch, Qehmez, Jouret el Thermos, Nahr ed Dahab, Ghbaleh, Ebreh, and Chouwan), to support production of cherry varieties suitable for dehydration. The farmers will receive capacity building, technical advice, awareness materials, and trees from Jabal Moussa. The main buyer of the raw cherries will be local food processors, specifically the 25 women who process food for the Jabal Moussa food products label. LIVCD will support training to these women on cherry drying and packaging. LIVCD will also work with APJM to upgrade the central facility in Ghbaleh with machines and small tools for food processing and dehydration. Training events on the proper use of equipment will ensure their maintenance after the project ends. The locally manufactured products will be promoted under the brand name of “Jabal Moussa”, along with the existing food and handicraft products, APJM will facilitate market linkages to targeted outlets for the sale of the dehydrated cherries. This value chain approach will provide an additional outlet for cherry farmers’ products, and profits generated from sales will be reinvested in product reorders and marketing. This will ensure financial sustainability and growth beyond the project lifetime.</p> <ul style="list-style-type: none"> • <i>Progress to date:</i> The grant agreement has been signed. • <i>Expected Results:</i> New varieties of cherries suitable for processed food introduced; new linkages between farmers and a cherry processor; new local market for farmers leading to higher quantities of cherries sold and income for farmers; local source of raw material to the processors and additional production, incremental sales and income to the women processing the cherries.
Axis 3 Increase the quantity and quality of cherry production in Lebanon
Activity 3.1 Establish demonstration orchards in major cherry production areas (Dinnieh, Akkar, Tannourine, Akoura, Chouf, and Western Bekaa) and Activity 3.2 Introduce new tree varieties into the established demonstration plots based on market demand through selected partners who will manage the demonstration plots beyond the life of the Project
<i>LIVCD is supporting improvements in cherry production to increase productivity by reducing costs and improving quality. These includes both use of new cherry varieties meeting market demand, and improved production and post-harvest practices. LIVCD is supporting demonstration plots for training and knowledge transfer, and assisting in developing service centers to improve extension and facilitate linkages to input supply and extension services.</i>
<p>Cherry Productivity Demonstration Plot in Qaa el Rim-Bekaa, established with a Development Agreement between LIVCD and [REDACTED]. LIVCD is partnering with this lead farmer to facilitate training and extension services to farmers who suffer from low productivity and high costs of production. Farmers face several challenges including old cherry varieties, improper agriculture practices at the production and postharvest levels, as well as difficulties in marketing their products. The demonstration plots will provide a model for new varieties and harvesting techniques and tools for optimal harvesting time, facilitating knowledge transfer and application of new</p>

practices on benefiting farmers' orchards, leading to higher productivity through better quality.

- *Progress to date:* The demonstration orchard was established and maintained using the best agricultural practices for production, harvesting, and post-harvest practices, and thus serves as a model for other farmers to replicate. LIVCD is conducting training sessions for cherry farmers on these demonstration plots (see Activities 3.3 & 3.4.)
- *Expected results:* Farmers trained on production practices and apply practices on their farms (see Cherry Productivity Training Implementation below); increase in area planted with new varieties

“Proximity Agriculture Center” (PAC) (In Progress - See also Pome Fruit Axis 4): LIVCD is co-investing with Caritas to establish a Proximity Agricultural Center (PAC), with the aim of increasing the productivity of apple, pears, and cherry orchards by increasing the percentage of Grade A produce in the Keserwan area. Under the co-investment, the PAC will provide services to farmers in the area to increase orchard profitability and develop market linkages; these services include intensive training and facilitation activities, building on existing knowledge and resources, and services such as rental of electric shears for summer pruning. Caritas and LIVCD have identified service providers (technical experts on apple, pear, and cherry production) as well as farmers, and are implementing technical assistance and capacity building so that they can provide and apply best agricultural services and practices. The trained farmers and service providers (Center Clients) will then be adopted by the center as certified farmers and service providers and will be supported accordingly. The farmers who will become clients of the center will be linked to trusted traders and will be encouraged to make collective purchases of their needed inputs and services with the aim to create economies of scale, and will be oriented to get the services from the certified service providers in order to receive quality and reliable services.

- *Progress to date:* LIVCD procured four electric shears for the PAC under this co-investment and provided training on how to use them for summer pruning (see below). The PAC will offer the electric shears for rent to area farmers. Additional procurement under this co-investment is expected to be completed this summer, after which the Center will be equipped with new equipment to provide services related to increasing orchard productivity through GAP for orchard management including weeding, shredding, plowing and harvesting.
- *Expected results:* Farmers apply Good Agriculture Practice to increase productivity, and output of Grade A cherries service providers adopt best practices; successful linkages between producers, processors and traders.

Activity 3.3 Organize farmer study tours to demonstration plots to see the establishment and structure of the orchards

Activity 3.4 Develop training curriculum and conduct training on irrigation and fertigation techniques, appropriate pruning for existing and newly introduced varieties, and appropriate harvesting techniques

LIVCD is supporting cherry farmers with training on cherry production including irrigation and fertigation techniques, appropriate pruning for existing and newly introduced varieties, and appropriate harvesting techniques. The purpose of the training is to improve the productivity of cherry orchards, by increasing the quantity of Grade A cherries which get the highest prices in the market; farmers who can sell greater quantities of Grade A cherries will increase their incomes from cherry production.

Development of Cherry Production Training Curriculum (Completed): LIVCD expert Ghassan Feghali prepared the curriculum for the Cherry Production Training Course (see below), which includes irrigation and fertigation techniques, appropriate pruning for existing and newly introduced varieties, and appropriate harvesting techniques.

- *Result:* Curriculum completed.

Cherry Production Training Course (In Progress): LIVCD expert Ghassan Feghali is delivering the cherry production training courses to farmers in Hammana, Jdita, Qaa el Rim, and Baskinta.

- *Progress to Date:* Through end of June 2014, LIVCD conducted 12 training sessions attended by farmers on orchard management, adoption of improved production practices (fertilization and water management) and proper production, harvesting, and post-harvesting procedures. The training will enhance farmers' production skills and encourage them to apply GAP, in order to improve cherry quality to meet market demand and increase their income.
- *Expected Results:* Farmers trained and applying improved practices in their orchards; improved productivity; increase in quality of cherry production; increase in incremental sales and farmers' incomes.

GRAPES VALUE CHAIN

LIVCD Grapes Value Chain Upgrading Strategy Overview: LIVCD aims to upgrade the value chain by improving the performance of small and medium farmers through the introduction of new technologies in production, pest management, harvest, and post-harvest practices. In addition, efforts will focus on increasing the volume of grapes reaching high value markets through increasing availability of market-demanded varieties, expanding the harvest calendar, and improving the quality of grapes. LIVCD intends to work with 1,000 small and medium scale farmers and at least 10 companies and cooperatives to improve production practices and to increase production of varieties demanded by high value markets. As grapes are grown over various parts of Lebanon, the project in the first and second year will prioritize support for table grapes in Ferzol, Qaa, and Zahle, which are host communities,. Significant early investments will be initiated in order to provide the most effective returns over the life of the project since newly planted varieties will take at least three years to produce significant yields.

The project will also promote the adoption of new science, technology, and innovations in establishing best practices at the farm level that include irrigation methodologies that conserve water, pruning, and pest management that insures safe practices and compliance with end-market requirements. Also, LIVCD will promote environmentally friendly new technologies in precooling and cold storage.

Local service providers and extension agents connected with private businesses or cooperatives will be trained on best practices to extend and disseminate production information and inputs to better service farmers in improving their productivity and quality of grapes. For example, farmers will be trained on how best to harvest and pack their grapes for transporting to cooling stages or markets for sale in order to reduce spoilage and waste. At the marketing stage, the project will facilitate assessing external markets to better understand demand and requirements to access new markets or existing markets resulting in increased sales through better grading, packing, and storage.

Life of Project Expected Results from the Grapes Upgrading Strategy:

Axis 1: Determine high value target markets, varieties, market requirements, and support farmers and exporters in entering these markets

- *Expected Results:* Products meet GAP requirements and are exported, private sector investment in new varieties, and new jobs created.

Axis 2: Improve vertical and horizontal linkages across the value chain

- *Expected Results:* Farmers, exporters, and packers exchange a large volume of products and farmers utilize improved production practices.

Axis 3: Increase sales to high value markets by working with farmers and packers/exporters to extend the shelf life of grapes through improved harvest, handling, and packaging

- *Expected Results:* Higher quality products and increased sales to high value markets.

Activity Updates:

Axis I Determine high value target markets, varieties, market requirements, and support farmers and exporters in entering these markets

Activity 1.1 Determine appropriate target markets and

Activity 1.2 Determine appropriate varieties for the selected target markets that can successfully be grown in Lebanon

LIVCD is supporting Lebanese grape farmers and exporters to increase exports to European and GCC markets; the first step is to identify target markets and in each the buyer and consumer demand (varieties, other product specifications) and regulatory requirements in order to make recommendations to farmers about varieties to plant and production practices to produce grapes that can compete in these markets.

Identifying Target Export Markets for Grapes (Completed): LIVCD, in conjunction with grape exporters who have existing linkages to European and GCC markets, identified the main target markets and the varieties demanded in those markets, including Red Globe, Crimson, Superior Seedless and Black Pearl. LIVCD applied the relevant marketing intelligence to prepare training materials for farmers, and selected the varieties to be promoted under co-investments to increase production of grapes meeting export market requirements (See Activity 1.3 “Stimulating Investment in New Variety Grape Orchards Demanded in High Value Markets through a Public Private Alliance.”)

Micro-Climate Assessment for Grape Varieties (Completed): LIVCD visited 10 grape production regions and identified appropriate microclimates for potential new varieties, including the North Bekaa and Central Bekaa. These results were used to prepare co-investments described in Activity 1.3 below.

Activity 1.3 Collaborate with the private sector and create PPPs to increase availability of varieties that have demand in high value markets in the appropriate regions

LIVCD is supporting Lebanese grape farmers to invest in new varieties to meet the demands of target markets in the GCC and Europe and increase exports. LIVCD is supporting increased access to these new varieties, through: 1) co-investments/Public Private Alliances with grape exporters and farmers to establish orchards with new varieties, and 2) Facilitating farmer access to commercial bank products for investment in orchard improvements including planting material of new varieties. This is expected to increase productivity of grape orchard production, as well as increase exports of grapes to target export markets and increase revenues to grape farmers.

Co-Investment “Stimulating Investment in New Variety Grape Orchards Demanded in High Value Markets through a Public Private Alliance” (In Progress): LIVCD is implementing two co-investments and Public Private Alliances, one with Middle East Business Company and one with Jaber Trading Company, which are exporters with existing markets for grapes in the targeted export markets. These two PPAs include 22 farmers who have co-invested with LIVCD to establish 22 ha of grape orchards with new varieties and practices, in order to produce export quality grapes that can be sold through the exporters. Additional smaller grape farmers will benefit from production training to improve the quality of existing orchards, and increase potential linkages with aggregators and exporters (see Activity 1.4). LIVCD will sign the third co-investment with Medigardens in the summer of 2014. This PPA will reach an additional 18 co-investing farmers to establish 18 ha of new grape plantations; an additional 90 smaller farmers will benefit from production training

- *Progress to date:* Between March and June 2014, LIVCD delivered to 22 co-investing farmers the posts, wires, irrigation systems, and other equipment needed to establish the orchards. Farmers invested in these items in addition to the planting material. LIVCD is supporting procurement of soil moisture tools and readers; this equipment will be co-invested with grape farmers to improve vineyard water management.
- *Results:* Increase in exports of Lebanese grapes to export markets (expected 5% increase over baseline; baseline study in progress): PPAs created (22 farmers to date) and Investment in Value Chain Leveraged (\$770,857 investment by the farmers to date and \$215,929 LIVCD cost share); Farmers trained and application of new varieties, infrastructure, and practices; Productivity improved as measured by Gross Margin. Until now, 370 dunums of grapes were planted with high demanded varieties of which are, Crimson, Red Globe, Superior Seedless and Black Pearl.

Additional Access to Finance for Grape Producers: LIVCD is linking grape farmers to commercial banks to pursue private loans to invest in upgrading their orchards.

- *Progress to date:* LIVCD has held two major events with grape farmers, one in March and one in May 2014, to introduce grape producers to the program, highlight potential investments in grape orchards, and expected returns. BLC Bank presented its commercial loan products and the subsidized Kafalat program; during the event the farmers met with loan officers individually to sign loan applications.
- *Result:* A total of 51 farmers attended these sessions and learned about the financial products; LIVCD provided support in completing loan applications to 12 farmers, and two grape farmers from the Bekaa were able to secure loans from BLC Bank through Kafalat programs for a total of \$46,000.

Activity 1.4 Ensure compliance with good agricultural practices

In addition to growing the right varieties for export markets, grape farmers must use GAP to ensure the grapes produced meet food safety and other quality requirements in export markets in the GCC and Europe. LIVCD supports technical assistance for compliance with GAP to improve productivity through improved quality of grapes that meet export requirements.

Technical Assistance for Production – Good Agricultural Practices: LIVCD signed an agreement with a subcontracting company for technical assistance, field trainings and workshops to help grape farmers improve their production practices to meet export market requirements. Farmers benefiting from this technical assistance include those participating in the co-investment/PPA “Stimulating Investment in New Variety Grape Orchards Demanded in High Value Markets through a Public Private Alliance” (See Grapes Activity 1.3), as well as additional farmers seeking to make changes in their existing orchards to improve the quality of their grapes for export markets and increase productivity.

Progress to date: This activity is covering 12 regions of production for table grapes in the Bekaa Valley. The technical assistance company provides weekly surveys of the 42 farmers (22 as part of the PPAs, and an additional 20 farmers not in the PPA scheme) investing in new grapes varieties. The company first filed a farmer assessment sheet for each farmers, and this is followed by a farmer weekly checklist, and a vineyard journal to provide continuous updates on activities. The LIVCD grape production specialist carried out 88 follow-up visits to grapes farmers who have signed with LIVCD and the technical assistance company, and the farmers are applying the suggestions and recommendations provided to improve production.

Training sessions under this technical assistance arrangement to date include:

- A workshop on the implementation of Good Agriculture Practices (GAP) that highlighted proper practices and actions required by Lebanese table grapes farmers to improve quality.
- Grape Production Workshop and Field Training, June 24-25, 2014. Led by [REDACTED], table grape expert from South Africa provided by Debanne agricultural supply firm, and attended by farmers, engineers, exporters, and other key stakeholders in the grape value chain. More than 100 farmers attended the training and workshop, the technical assistance provided will help grape farmers to improve the quality of grapes, choose the best variety for export markets and reduce production costs.

Expected Results: Farmers trained in new practices and applying those new and improved practices in their orchards, leading to higher productivity through better quality and production and reduced cost (increased gross margin).

Axis 2 Improve vertical and horizontal linkages across the value chain

Activity 2.1 Develop improved vertical linkages between farmers and packers/exporters through collaboration with the private sector to upgrade skills of small and medium scale farmers

LIVCD is supporting vertical linkages between farmers and packers/exporters through the three co-investments “Stimulating Investment in New Variety Grape Orchards Demanded in High Value Markets through a Public Private Alliance” described above in Activity 3.1. The linkages are beneficial to both the exporters and the farmers; the

farmers are benefiting from improved knowledge of export market requirements related to the varieties demanded and quality parameters and food safety requirements, which helps them plan investments in orchard and production improvements so that they can meet these requirements and increase productivity and revenues from grape sales. The exporters will benefit from increased availability of export quality grapes, enabling them to expand their exports to the target markets. The overall result is increased competitiveness of Lebanese grapes in export markets, benefiting exporters as well as grape farmers. LIVCD expects that the 48 farmers participating in the three co-investment PPAs will sell their grape output to the three exporters under the co-investments, forming successful linkages.

Activity 2.2 Spur the development of improved horizontal linkages among small and medium farmers Activity 2.3 Encourage the adoption of improved production practices

LIVCD is exploring potential co-investments with several cooperatives of grape producers in Lebanon, in order to support them in providing extension services to farmers to introduce improved production, harvest and post-harvest practices for grapes. These cooperatives will provide services and encourage their members to apply these new practices, which will help farmers improve the quality of grapes to meet export market requirements. Additionally, cooperatives can play an important role in linking members to exporters and processors, especially in cases where individual farmers have small volumes of production.

Cooperative Development – Agricultural General Union (Planning): LIVCD identified leading cooperatives in grape production in the Bekaa, the main region of grape production. LIVCD held a meeting in April 2014 with the Agricultural General Union in Lebanon in the presence of representatives from 30 to 40 cooperatives in Taanayel to develop a strategy to support the member farmers of the cooperatives.

Cooperative Development – Kfarmechki (Planning): LIVCD is exploring a co-investment with members of Kfarmechki cooperatives to establish orchards of new grape varieties and improve production practices to increase yields and improve quality of grapes for export markets. In this area, many farmers still use old equipment and practices to produce grapes in the traditional way. The Kfarmechki Cooperative members are interested in applying new production technologies to increase productivity by producing higher quality grapes that meet export requirements, and will submit an EOI in July 2014 with a plan to improve production services to members.

Activity 2.4 Link farmers with processors

Processing grapes into products such as grape molasses, syrup, jam or dried grapes (raisins) provides an additional marketing outlet for grape producers, as well as income generating opportunities for food processors including cooperatives. LIVCD is supporting cooperatives to improve existing or introduce new processed grape products through taste panels and other product development assistance, while also linking grape farmers to processors to ensure they have an adequate supply of grapes and to provide an income generating opportunity to farmers.

Cooperative Assessments for Improved and New Products (Planning):

- LIVCD assessed the Cooperative of Women of Kfardebian to determine the potential for further cooperation to improve and introduce new processed grape products, including upgrading the quality of grape molasses and grape syrup.
- LIVCD assessed the Jana al Ayadi Cooperative's potential for dried fruit production, especially raisins, including the equipment available and their capability to supply the products.

Linkage Facilitation (In Progress): LIVCD facilitated a meeting between Mechaalany, a Lebanese food processing company with a range of products sold under the Mechaalany brand, and a representative from Kfarmechki Cooperative whose members are grape farmers.

- *Progress to date:* The two parties agreed that the Cooperative would supply Mechaalany with Grade C grapes in order to produce natural vinegar for the Mechaalany brand. This linkage will be followed up when the grape season starts in September-October 2014. If successful, this linkage will provide an opportunity for the Cooperative's grape

farmers to increase revenues by selling lower quality grapes that might not otherwise be purchased as fresh table grapes. Mechaalany prepared an EOI to LIVCD to implement a marketing program to increase sales of natural grape vinegar. LIVCD accepted the EOI and Mechaalany subsequently prepared a full co-investment proposal. The proposal was submitted to USAID.

- *Expected Results:* 2 MSMEs benefiting from a new vertical linkage; increased incremental sales for grape farmers.

Axis 3 Increase sales to high value markets by working with farmers and packers/exporters to extend the shelf life of grapes through improved harvest, handling, and packaging

Packaging Upgrading: In order to address the marketing strategy, LIVCD will collaborate with institutions such as Liban Pack to develop packaging that meets visual and functional requirements for targeted markets. See Communications update for more details.

Cold Storage Upgrading: LIVCD is planning to host seminars and training events to adopt the best cold storage practices.

OLIVE OIL VALUE CHAIN

LIVCD Olive Oil Value Chain Upgrading Strategy Overview: LIVCD interventions in the olive oil value chain aim to expand the sales of high quality branded and bottled Lebanese olive oil in the domestic and export markets, and provide support for improved milling, storage and production to olive growers. Project activities are focused on both the North and South of Lebanon. The absence of Syrian export channels is causing a olive oil producers and marketers to dump very cheap and lower quality Syrian oil in the Lebanese market, which is negatively affecting Lebanese olive growers that are not able to compete with the cheaper products at the domestic level. Large proportions of this oil are also being bottled and re-exported under Lebanese labels, which is reducing even further the Lebanese olive oil share in export markets.

Immediate priorities for LIVCD include facilitating improvements at the olive milling and storage stage in order to upgrade existing equipment and milling practices and standards to increase high quality oil production. Also, farmers and damans will be trained on improved agricultural practices including orchard management and harvesting techniques in order to optimize land productivity. These changes will result in a stronger, more modern sector with improved linkages between growers, processors and markets resulting in more stable incomes for all actors and increased employment opportunities. To foster these results, LIVCD will facilitate the development of a new seal of origin and quality to be adopted by farmers, mill owners, and olive oil bottlers in order to create marketing incentives for high quality Lebanese olive oil. It is expected that a first group of operators will first adopt the seal program and pave the way for a greater number of adopters in upcoming years to increase access to markets. The Project will also analyze and study potential export markets in order to understand product requirements and price levels needed to expand export linkages.

Initiatives will also facilitate increased investments in quality-focused mills to produce greater volumes and percentages of high quality, extra virgin olive oil through improved standardization of olive milling and storage. These technological and management enhancements are expected to positively impact up to 4,000 small and medium growers by increasing the quality of oil produced and stored. Other innovations include linking service centers with universities or agricultural schools to offer practical scientific training in olive production to students.

Finally, LIVCD will support training and technical assistance for up to 400 farmers to improve their field and agricultural practices in order to decrease the cost of production and improve orchard productivity through establishing production service centers. Agricultural students and oleiculture researchers will also be linked with these centers to provide hands-on practical experience and opportunities.

Life of Project Expected Results from the Olive Oil Upgrading Strategy:

Axis One: Create new market incentives favoring Lebanese olive oil through the use of a seal of quality and origin

- *Expected results:* Create seal as a marketing tool; New and increased distribution channels.

Axis Two: Facilitate increased investments and improvements in quality of olive oil through improved standardization of olive milling and storage

- *Expected results:* Improved oil quality along with longer storability and availability.

Axis Three: Improve olive tree productivity

- *Expected results:* Improved orchard productivity and decreased cost of production.

Activity Updates:

Axis I Create new market incentives favoring Lebanese olive oil through the use of a seal of quality and origin

Activity I.1 Hold stakeholder consultations to create consensus on a labeling strategy and facilitate stakeholders' acquisition of established/adopted labeling scheme

Olive Oil Seal of Origin and Quality (SOOQ) for Lebanese Olive Oil (In Progress): LIVCD is supporting the development of a quality labeling/certification scheme that will promote sales of Lebanese olive oil by certifying origin and quality. Farmers, millers, bottlers and retailers whose product meets the origin and quality requirements can apply for and obtain certification, and then use the quality seal to promote their product. Consumers can be assured that the certified product they buy is high quality olive oil sourced entirely from Lebanese olive growers. This is expected to increase the quantity and value of sales of Lebanese olive oil in the domestic market, leading to higher revenues for olive oil producers.

• *Progress to date:* The SOOQ is in the development phase:

- After multiple stakeholder consultations, LIVCD identified and contracted IMC Lebanon, a quality certification and inspection company, to develop the olive oil Seal Of Origin and Quality (SOOQ) including setting the standard for quality and origin, and certifying farmers, bottlers, as well as restaurants and retailers carrying certified olive oil.
- LIVCD and IMC announced the Seal Of Origin and Quality initiative on May 29th, 2014 with an event attended by 66 key stakeholders in the olive oil sector including producers, NGOs, agricultural cooperatives, mills/bottlers, and government officials. The event aimed to inform stakeholders about the concept of the seal, share the methodology for developing the seal with IMC, and obtain feedback about whether the methodology is implementable, realistic, and will achieve positive results. IMC provided training on the certification and verification process. The event was covered by various local media outlets such as, the Daily Star, the Executive Magazine, Al Joumhouriya, Al Balad and Al Anwar newspaper, Baladi Blog, and Businessnews.
- Moreover, LIVCD is in the process of publishing a RFQ for contracting a service provider that will implement a promotion and communication strategy for SOOQ to raise customer awareness on the attributes of the seal and health benefits of extra-virgin olive oil.

Expected Results: Increased Incremental sales of olive oil; jobs impacted; new vertical linkages between growers, bottlers and distributors/buyers; MSMEs trained and apply new management practices; new private sector investment in the value chain leveraged.

Activity I.2 Facilitate the launch of a promotional campaign in key markets overseas and domestically to increase sales of Lebanese olive oil

LIVCD is supporting promotional campaigns in the U.S. market to position Lebanese olive oil as a high value, specialty item. This is intended to increase the volume and value of exports of high quality olive oil from Lebanon, and increase incremental sales from Lebanese farmers.

Joint Product Promotion to Increase Export and Revenue of Lebanese Extra-Virgin Olive Oil Producers (In Progress): LIVCD is supporting Willani SARL, an integrated olive oil production and bottling company that exports extra virgin olive oil to the U.S. markets, with a joint product promotion to provide samples to their U.S. distributor to provide to new retail outlets. This is intended to increase demand for Lebanese EVOO in the U.S. market – resulting in increased subsequent exports of Willani's high quality extra virgin olive oil sourced from small and medium growers from the North of Lebanon. In addition to providing samples LIVCD will improve the product label.

Progress to date: LIVCD improved the Willani olive oil product label. One container with samples of Willani's olive oil were sent to the U.S. distributor to test with new retail outlets in October 2013. LIVCD is still coordinating with Willani SARL and their distributor in the U.S. to facilitate the export of three additional containers.

Expected Results: Increase in exports of high quality olive oil: 42,727 liters of extra virgin olive oil valued at \$175,656; incremental sales from farmers to Willani.

Axis 2 Facilitate increased investments and improvements in quality of olive oil through improved standardization of olive milling and storage

Activity 2.1 Support improvements in processing at mills

LIVCD is supporting improvements to existing olive mills to upgrade technology and increase the productivity of the mills by improving the quality and quantity of olive oil produced, and increasing the percentage of extra virgin olive oil produced. Ultimately this will increase the productivity of the olives milled and revenues of olive farmers. LIVCD has received several EOIs from mill owners for co-investments in mill upgrades; the following co-investments are in development or in progress:

Nicolas Fares and Sons Co-Investment to Upgrade Olive Oil Mill (In progress): This co-investment in Jezzine aims to improve and upgrade the existing olive milling line and practices. By improving standards of olive milling and storage, this co-investment will support increased production of Extra Virgin Olive Oil (EVOO).

- *Progress to date:* The grant agreement has been signed, and LIVCD began delivering some of the equipment including the mill boiler.
- *Expected Results:* At least 140 farmers will benefit from better handling of their harvested olives from the fields to the mill, contributing to an increased oil extraction rate and increased production of EVOO. Ultimately, this will lead to an increase in sales of farmers' oil; Nicolas Fares Mill will purchase 8,000 liters of EVOO prioritizing farmers who pressed their olives in the mill. A total of 50 potential farmers will be able to sell some of their quality oil directly to the mill. Additionally, through the co-investment, Nicolas Fares and Sons will form a vertical linkage with Oléa Cooperative; the Cooperative will be providing local farmers with technical assistance and will be offering a mechanical harvesting program to reduce the cost of production of olives at the field level, and Nicolas Fares and Sons will purchase olives from the Cooperative.

Kobayat Cooperative Co-Investment to Upgrade Olive Oil Mill (Planning, Pending USAID approval): The co-investment with Kobayat Cooperative in Akkar will implement a full value chain approach and will work at all levels of the olive oil production levels: at the field and farmer level, the cooperative will implement a mechanical harvesting program to increase productivity of farmers, at the milling level, they will upgrade their milling line and the mill's infrastructure to increase olive oil production quality and productivity, and at the marketing level the cooperative commits to purchase and market 6,000 liters of extra virgin olive oil from small and medium growers. LIVCD is in the process of finalizing the environmental management and mitigation plan.

Local International Co. (LIC) Co-investment to Upgrade Olive Oil Mill (Planning, Pending USAID approval): LIC is a milling and bottling company based in Kfeir El Zeyt, Hasbayya also aiming to upgrade their milling operation and create linkages with the Kfeir Cooperative and local farmers. LIVCD submitted this co-investment and is in the process of finalizing the environmental management and mitigation plan.

Finally, LIVCD has also received several other EOIs from other mills in the South and West Bekaa that have passed the initial LIVCD review process and that are at the full proposal development stage.

Activity 2.2 Facilitate identifying and supporting centers for improved olive oil storage and collection

LIVCD will support improved storage and collection facilities for olive growers. LIVCD has started identifying potential olive oil storage and collection centers in various locations in Lebanon such as Hasbayya and Zgharta in order to explore potential collaborations with such centers in upcoming milling seasons.

Axis 3 Improve olive oil productivity

Activity 3.1 Facilitate support for local production service centers to improve olive tree productivity

The high cost of olive production in Lebanon is one of the factors that constrains competitiveness of olive oil in international markets. LIVCD is working with olive farmers to increase productivity of olive orchards by reducing the cost of production:

Co-investment for Mechanical Harvesting to Reduce Production Costs and Increase Olive Tree Productivity:

LIVCD promotes the application of mechanical harvesting technology, to reduce the cost of olive harvesting which constitutes a major part of the cost of olive oil production. Reducing this cost makes Lebanese olive oil more competitive.

- **Pilot Mechanical Harvesting program (Completed):** LIVCD closed out the mechanical harvesting pilot project implemented with six olive production cooperatives in the north of Lebanon. The project aimed to increase the competitiveness of olive producers through the reduction of harvesting costs by using mechanical harvesting services.
 - *Results:* In total, 232 olive growers applied the new technology of the mechanical harvesters, and harvested approximately 240 tons of olives resulting in saving approximately \$49,200 in harvesting costs.
- **Follow-on Mechanical Harvesting Program (Planning):** Following the success of the mechanical harvesting pilot program in the 2013 season, LIVCD received more than 10 EOIs requesting the implementation of mechanical harvesting programs to decrease olive farmers' cost of production and increase their productivity. LIVCD is in the process of finalizing the bulk procurement of these harvesters as well as a project management plan. Farmers participating in the follow-on project are expected to reduce their cost of production from reduced harvesting costs, making the olives and the resulting olive oil more competitive.

Assessment of Potential Production Service Centers (PSC) for co-investments to Increase Olive Tree Productivity (Planning): LIVCD met with several cooperatives and PSCs in order to assess their capacities, conduct needs assessments at the field level, and encourage them to apply for co-investments to support increased productivity of olive orchards. Several potential Production Service Centers submitted EOIs requesting assistance to implement activities aimed at improving the productivity of olive orchards in various production zones. LIVCD is assessing the requests received and is constantly looking to apply a value chain approach that involves several stakeholders within each potential project.

Olive oil evaluation workshops (Planning): LIVCD is in the process of developing a series of workshops focused on building the capacity of farmers, mill-owners, and bottlers in assessing and evaluating olive oil quality. The workshop will explain to the participants the critical quality-affecting points of extra virgin olive oil at the orchard, milling, and storage levels and will include a training component that will explain the chemical and organoleptic testing processes.

Production of Technical and Practical Guide : LIVCD STTA [REDACTED] will develop a technical and practical guide for the production of Extra Virgin Olive Oil that will serve for the technical training curriculum and training of trainers. The Guide will tackle all issues related to olive oil production on all levels, orchard, production, milling, storage and marketing.

Activity 3.2 Link the service centers with universities or agricultural training schools to offer practical training on olive production to students

LIVCD is in the process of developing an internship program that will include agriculture students in training programs and will link them with production service centers, olive mills, and collection and storage centers.

RURAL BASKET

LIVCD Rural Basket Value Chain Upgrading Strategy Overview: The rural agricultural set of products includes: pine nuts, *Origanum Syriacum*, commonly referred to as Lebanese thyme, free range eggs, and capers (honey is discussed separately below). These products are uniquely suited to advance the economic opportunity for poor rural populations because of low investment costs, high market demand, and the potential for production within households that can provide substantial income. LIVCD intends to work with 670 small and medium scale producers, processors, collectors, companies, and cooperatives to increase quality and productivity currently existing and support developing new enterprises. The project in the first and second year focuses on identifying successful initiatives in local communities impacted by the Syrian crisis offering different technical and managerial trainings, as well as encouraging co-investments for MSMEs and PPPs to upgrade production systems. A significant amount of financial and technical support is required in the first two years in order to address the numerous requests and immediate issues in host communities. Most of LIVCD's current assistance responding to USAID's request to address the Syrian crisis is in the rural basket with grants for free range egg production and thyme, there are a number of other proposals in the basket that LIVCD is considering that can also be scaled up and replicated resulting in immediate assistance producing greater revenue and nutritious produce for home consumption- particularly egg production that is an excellent source of protein.

Priority activities will mainly be located in Akkar, Hermel, Chouf, Jezzine and Marjaoun, where local communities are suffering dramatically from the impact of Syrian refugees and focused on improving the quality and quantity of selected items in the basket. Useful technology and innovations will be promoted such as adopting new machines and tools for production as well as simple IT tools to help producers manage their enterprises. New products will be developed labeled and promoted in the domestic market and consolidated whenever possible to provide small farmers with significant volumes to attract buyers. The Project will facilitate marketing assistance to help producers assess local external niche markets to better understand demand and requirements to increase sales increased through better quality and consistency. When necessary, complementary activities in LIVCD's processed food value chain will be shared with actors in the rural basket to promote growth and access to markets.

The rural basket value chain is the most flexible and appropriate to reach large numbers of marginalized rural poor in host communities. LIVCD will place a heavy emphasis on replicating and scaling up successful initiatives such as free range eggs, supporting small scale growers in accessing equipment and co-investments, and linking bankable projects to MFIs, government programs such as Kafalat, and other lenders where appropriate. This value chain will continue to evolve over the life of the project as new ideas and items are considered to be added to the basket, however significant early investments will occur as early as possible in host communities within the first two years of implementation in order to mitigate the devastating impact of the Syrian crisis.

Life of Project Expected Results from the Rural Basket Upgrading Strategy:

Axis 1: Increase sales and distribution at local and export markets

- *Expected Results:* New market potential and exports, increased revenues.

Axis 2: Provide institutional and technical training for identified actors

- *Expected Results:* Higher quality and quantity of products enter the market, and increased revenues are generated for producers.

Axis 3: Develop a sustainable mechanism to insure easy access to finance and needed inputs

- *Expected Results:* Greater access to financial services and increased investments by small farmers.

Axis 4: Identify committed producers, collectors, and distributors to initiate an integrated approach leading to defining the basket items and building the value chain based on local specialties and potential growth

- *Expected Results:* Product diversification and new producers entering the market.

Activity Updates:

Axis I Increase sales and distribution at local and export markets

Activity I.1 Provide support for improved branding, packing, differentiation of products, and certification

Linking Thyme and Sumac Cooperatives in the South with U.K. importer (Planning) - See Activity I.3.

Activity I.2 Support initiatives that link producers to end users (farmers markets, door to door sales, web based shops, fairs, and exhibitions)

Last Quarter LIVCD facilitated the participation of Cooperative Development of Jezzine and LOST in the first promotional event took place at the Promenade Hotel, where beneficiaries had the opportunity to sell products such as the Free Range consumers and received promising feedback based on the public's interest in many of the products. In addition to that, this Quarter LIVCD facilitated the participation of Development Cooperative of Jezzine in the Garden Show, the Cooperative was able to sell the locally produced honey and free range eggs under the B.Balady Brand. (for more see Communications Part)

Activity I.3 Facilitate market linkages between producers, traders, and processors

Linking Thyme and Sumac Cooperatives in the South with U.K. importer (Planning): LIVCD is working on packaging and nutrition facts for thyme and sumac from cooperatives in the south, in order to facilitate exporting trial orders to the U.K. market through the Equitable Gourmet brand, which showed interest to have thyme and sumac in small (50-100g) jars. Research is still ongoing to identify local suppliers of suitable jars.

Linking Biomass to the Development Cooperative of Jezzine (In Progress): LIVCD is facilitating a linkage between the Development Cooperative of Jezzine and Biomass, Lebanon's largest brand of organic food, to support a sustainable market for the Cooperative's free-range eggs through organic marketing outlets. Biomass will assist the Cooperative in obtaining organic certification, and will provide the Cooperative with organic feed for chickens. The Cooperative will sell the organic eggs under Biomass's brand that will be separate from its B.Balady brand of products. Biomass offered to buy the organic eggs at fixed prices for a period of five years on the condition that Biomass will be providing chickens and feed to the producers.

- *Progress to date:* The linkage is on hold pending a final Biomass management decision.
- *Expected Results:* 12 egg producers will benefit from this linkage with increased incremental sales of eggs.

Activity I.4 Conduct regional and national market study and strategy to identify and target niche markets and assist beneficiaries to continue performing market analysis

“Market Study for the Lebanese Health & Specialty Sector” for Rural Basket products (In Progress): LIVCD conducted a market study for the health sector in Lebanon, including rural basket items. The market study assessed demand for the selected items, and where there is demand, assessed quality standards and terms of sale, including packaging, labeling, payment terms, and other factors. The study identified specific marketing channels and will be shared with rural processors. Products assessed include: fresh juice, honey, zaatar, pine nuts, free range or baladi eggs, capers, molasses, jams, infused water (rose and orange blossom), makdous, apple chips, olive oil, and other

trendy items.

- *Progress to date:* A market study was completed. LIVCD will continue updating the assessment, particularly the specific sales leads for various products. This will enable LIVCD to facilitate linkages between cooperatives and small producers, as well as demonstrate the value of this type of marketing intelligence to cooperatives and small producers.
- *Expected Results:* Processors create new vertical linkages with buyers, new products created, increased incremental sales; MSMEs and farmers create new vertical linkages with processors, increased incremental sales.

Activity 1.5 Develop/adopt a seal of quality and origin including developing related standards for specific items in the basket and promote the seal locally and internationally

Activity 1.6 Develop new processed products based on different basket items in conjunction with LIVCD's processed food value chain

Axis 2 Provide institutional and technical training for identified actors

Activity 2.1 Identify technical training needs for upgrading production for the different basket items selected

Activity 2.2 Identify institutional training needs

Axis 3 Develop a sustainable mechanism to ensure easy access to finance and needed inputs

Activity 3.1 Facilitate access to finance for investment needed to develop downstream and upstream activities

Co-investment to Strengthen the Development Cooperative of Jezzine (In Progress): LIVCD is co-investing with members of the Cooperative in chickens for free-range egg production. The Cooperative sells high quality protein feed, and functions as a marketing outlet at the Cooperative's store under the B.Balady brand in Jezzine and other supermarkets in Lebanon. LIVCD provides additional support in financial management to the cooperative management and to the beneficiary micro-enterprises, encouraging the farmers to re-invest income to maintain or expand operations.

- *Progress to date:* Under this co-investment, 29 farmers have each co-invested in a minimum of 125 chickens for free-range egg production, with a matching co-investment of 125 chickens provided by LIVCD as well as ongoing training and assistance on improved egg production. Cooperative producers will improve the quality of their free range eggs; thus the free range egg production will increase farmers' income. In addition, under this co-investment the Development Cooperative of Jezzine received a feed mill that produces high quality feed and a container to store the feed to reduce the cost of production and storage.
- *Expected Results:* This activity will help the Cooperative by building a larger supply of high quality eggs, which will be needed to meet the current demand for the B.Balady products, and anticipated increase in demand resulting from the Cooperative's improved sales and marketing.

Distribution of Thyme seedlings to 430 beneficiaries in Chadra (Completed):

Results: Through this grant, LIVCD reached 430 beneficiaries in Aydamoun, Chadra, Kobayat, Rammah, Sindyeneh, Dibebiyeh and Minjiz, Ouwaynat, Andkit, Mashta Hasan, and Wadi Khaled. Each family received seedlings that they planted in their gardens in order to start producing thyme to sell in order to increase their income. The total number of seedlings produced under this grant was over 100,000 which were distributed to the above mentioned beneficiaries.

LIVCD is also working on potential linkages between beekeepers to produce thyme fed bees creating a new variety of honey that has high market demand.

Adonis Valley co-investment with LIVCD (approved by USAID, awaiting approval of environmental compliance documents): LIVCD is co-investing with Adonis

Valley, a producer, collector and distributor of rural basket items, with the objectives to: 1) Support Adonis Valley in upgrading its equipment to increase the quality and quantity of specific products that have high market demand domestically and internationally; 2) Enhance production for farmers and cooperatives to increase the quality and quantity of raw material supplied to Adonis Valley through introducing GMP, post-harvest handling, and technical training; 3) Support Adonis Valley directly, and farmers and cooperatives indirectly, through linkages to domestic and export markets. This is expected to result in increased sales of Adonis Valley products, directly benefiting the farmers and cooperatives that supply them with raw material.

Activity 3.2 Develop accounting templates and feasibility studies for small producers to be able to use for loan submission and accounting registration

Planned for next quarter

Activity 3.3 Develop a system for collective purchase of services and inputs Planned for next quarter

Axis 4 Identify committed producers, collectors, and distributors to initiate an integrated approach leading to defining the basket items and building the value chain based on local specialty and market potential

LIVCD has identified several potential partners to develop products that meet local specialty market demand.

- LOST has submitted an EOI to establish competitive free range egg production project in the area of Baalbek-Hermel. They are preparing a full proposal for a co-investment with LIVCD.
- AUB-ESDU has submitted an EOI for the establishment of a farmers market in the Chouf area.
- Arc en Ciel has also submitted an EOI for the establishment of a farmers market in the Bekaa-Taanaïl area.
- Jezzine Pine Nut Cooperative has submitted an EOI to create a linkage with Zahrani Association to purchase black pine nuts from the Cooperative to process and sell. They are now preparing a full proposal for a co-investment with LIVCD.

RURAL BASKET: HONEY

LIVCD Rural Basket - Honey Value Chain Upgrading Strategy Overview: LIVCD's primary focus is to immediately increase sales in local and exports markets through building linkages between processors and importers, developing marketing plans, PPPs, and co-investments to access export markets. The Project will also support processors increasing sales in the domestic market through PPPs, leading to increased sales and displacing imports in the local market. By collaborating with the main honey exporters, in particular Jabal Cheikh, Kaddoum, and others, to enter new markets and channels, LIVCD will directly increase income for at least 100 sourcing beekeepers. Immediate activities will also support processors to increase their processing capacity and in implementing safety and quality certification to meet export regulations and ensure a reliable and high quality honey that builds consumers' trust in Lebanese branded honey. Support to beekeeping cooperatives in the form of processing equipment and technical assistance through PPPs within rural areas in host communities is also a priority in order to mitigate the impact of the Syrian crisis in host communities. Honey production is beneficial since it can occur in many locations without major upfront infrastructure investments.

LIVCD will be working with 2,500 beekeepers to increase honey production and meet market demand- with an emphasis on beekeepers in rural areas within host communities. LIVCD intends to support production increases through technical assistance and training on five main topics, and will involve training of trainers to ensure that the knowledge remains with qualified trainers within each cooperative or association. The Project also plans on increasing production of 400 existing beekeepers, and initiating support for 100 new young and female beneficiaries by distributing hives and equipment, and linking these beekeepers with exporters and processors to ensure a viable market for the honey produced. LIVCD anticipates providing numerous investment opportunities for small beekeepers in the first two years of the project in order to maximize the impact of host community assistance.

A feasibility study will be conducted to identify technical requirements and return on investment necessary to implement a breeding center in Lebanon on a commercial basis. Depending on the results of this study, LIVCD will consider supporting the center through a PPP. If a breeding center does not appear to be feasible, the Project will provide training for beekeepers on breeding techniques to increase their production. This activity is the key technology and innovation for the value chain.

Life of Project Expected Results from the Rural Basket - Honey Upgrading Strategy:

Axis 1: Sustain and increase production of honey flowing into the branded channels through improved linkages between commercial branded honey processors/exporters and small beekeepers, increasing production through new technology and PPPs

- *Expected Results:* Farmers benefit from increased production and additional revenues and commercial cooperatives are strengthened.

Axis 2: Strengthen key actors in the domestic branded honey market segment

- *Expected Results:* Increased sales in domestic and export markets leading to displacing imports. Strengthen processing capacity, implementing safety and quality certification.

Axis 3: Supporting Lebanese honey exports

- *Expected Results:* Linkages with export channels through marketing support.

Axis I Sustain and increase production of honey flowing into the branded channels through improved linkages between commercial branded honey processors/exporters and small beekeepers

Activity 1.1 Facilitate technical assistance and training to beekeepers through extension service providers and value chain actors including cooperatives

Beekeeping is an activity that is well adapted to small household levels of production, and can be started with a small amount of investment. There are a large number of small honey producers who could supply Lebanese honey brands, if certain quality can be achieved. LIVCD is supporting small and medium beekeepers to increase the volume and quality of their honey production and meet market demand by introducing improved production techniques through a comprehensive training program. LIVCD expects to train 2,500 beekeepers in this program.

Beekeeper Training Program (In Progress): LIVCD launched the Beekeeper Training program in May 2014. The program includes the development of a new beekeeper training curriculum with updated technical advice for hive management and honey marketing, to increase productivity; engaging cooperatives and NGOs currently working in the beekeeping sector and conducting TOTs to prepare them to deliver the new curriculum to beekeepers; and finally supporting training of 2,500 Lebanese beekeepers to increase their skills in production and marketing of honey, leading to beekeepers achieving increased productivity (volumes and quality of honey produced) and incomes.

Progress to date:

- **Development of Curriculum:** Beekeeping expert Dr. Chadi Hosri developed a new curriculum comprised of five chapters, to develop skills of beekeepers ranging from beginner to advanced: 1) Managing beehives and products; 2) Increasing production; 3) Raising queen bees; 4) Identifying and combatting diseases; and 5) New strategies to increase beekeepers' revenues.
- **Training of Trainers:** LIVCD trained a total of 25 trainers from five organizations to prepare them to implement the Beekeeper Training Program throughout Lebanon:
 - Apiculture for Protection and Improvement of Society: 6 trainers
 - ASSIA: 2 Trainers
 - Jabal Moussa: 2 Trainers
 - Development Cooperative of Jezzine: 5Trainer
 - Baskinta Cooperative: 2 Trainer
- **Training beekeepers:** The training of beekeepers by the participating organizations began in May 2014; through June 30th, 2014 the following training was delivered a total of 182 beekeepers were trained:
 - Apiculture for Protection and Improvement of Society (APIS) trained 110 new beekeepers from Mount Lebanon, Keserwan, and Byblos area.
 - AESD trained 29 beekeepers from ASSIA- Batroun area.
 - Baskinta Cooperative similarly targeted a total of 25 beekeepers from Baskinta and its neighboring villages.
 - The Development Cooperative of Jezzine trained 18 beekeepers on the first chapter. At least 200 beekeeper will be enrolled in this training.
 - In July 2014, Jabal Moussa Cooperative, Kfeir, Hasbaya, and the Beekeeping Cooperative of Maten el A'laa will begin training beekeepers using the new curriculum.

Expected Results: 2,500 beekeepers trained in improved practices and applying them to manage their hives; increased productivity and production of honey; increased incremental sales of honey and income to beekeepers.

Activity 1.2 Expand the number of hives in production by small and medium beekeepers

LIVCD supports the diffusion of hives to new and existing beekeepers in Lebanon, with the objective of expanding the total number of hives in production to increase the quantity of honey produced and the incomes of beekeepers, as well as increase the volume of high quality honey available to honey brands seeking to expand sales in domestic and export markets. LIVCD is co-investing with beekeepers, through agreements with cooperatives and NGOs working in the beekeeping sector, to purchase the hives as well as high quality bees. In most cases each beekeeper

receives 10 hives, with LIVCD providing seven hives and the beekeeper investing in three hives. These hives can begin producing high quality honey within a few months, depending on the season. The beekeepers participating in the co-investment program are also invited to participate in the Beekeeper Training Program, to increase their technical skills and further increase the quality and quantity of the honey they produce, and increase their incomes.

Co-investment in Hives:

Progress to date: The following hive co-investment programs are in progress or completed:

- **Co-investment to increase number of hives in production with the Development Cooperative of Jezzine:** A total of 420 new beehives managed by 42 beekeeper beneficiaries are in production. These beekeepers (members of the Cooperative) in Jezzine area co-invested with LIVCD to receive 10 beehives; the beekeepers invested in three beehives and LIVCD co-invested in seven beehives. The beehives included high quality bees and began producing high quality honey in only two months.
- **Co-investment with Apiculture for Protection and Improvement of Society (APIS) to increase number of hives in production:** Approximately 100 small and medium beekeepers, located in the rural areas of Mount Lebanon, Keserwan, and Byblos, co-invested to receive a total of 1,000 beehives (10 hives for each beekeeper) during May and June, as part of LIVCD's co-investment with APIS to increase production and sales of honey. The formula for the investment was identical to Jezzine Cooperative. LIVCD invested in 7 beehives and the beekeepers invested in a minimum of 3 beehives.
- **Potential Co-investment to Increase Number of Hives in Production in Bekaa and South Regions with Caritas:** The co-investment will provide 10 beehives to 150 beekeepers living in selected rural areas of Bekaa and the South regions allowing increased production and improving their revenues. The proposal includes five new beekeepers and 10 female beekeepers. The grant is pending CO approval in Cairo.

Expected Results: Increased production of honey, increased incremental sales of honey and income to beekeepers.

Axis 2 Strengthen key actors in the domestic branded honey market segment

Activity 2.1 Facilitate market linkages for beekeepers and commercial honey brands

Small and medium-sized beekeepers in Lebanon, including those benefiting from the co-investment in hives and the Beekeeper Training Program, require a marketing outlet to sell their honey. LIVCD is supporting linkage facilitation between beekeepers and commercial brands that sell into domestic and export markets. These brands require a certain quality of honey, and LIVCD is helping both with technical assistance to help beekeepers achieve this quality, (see Activity 1.2) as well as with the testing required to demonstrate that quality and food safety parameters are met (see Activity 3.1).

Linkage Facilitation – Commercial brands (Jabal el Sheikh and Kaddoum) with beekeepers: The honey value chain assessment showed that the main actors in the honey value chain are large beekeepers who have developed their own brands and have succeeded in reaching local and international markets. These large beekeepers have the potential to upgrade the entire value chain, engaging and benefiting other actors. The two main brands in this category are Jabal el Sheikh produced by Jibal Loubnan and Kaddoum produced by Kaddoum Company. Despite the fact that Jabal el Sheikh and Kaddoum are beekeepers themselves, they rely heavily on purchasing honey from smaller beekeepers to acquire significant quantities for export. These large beekeepers market their brands locally through distributors and in international markets through importers. Jabal el Sheikh factory has 800 beehives that produce about eight tons annually, while the majority of the honey is purchased from smaller beekeepers.

Expected results: Beekeepers are linked with commercial brands and increase incremental sales of honey; brands also increase incremental sales and exports due to increased supply of high quality honey from Lebanese honey producers.

Activity 2.2 Strengthen commercial brands in the local market

Increasing the sales of Lebanese honey brands in the domestic market directly benefits the Lebanese beekeepers who sell their honey to these brands. LIVCD is providing promotional assistance to existing brands to increase sales in the domestic market; this includes assistance to larger brands that buy honey from Lebanese beekeepers, as well as support to cooperatives that have brands through which beekeepers sell their honey.

Joint Product Promotion for Domestic Market (Planning): LIVCD is planning a joint product promotion with the Kaddoum honey brand, aiming to increase sales of Kaddoum honey in the local market and increasing procurement of honey from 30 local beekeepers. The Kaddoum proposal aims to increase brand awareness and shelf visibility of Kaddoum Honey in retail stores across Lebanon.

Promotional Events in Domestic Market (Completed):

- **Horeca (March 2014):** LIVCD assisted two honey cooperatives, the Development Cooperative of Jezzine, and Matn el Alaa Honey Cooperative in participating in the Horeca exhibition, to exhibit their products and make introductions to buyers. The event succeeded in increasing visibility of local and high quality honey, in addition to creating linkages with customers to increase sales.
- **Travel Lebanon at the Garden Show (May 2014):** LIVCD supported the participation of the Development Cooperative of Jezzine in Garden Show. The Cooperative had the chance to sell its high quality honey sold under the B. Balady brand. The Cooperative members were able to increase sales and increase the brand visibility in the market.
- **Media Coverage for honey products:** An episode of the TV program 'Al Hiwar al Iqtissadi' (The Economic Dialogue), presented by Mrs. Ghada Ballout, on The Arab Woman Channel (AWC), and broadcasted on Arab satellite channels was aired to raise awareness of the health benefits of honey and how honey production serves as an economic opportunity in rural areas in terms of job creation.

Activity 2.3 Capacity building and marketing support for commercial brands in the local market

Some Lebanese honey brands, which source high quality honey from Lebanese beekeepers could be quite competitive in the local market but require capacity building and marketing support in order to differentiate their product and increase the volume and value of sales. By strengthening these brands, the beekeepers who sell through them will benefit from higher sales of honey and increased revenues.

Upgrade branding, labeling, and packaging for Matn el Alaa (In Progress): LIVCD supported the creation of a new label for Matn el Alaa's brand of honey. The Cooperative will begin printing during the second week of July 2014. In addition, the Cooperative developed and will display posters advertising their honey brand around the Matn el Alaa area, to raise consumer awareness that this brand of honey is produced by and directly benefits local beekeepers.

Expected Result: Brand adopts new label and differentiates the product in the local market improving Matn el Alaa's brand equity, ultimately leading to increase in sales and income to the beekeepers who sell their honey through the Matn el Alaa brand.

Upgrade branding, labeling, and packaging for Jibal Loubnan: As part of the agreement between LIVCD and Liban Pack to develop labels, branding, and packing services for several products, LIVCD supported improvements to nine Jibal Loubnan labels to meet U.S. market requirements. Jibal Loubnan is using the labels on its product, including the product that was exported to the U.S. market under the Joint Product Production co-investment with LIVCD – see Activity 3.4.

**Activities 2.4 Facilitate market linkages for beekeepers and cooperatives and
Activities 2.5 Capacity building for cooperatives and informal farmer groups with commercial brands**

Cooperatives and informal farmer groups play an important role in honey production in the Lebanese market, by providing their members with a range of services including: extension/technical assistance to improve hive management and the quality and quantity of honey produced; access to inputs such as hives, medicine, and food; processing services such as honey extraction and jarring; and finally where cooperatives have their own brands, they provide a marketing outlet for beekeepers to sell their honey in supermarkets and specialty shops. These services are particularly important to beekeepers who are small-scale and are able to participate in the value chain by accessing these services (which might otherwise be unavailable or unaffordable) through a cooperative. LIVCD is working with cooperatives to strengthen their capacity to sustainably provide these services to beekeepers, to help the beekeepers improve the quantity and quality of honey produced and reduce their cost, thereby increasing competitiveness and incomes.

Co-investment to Strengthen the Development Cooperative of Jezzine - Improve Honey Processing Services (In Progress): The Development Cooperative of Jezzine has 42 beekeeper members to which the Cooperative provides extension services for production (to maintain the hives and health of the bees for optimum production), processing (honey extraction and jarring), and marketing through the well-known B Balady brand.

- *Progress to date:* LIVCD co-invested with the Cooperative for: 1) a candy processing machine to produce high quality feed for bees, which improves the health of the bees and increases their productive lifespan, and improves the quality and quantity of the honey; and 2) an electrical reverse extractor and honey separator machines that will decrease the cost of honey production and increase productivity and revenues. A total of 10 new beekeeper members were horizontally linked with the Cooperative as a result of this grant.
- *Expected Results:* Increased incremental sales of honey under B. Balady brand; three new retail outlets reached; new cooperative members benefiting from horizontal linkages; 40 beekeepers trained in honey production practices.

Co-investment with Apiculture for Protection and Improvement of Society (APIS) to improve honey production and processing services: APIS provides beekeepers with extension services for honey production (to maintain the hives and health of the bees for optimum production), processing (honey extraction and jarring). LIVCD co-invested with APIS to install a new extraction line and honey mixing equipment that will make honey processing more efficient, and the beekeepers will benefit from decreased production costs and an increase in quantity of honey produced.

- *Progress to Date:* LIVCD has procured the required equipment, which will be delivered in August 2014. Additionally under the co-investment, LIVCD supported the printing of “Barid El Nahhal”, a magazine publication that APIS distributed to 2,000 beekeepers, which educates readers on good beekeeping practices, raises issues related to the sector, builds awareness, and encourages interested individuals to start beekeeping. As a start, 300 copies of “Barid El Nahhal” were distributed to technical schools and universities in the Bekaa area to raise awareness and educate the students on beekeeping practices. 120 copies were distributed to the Union of Beekeepers Cooperative in the Bekaa, and 60 copies were distributed in Schnenler Technical School in Kherbet Kanafar. Another 2,000 copies are ready to be printed in July 2014.
- *Results:* As a result of this co-investment, 10 new members (including four women) joined the cooperative, forming horizontal linkages that will benefit them by increasing their access to extension and processing services from APIS. Additional results include beekeepers trained and applying new practices to increase productivity and increased incremental sales of honey and income to beekeepers.

Development of a Breeding Center with the collaboration of an American Expert (Planning): The quality of queen bees used in a hive is an important variable in honey production. Good quality queen bees are important to a productive hive. LIVCD has initiated contact with an American expert that is ready to support Lebanese

beekeepers in breeding the best quality queen bee adaptable to Lebanese living conditions. This breeding center will be the first of its kind in the Middle East and will increase the procurement of local queen bees rather than foreign queen bees. Most importantly, selection and breeding of the best variety of queen bees will improve the beekeeping conditions in the area for the long term contributing to sustainability of the gains made in the honey sector with LIVCD assistance.

Activity 2.6 Facilitate sources of investment finance, including foundations and microfinance providers to put together “beekeeper finance packages” that can be used to spur investment particularly in underserved areas Planned for next quarter

Activity 2.7 Support implementing a quality and safety seal: ISO 22000

Quality Management for honey brands – Kaddoum (Planning): Kaddoum began the implementation of ISO 22000, though currently implementation is on hold Kaddoum hires a new food safety expert.

Axis 3 Supporting Lebanese honey exports

Activity 3.1 Facilitate developing needed testing capacity for export market tests in Lebanese honey laboratories

Laboratory Market Study Assessment (Completed):

- *Results:* LIVCD conducted a study of all quality testing labs in Lebanon, and based on the results, a new strategy was developed and implemented to upgrade the labs to meet the needs of honey producers, including testing for antibiotics which will be required in the domestic honey market in 2015.

Future Steps: A contract will soon be developed with a vendor that is able to deliver the best equipment meeting the Lebanese processors’ requirements. See also Processed Foods Activity 3.2.

Activity 3.2 Market Intelligence: Analyze export market opportunities in the identified target markets and study consumer demands for different high added-value products that processors have the ability to competitively produce

“Market Study for the Lebanese Health & Specialty Sector” for Rural Basket products (In Progress): LIVCD conducted a market study for the health sector in Lebanon, including for honey. The market study assessed demand for the selected items, and where demand was found, assessed quality standards and terms of sale, including packaging, labeling, payment terms, and other factors. The study identified specific marketing channels and will link these to rural processors. LIVCD will continue updating the assessment, particularly the specific sales leads for various products. This will enable LIVCD to facilitate linkages between cooperatives and small producers, as well as demonstrate the value of this type of marketing intelligence to cooperatives and small producers.

Activity 3.3 Upgrade product specifications

The Government of Lebanon’s new policies to promote higher product standards in the honey market (such as maximum levels of antibiotics), which are expected to be initiated in 2015, will require that beekeepers and brands monitor their product specifications and where necessary upgrade to meet the requirements. This will have a beneficial effect of spurring investment into quality control procedures in honey production, and LIVCD will assist where needed to support beekeepers and brand owners in this area. See also see Activity 2.7 and Activity 3.1 for more information on upgrading product specifications through ISO 22000 and by increasing access to required laboratory testing.

**Activity 3.4 Marketing support in export market
& Activity 3.5 Facilitate market linkages with importers**

Promotional Support – Joint Product Promotion co-investment with Jibal Loubnan (In progress): LIVCD co-invested with Jibal Loubnan to promote exports of its Jabal el Sheikh honey brand to the U.S., UAE and Jordan. a The project offers promotional samples for distributors in U.S., UAE, and Jordan to position Lebanese honey as a high value product and encourage the distributors (and retailers) to place orders for larger quantities in the long term.

Progress to date:

- LIVCD held an event to celebrate the signing of the Joint Product Promotion co-investment, and touring the facility. LIVCD and Jibal Loubnan signed a co-investment agreement at their factory in Aley. Future TV was present to cover the signing ceremony and edited a short story which was broadcasted on Akhbar el Sabah.
- Jibal Loubnan exported 4.95 Tons of honey to the United States in December 2013.
- Jibal Loubnan introduced its products to Jordan during May 2014, through a shipment of 5.82 tons of honey.
- In addition, a Jabal El Sheikh promotion took place in UAE at Carrefour to promote brand name and to open new trade channels. The UAE export was initiated as a result of LIVCD assistance in exporting to the US, Jordan, and packaging development.

Expected Results: Jibal Loubnan is expected to purchase most of the honey for this opportunity from beekeepers in Rachaya Al-Wadi, Chouf, Hasbayam Bekaa, Donnineh, Keserwan, and Byblos. Jibal Loubnan anticipates exporting 20 tons of honey, 15 tons to the U.S. and five tons to UAE at a value of over \$200,000. This would double honey exports from Lebanon in one year.

Promotional Event-Fancy Food Show-New York (Completed): LIVCD took the initiative to send honey and food samples to the Fancy Food Show held in New York June 29th to July 1st, 2014, in order to introduce Lebanese honey to interested buyers and importers in the export market.

PROCESSED FOODS

LIVCD Processed Foods Value Chain Upgrading Strategy Overview: LIVCD will focus on upgrading the value chain by expanding exports and displacing imports in the local market, while improving collaboration and better integrating small actors. The project will achieve these objectives by providing processors with strong market intelligence and helping them address constraints that limit their ability to expand operations and target high value markets.

LIVCD aims to upgrade the processed foods value chain by supporting processors in adopting new operational technologies such as 'Lean Manufacturing'. The project will also partner with the private sector through PPPs to introduce new technologies that will assist actors in improving their competitiveness. In addition, efforts will focus on promoting adoption of a set of new technologies and best practices at the farm level, which include irrigation methods that conserve water, pruning, and pest management that ensure safe practices and optimal final products that meet processors' requirements, while improving collaboration between processors and farmers. For example, farmers will be trained on methods for harvesting, grading, and transporting produce in order to reach the processor in the proper condition and eliminate waste. These specific activities require rapid up-front investment, focused in Lebanese communities impacted adversely by the Syrian crisis. Investments in the first two years of the Project will provide an immediate boost to small farmers and processors that can take advantage of market distortions including demand for makdous that can be filled from local processors purchasing eggplant from farmers, as well as developing new products such as low cost fruit spreads to replace imports in bakeries and developing industrial processing of pickles that are a huge industry in Lebanon. Immediate assistance involves certification through technical assistance and training and lead to longer term objectives such as developing new products and upgrading equipment to improve the overall quality of Lebanese processors.

Local service providers and extension agents connected with private businesses or cooperatives will be trained on best practices to extend and disseminate processing information and best food safety practices to better serve processors in improving their productivity and quality. At the marketing stage, the project will assess external markets to better understand market demand and requirements to enter new markets and increase sales in existing markets. LIVCD intends to work with 200 food processors including cooperatives across the country, focusing support in the first and second year on regions affected by the Syrian crisis, in particular Zahle , Deir Al Ahmar, Saida, Mount Lebanon, and Tripoli. The Project will also generate new job opportunities for youth and women through different activities, for example, through collaborating with vocational schools to upgrade their programs and introducing skilled new entrants to the processed foods sector. Most of the processed food factories employ a high percentage of women to sort and operate the equipment, while many women are farmers in host communities and are specialists in tasks like pruning and thinning. The Project will look for ways to expand female participation in income generating activities.

Life of Project Expected Results from the Processed Foods Upgrading Strategy:

Axis 1: Facilitate support for needed market intelligence and help processors enter new markets and expand in existing ones

Expected Results: New markets successfully targeted, new products introduced, increased sales volume and value of production, jobs created, and new investments.

Axis 2: Support SLFI or another institution in establishing a market intelligence unit that serves the food processing industry

Expected Results: More quality services provided to an increased number of members, and association's revenues increase.

Axis 3: Help Lebanese food processors improve efficiency and meet international food safety standards

Expected Results: Improve processors' competitiveness and capacities, cost reduction and increased profits, and private sector investment leveraged.

Axis 4: Increase participation of farmers, small firms, and cooperatives in the processed food value chain

Expected Results: Increased linkages and revenues for small farmers and companies.

Axis 5: Promote new investments in the processed food value chain in rural areas with appropriate partners

Expected Results: Private sector investment and PPPs created and access to equipment and production capacities increased.

Axis I Provide needed market intelligence and help processors enter new markets and expand in existing ones

Activity I.1 Determine appropriate target markets and market channels

LIVCD supports an increase of exports of Lebanese processed foods by increasing access to marketing intelligence so that processors understand market demand and requirements, and how to position their products to meet this demand. The following studies were prepared by experts, and will be disseminated to Lebanese food processors with training on how to use the studies to improve their marketing and increase sales and exports.

Market Studies for Processed Food:

GCC Market Study for Processed Food to Determine Appropriate Market Channels and Products that can be Competitively Produced in Lebanon: This market study, conducted by Leon Agopian LIVCD STTA, was developed in consultation with food processors to ensure it covered the important topics and information needed by the processors. On May 6th, 2014 LIVCD held a seminar attended by more than 80 Lebanese food processors, aggregators, and exporters. The presentation entitled “How to win in the GCC Market” led by Mr. Agopian provided information about export opportunities in the GCC including the market overview, regulatory requirements and market barriers, consumer trends, and a plan going forward to identify and meet market opportunities. He encouraged food processors to look at their products and adjust them to meet the tastes of the consumer in the GCC market.

Market study on U.S. Market for Lebanese Processed Foods: [REDACTED], LIVCD STTA and expert on the U.S. specialty foods market, conducted the U.S. market study. At the May 6th, 2014 seminar (see details in entry above), [REDACTED] presented “Best Approach to Enter Specialty Food Market in the U.S.” which focused on addressing export market needs, identifying the right distributor in the U.S., analyzing market barriers, suggesting new products and studying consumers trends and preferences. The study, the presentation, and the related activities will be used to guide processors in increasing exports of Lebanese processed foods to the U.S., mainly to the specialty food market segment.

Market study on Iraq Market: LIVCD initiated a market study for processed food products in Iraq. The study aims to identify in Iraq existing trade channels and consumers/shopper trends, as well as regulatory requirements and market barriers. The purpose of the market study is to analyze consumer demand for different high added value products that Lebanese processors have the ability to competitively produce. The consumer study is now at its final stages. However, due to the Iraq crisis at the moment the consumer survey is on hold until further notice.

Market study for the “Ready-to-eat” segment within the processed food value chain: LIVCD completed a market study for the ready-to-eat segment in Lebanon to understand the market size and opportunities within this segment. The study included an analysis of the dinners, dough, and pastry industry, and a retail audit analysis of the ready to eat “oriental dishes” segment.

Activity I.2 Determine appropriate products for the selected target markets that can be competitively produced in Lebanon and create market-entry strategies

As an outcome of Activity I.1, LIVCD will support processors in determining which existing or new products may be competitive in export markets, and help to create strategies to enter those markets. LIVCD will look not only at the opportunities in export markets, but also at the availability of raw material with the appropriate characteristics for processing, to ensure that these raw

materials are available in sufficient quantity and quality, and that the price is competitive. LIVCD support focuses on products that are producing using raw materials that can be sourced from Lebanese farmers.

Market Entry Strategies (Pending): Pending successful completion of the related market studies (see Activity 1.1), [REDACTED] was tasked to do the U.S. market strategy, [REDACTED] was tasked to do the GCC market strategy, and [REDACTED] was tasked to complete the Iraq Market strategy. Once complete, these Market Entry Strategies will be shared with food processors through SLFI and later for interested processors through one-on-one meetings with processing firms to apply the strategies, with the objective of increasing exports of Lebanese processed foods to target markets.

Survey of food processors was completed, identifying which processors use local raw material that fit the selection criteria for LIVCD processed food activities. The Report is final.

Activity 1.3 Support processors in developing products that meet market demand

After understanding demand and requirements in target export markets (See Activity 1.2), processors must adapt their products and develop new products to meet this demand. This includes ensuring the taste, consistency, and the branding of the product is pleasing to consumers in the target markets. LIVCD is supporting processors with Taste Panels to provide processors feedback on the quality of their products; LIVCD then works with the processor to change and standardize the recipe to meet market demand.

Taste Panels for New Product Development (In Progress): LIVCD is conducting a rudimentary taste panel in the LIVCD office to evaluate Lebanese products in the market according to several parameters (sensory evaluation, overview on labels and packaging, and overall acceptability).

- *Progress to date:* LIVCD evaluated apricot jam, diet apricot jam, quince jam, , Brizele with thyme, olives, stuffed olives, tapenades, syrups, fig jam, pickles, pumpkin jam, and molasses for Sesobel, Mymoune, Jabal Moussa, and several cooperatives. Additionally, LIVCD supported a focus group at the AUB Taste Panel Label, for Mymoune's strawberry and fig jam products. LIVCD has followed up with the companies with the results of the Taste Panel and worked with them to improve recipes and the process. Improvements were made to products at Mymoune, Kfardebian Cooperative, and Sesobel with a great level of satisfaction. Similar work is being done in other cooperatives.
- *Expected results:* This is expected to improve the quality of products and meet export market requirements, increasing exports of processed food, as well as incremental domestic sales. The taste panels inform product development for food processing companies, with results described below.

Product Development for the Association for the Protection of Jabal Moussa (In Progress): LIVCD is working on apricot and peach jam product development for the Association for the Protection of Jabal Moussa to improve the quality of their items. Women in Jabal Moussa Association working on the jam production lack the knowledge about the right temperature and amount of sugar needed to produce the best jam quality. In the next step, LIVCD will create linkages with marketing outlets to sell the jam.

- *Progress to date:* LIVCD experts are training the women, raising their awareness about how to meet market standards and requirements, and improved production processes.
- *Expected results:* Incremental sales and exports of the improved products; jobs for the women in the rural area sustained; incomes increased.

Product Development for Freekeh to Meet International Standards (In Progress): LIVCD is working with several cooperatives (Production Cooperative Najmet Al

Sobeh in Mhaidseh, West Bekaa, and Mhaidseh Cooperative in the Bekaa, and Cooperatives in the South) to develop and test a new process to produce freekeh that meets international food safety standards, in order to increase production and sales of this high value product that is highly demanded in export markets. Currently freekeh is produced by farmers using traditional methods that do not follow hygiene practices and lead to a high variation in the final quality. This limits the ability of freekeh to be exported; especially to high value markets. Several exporters stated during the initial value chain assessment that they have high demand from importers in the U.S. and Europe for good quality freekeh that meets international food safety standards.

- *Progress to date:* LIVCD developed and tested the new process for freekeh. In June 2014, laboratory results showed that the improved product meets customers' and export market specifications. Four exporters have been given samples and gave positive feedback from their customers with orders expected for next season.
- *Expected results:* Provide women-run coops with the new processing technology which will create work for them during a period of the year when cooperatives are typically not running. Since the process has considerably higher capacity than the traditional method, and since the product has high and consistent quality in addition to meeting international food safety standards, this will provide considerable incremental income to these cooperatives especially considering that the market already exists and the product sells with good gross margins. More than 50 women from the South and Bekaa from at least 10 cooperatives will acquire through grants, new equipment for processing freekeh, and will be trained in and apply improved production and processes; improve the quality of freekeh meeting market requirements; create linkages between the cooperative and exporters and distributors; and increase incremental sales and income.

Co-investments to Upgrade Pickles Processing Using Tanks (In Progress): LIVCD is co-investing with three Lebanese companies, Mechaalany, Dirani and Wadi al Akhdar to improve the quality of pickles and increase domestic sales and exports of Lebanese pickles, by introducing a new pickle processing methodology recommended by [REDACTED], an international pickle expert. LIVCD is providing the expert, [REDACTED], while the three companies are investing in equipment, labor, and material.

- *Progress to date:* Mr. Demo provided introductory training on the new pickling process to Lebanese food processors and to AUB students in February 2014. Based on this training and advice, the three companies committed to testing the new process:
 - *Pickle process trials:* Two of the companies purchased new, improved fiber tanks from Turkey, and one company installed local tanks. In July 2014, [REDACTED] will return to coach the companies and run tests using the new tanks and processing methodology, to demonstrate the improved quality of the resulting pickles and provide technical assistance to build capacity for using the new process.
 - *Cucumber variety trials:* [REDACTED] also recommended testing different cucumber varieties under local conditions to select those that are most suited to pickle production using the new process. LIVCD procured seeds for 12 cucumber varieties from local input supply firms, and is running trials under the supervision of LIVCD expert consultant [REDACTED]. The trials will be completed in July 2014. The cucumbers harvested from this trial will be used in the processing test described above (see Activity 4.1 .)
- *Expected results:* Significant improvement in the competitiveness of the pickle value chain through the adoption of new technology that leads to improving the quality of pickles at reduced cost; increased exports and incremental sales of pickles; linkages between farmers producing improved varieties of pickles for processing and pickle processors; incremental sales of cucumbers from farmers.

Activity 1.4 Support processors in creating successful market linkages

One of the constraints faced by Lebanese food processors is forming successful market linkages in export and domestic markets. LIVCD is working with processors to identify distributors and other buyers in target markets, and providing training to processors in how to communicate with and interact effectively with distributors and buyers to increase sales and exports.

Training on the requirements of new markets and interacting with distributors and buyers (In Progress):

- LIVCD provided training to processors on the completed market studies; [REDACTED] is assigned to train processors on U.S. Markets; [REDACTED] on Gulf markets; and [REDACTED] on Iraqi markets after completion of the market studies.
- LIVCD provided technical assistance to Cortas, a food processor seeking to increase exports, to improve communication and management of their marketing process. The training covered sales basics and techniques to improve sales and manage the relationship with the distributor. It also covered communication skills, in store shopper marketing, and in store media efficiency. This training will help them better manage their distributor and get market information (shelf share, market share, price tracking, and inventory management) that will help them improve sales and brand equity. Similar training events will be conducted for interested processors in collaboration with SLFI.

Bank Audi E-Mall Partnership development: LIVCD is collaborating with Bank Audi to facilitate listing food processors and cooperatives on Bank Audi’s E-Mall. The E-Mall is a web portal that provides consumers the ability to purchase items from the website and have them delivered world-wide. Processors will have “shops” on the portal. *Progress to date:* LIVCD has determined that several processors have a high level of interest in being involved. LIVCD has also reached an initial agreement with Bank Audi to provide SLFI members with a substantial discount on listing costs. Bank Audi also agreed to promote the portal via marketing campaigns that will be planned with LIVCD’s marketing team. The Development Agreement is final, pending Bank Audi’s signature. This activity is pending Bank Audi’s management decision.

Expected Results: New marketing outlet for food processors; Linkages between processors and the E-Mall platform; incremental sales and exports of processed food products through the E-mall website.

Trade Show Support: Trade shows are an important marketing opportunity for food processors, especially for Cooperatives and small processing firms. LIVCD is supporting these food processors to prepare for and attend trade shows to build linkages with buyers and increase sales.

- HORECA 2014: LIVCD supported 10 food processing cooperatives to participate in HORECA 2014; see Communications update below.
- Travel Lebanon and the Garden Show 2014: LIVCD supported the Travel Lebanon event in collaboration with Hospitality Services, providing an opportunity for MSMEs including food processors to market their products, resulting in linkages with buyers as well as direct incremental sales from the event. LIVCD provided additional targeted support to six food processing cooperatives, covering the transportation cost and product cost samples. See Communications update below.

Activity 1.5 Co-finance joint production promotion in target markets Planned for next quarter

Axis 2 Support SLFI or another institution in establishing a market intelligence unit that serves the food processing industry

Activity 2.1 Build the capacity of SLFI or other institution’s management

LIVCD is working to identify and build the capacity of a Lebanese institution to provide marketing intelligence for the food processing industry, to increase understanding of export markets and build capacity of processors to use marketing intelligence to identify and act on opportunities in these markets.

Market Studies: LIVCD conducted several market studies that were shared with SLFI and its members; see Activity 1.1 above.

Market Intelligence Database: LIVCD is developing a marketing intelligence database to store and share marketing intelligence. See Marketing Intelligence update for more information.

Activity 2.2 Collaborate with the Qab Elias Vocational School

Vocational schools are important actors in the processed food value chain, as they produce skilled labor needed for food processing. LIVCD is supporting vocational schools to upgrade their programs and help students gain the skills they need for employment in food processing:

Vocational School Assessment (Completed): LIVCD conducted an assessment of vocational schools and training in Lebanon, led by consultant [REDACTED] and completed in May 2014. The assessment determined gaps between pre-employment training and the needs of processors and will inform the design of follow-on training to fill these gaps and improve vocational training for the food processing industry.

Training with the Agro-Food Industries Vocational School - Workforce Development (Completed): Following the Vocational School Assessment, [REDACTED] returned and led a training course for 20 students from agro-food industries vocational school located in Qab Elias, in Bekaa with the objective of imparting the skills needed to turn internships into full-time job opportunities. The students learned about the soft skills needed to excel in their job, including teamwork skills, sense of ownership, sense of urgency, and problem solving. In addition to these soft skills the important principles of openness, respect, mutual support, trust and accountability were discussed. It is worth mentioning that one of the students was able to turn his internship at a food processing company into a job after the training.

- *Result:* 20 students trained; one new job impacted (additional jobs may be impacted)

Vocational School Curriculum Upgrading (Planning): LIVCD will support upgrading the curriculum of the Agro-Food industries vocational school. The next steps are to finalize the internship training guide, develop an outline and preliminary draft of the internship guides for students and employers.

Axis 3 Help Lebanese food processors upgrade the value chain through improved efficiency and adherence to international food safety standards

Activity 3.1 Improve productivity through better utilization of resources

LIVCD supports upgrading the processed foods value chain by supporting processors in adopting new operational technologies and management practices to increase efficiencies and productivity, and meet export market requirements. This is expected to increase the competitiveness of Lebanese processed food products in export markets, and increase exports.

Training on Lean Sigma to increase competitiveness in the processed food sector (In progress): Lean Sigma is a relatively new performance improvement methodology that combines Lean Manufacturing and Six Sigma principles to improve efficiency and capability by removing waste and variation in the production process.

- *Progress to date:* LIVCD experts delivered a training course introducing Lean Sigma performance improvement methodology to Cortas during several sessions in February 2014. Employees from Cortas attended the training, and will start implementing the new techniques to improve productivity. Similar training will be conducted for interested processors in collaboration with SLFI. Further training will be done based on requests made by the industry.
- *Expected Results:* MSMEs are trained in new quality management practices and implement them to improve productivity.

Co-investments to support automation upgrades in manufacturing equipment - National Instruments and Mechaalany: LIVCD is developing a co-investment with National Instruments and Mechaalany to develop a high technology solution in the pickles sector by collaborating to create a solution that will improve Mechaalany's (and

therefore the entire Lebanese pickling sector's) competitiveness in global markets and increase purchasing of local produce from rural areas. Mechaalany sees a growing demand that its current production capacity cannot meet, due to several bottlenecks in the processing system. In an effort to meet this demand, the company needs to double its inspection and sorting rate, while improving quality - a result that can be achieved with mechanical/optical equipment.

Progress to date: Currently Mechaalany is developing a V shaped conveyor belt to align cucumbers for optical inspection where E**2, a local technology start-up company supported by AUB and established by AUB professors and graduate students, will provide software. Expected completion of design and construction by Mechaalany is the end of January 2015. E**2 Engineering presented a proposal to design and build the equipment. Discussions held with Mechaalany regarding purchasing the equipment. Mr. Bechir Mechaalany reiterated the company's interest in purchasing the equipment pending obtaining access to finance which LIVCD is facilitating.

Expected results: Mechaalany adopts new technology; increased productivity and production; increased incremental sales from farmers to Mechaalany. Technology will be adopted by other processors which will create an overall impact on the pickle value chain.

Activity 3.2 Assist with facilitating processors in meeting international food safety requirements

In order to be competitive in export markets, Lebanese food processors must meet international food safety requirements. LIVCD is supporting food processors to meet these requirements through training to raise awareness of the requirements and how to meet them; increasing access to the laboratory testing needed to demonstrate that products meet food safety parameters; and assistance in implementing quality management approaches such as GMPs, HACCP and ISO 22000.

Extension services in the implementation of GMPs, HACCP, and ISO 22000: These services will help processors meet food safety requirements and increase exports:

- *Progress to date:* LIVCD conducted a number of training sessions to build capacity and awareness for food processors on the food safety requirements that must be met to meet export market requirements.
 - Kaddoum Honey Packing House (guidance and training for a new hire was completed to implement international food safety systems)
 - Cedrus (gap analysis regarding food safety)
 - Delta foods (gap analysis regarding food safety)
 - Al-Nabil (gap analysis regarding food safety)
 - Mymoune (guiding on implementing food safety systems based on gap analysis completed in a previous USAID project)
 - AFDC (gap analysis regarding food safety)
 - Jabal Moussa (product development and food safety)
 - Developing quality seal components with the olive oil value chain: LIVCD will provide training sessions on food safety requirements for the olive oil Seal Of Origin and Quality.

LIVCD selected two companies as potential contractors to provide extension services in the implementation of GMPs, HACCP, and ISO 22000.

LIVCD is currently discussing potential collaboration with Lebanon Association for Food Safety (LAFS) to train and certify the active cooperatives with LAFS seal that ensures basic Good Manufacturing Practices (GMP) and safety requirements.

- *Expected Results:* MSMEs are trained and adopt new practices for food safety to meet export requirements; increased exports.

Access to Laboratory Testing - Improve access to USAID-supported laboratories in the regional chambers (In Progress):

Progress to date: LIVCD conducted a survey on available tests in the Lebanese market. LIVCD visited the laboratories and compiled information regarding the tests available for the different value chains, testing fees, the time frame for completing analyses, and the types of accreditation offered. One of the most pertinent results of this investigation is that most of these labs are accredited for their microbiological departments and they are currently working to gain accreditation for other tests. However, this survey revealed that many important tests relative to LIVCD value chains are not easily accessible.

LIVCD also assessed demand for tests from processors. Based on this work, LIVCD will work with the Zahle Chamber of Commerce, Industry and Agriculture to upgrade its laboratory equipment and increase access of food processors to the testing required to export to target markets. LIVCD is currently working with Chambers to identify the needed equipment and determine the Return on Investment (ROI) of the project to provide additional testing.

Expected results: Linkages between processors and testing facilities; increased incremental sales and exports of processed products.

Upgrading facilities to meet food safety requirements (In Progress): LIVCD has worked with two food processors, Mechaalany and [REDACTED], to conduct feasibility studies to upgrade their facilities to meet international food safety standards. The outcome of these studies was that Joseph Menhem decided not to invest in upgrading its facility due to the unstable security situation in Lebanon, while Mechaalany is interested in expanding its facility. LIVCD is further developing the feasibility study for their new expansion plan, which would require a total investment of about \$7.2 million. LIVCD is currently supporting Mechaalany to finance their project through bank loans.

Activity 3.3 Assist processors in meeting international food labeling requirements

Food Labelling for Export Markets Assistance (In Progress): Each export market has requirements for food labelling in order to sell products in that market, such as requiring the nutrition facts as well as weight and other pertinent information. LIVCD is providing assistance to Lebanese food processors to meet labeling requirements, particularly as related to the nutrition facts; to create a nutrition label the product must have a standardized recipe from which the data about nutrition can be taken and calculated. LIVCD is working with processors to standardize recipes. Standard recipes also improve the consistency of the product, another benefit for export markets.

- *Progress to date:* LIVCD has assisted the following entities with labeling:
 - Barouk Cooperative: LIVCD supported development of standardized recipe and nutrition facts for Barouk Cooperative, for both apple and quince molasses. The apple molasses product has already been exported to the U.K. through a linkage with Equitable Gourmet (see Pome Fruit Value Chain Activity 1.1).
 - Jana al Ayadi Cooperative: LIVCD supported development of standardized recipe and nutrition facts for Jana al Ayadi Cooperative, for 14 out of 29 labels.
 - Association for the Protection of Jabal Moussa: As part of the assistance to develop apricot and peach jam products and improve the quality (See Activity 1.3), LIVCD supported development of standardized recipes and nutrition facts for Jabal Moussa products.
- *Expected Results:* Food processors adopt new practices (standardized recipes) to facilitate labels and use new labels for export markets; increased export of products meeting export market requirements.

Axis 4 Increase participation of farmers, small firms, and cooperatives in the processed foods value chain

Activity 4.1 Increase procurement of local produce

Processors require raw material (fruits and vegetables) in order to produce their product, and are therefore an important market for the farmers. LIVCD focuses support on products and food processing companies that source from Lebanese farmers, with the specific goal of increasing procurement of local produce and thereby increasing farmers sales and income. LIVCD facilitates linkages between farmers and processors by identifying companies and products that can be produced using local raw material, then identifying potential farmers to supply the raw material and collecting samples of these raw materials to evaluate in terms of quality and safety before sharing it with processors. Additionally, LIVCD supports processors in developing new products that use raw material sourced in Lebanon and are likely to be competitive in domestic or export markets.

Linkage Facilitation – Food Processors and Farmers (In Progress): LIVCD identified opportunities with processors (Second House Products, Aoun Foods, and Wadi al Akhdar) who were interested in purchasing Lebanese raw materials from farmers.

- **Linking Wadi al Akhdar with Willani to replace refined imported olive oil with Local Lebanese olive oil:** LIVCD collected olive oil samples from three different Lebanese olive oil bottlers and sent them to University of California - Davis for sensory evaluation and chemical testing. The results showed that only Willani has extra virgin olive oil. Results were shared with Wadi al Akhdar who also conducted the same tests in a different laboratory in Germany and verified UC Davis's results. LIVCD facilitated several meetings between Willani and Wadi Al Akhdar to create a linkage through a transaction. In March, Wadi's al Akhdar's technical team stated interest in working with Willani and the final step is a contract to purchase oil from Willani. This activity is pending Wadi al Akhdar's management decision.
- **Linking Wadi al Akhdar with Afif Bou Chedid to replace imported honey with local honey:** LIVCD also previously tested honey samples, which showed that Afif Bou Chedid met the required specifications (free of pesticides and antibiotics, not adulterated). The results were shared with Wadi al Akhdar who will be preparing a volume forecast and jar selection. This effort will result in expanding production of local honey that is being met in collaboration with APIS under a co-investment (please refer to the Honey Value Chain update Activity 1.2.) This activity is also pending Wadi al Akhdar's management decision.
- **Linking Second House Products and Aoun Foods with Lebanese farmers to replace imported Burghul, Anis and Freekeh with local raw materials:** LIVCD is currently identifying potential farmers and collecting samples of raw material to evaluate in terms of quality and safety before sharing it with processors and potential buyers. LIVCD developed a new freekeh process and will link cooperatives and farmers to aggregators and processors.

New Product Development using Local Produce (In Progress): LIVCD assisted in developing new products using local produce, with the objective of increasing sales in domestic and local markets, and increasing procurement of raw material from Lebanese farmers. LIVCD is working with the following products and MSMEs (expected results noted in associated Activities):

- **Dried cherry:** LIVCD supported Jana al Ayadi to develop a process for dried cherries from cherries produced in Deir el Ahmar (See Cherry Activity 2.1)
- **Grape Syrup:** LIVCD supported Bahaa Kadamany to develop grape syrup from locally produced grapes (See Grapes Activity 2.4)
- **Apple Vinegar:** LIVCD is supporting Mechaalany to produce apple vinegar made from local apples from Deir Al Ahmar Cooperative (See Pome Fruit Activity 1.1)
- **Jams:** LIVCD is supporting Sesobel, Mymoune, and Jabal Moussa to improve jams products made using local fruits (see Processed Food Activity 1.3)
- **Freekeh:** LIVCD is working with the Mhaisseh Cooperative to test and implement a new process for freekeh made from locally grown wheat (See Processed Foods Activity 1.3)
- **Pickles:** LIVCD is testing improved varieties of cucumbers that are likely to be more appropriate for pickling, in conjunction with the introduction of new pickling technology under the guidance of LIVCD expert John Demo (see Processed Foods Activity 1.3). The objective of the trial is to assess the characteristics of 12 recommended varieties of cucumbers for pickling using improved processing techniques; pickles will be assessed for crunchiness, taste, weight loss, color change, and

bloating as well as processing issues faced by processors. [REDACTED] will advise on the adoption of any specific varieties, at which time LIVCD will begin promoting these varieties to farmers and link them with the processors of pickled products.

Activity 4.2 Support the development of joint ventures between cooperatives and micro-processors on one side and brand owners on the other

Linkage Facilitation – Food Processors and Farmers (Completed):

- *Result:* LIVCD linked Maghdouche Cooperative, which has a membership of 88 farmers producing orange blossom water, with Mymoune to supply orange blossom water for Mymoune’s brand. Previously the Cooperative depended on only one buyer, so this linkage enabled them to diversify their marketing.

Axis 5 Promote new investments in the processed food value chain in rural areas with appropriate partners to upgrade the value chain

Activity 5.1 Identify underutilized donor-funded equipment and cooperatives or other entities that can benefit from the equipment and maximize their utilization

LIVCD conducted a survey of cooperatives to identify underutilized resources and each cooperative’s status:

- South Cooperative Assessment: Identified 27 cooperatives; the report is final. The following cooperatives have submitted EOIs related to upgrading their facilities and capacities: Kfarsir Cooperative, Hariss Cooperative, Ein Ebel Cooperative; these are under review by LIVCD.
- North Coop Assessment: The assessment report of 56 cooperatives is final. The following cooperatives have submitted EOIs related to upgrading their facilities and capacities: Mhaidseh Cooperative, Wadi al Taym Cooperative; these are under review by LIVCD.
- Bekaa Coop Assessment: The assessment report is final except for cooperatives located in areas with security concerns. The report is final excluding the cooperatives with security issues.

Activity 5.2 Use PPPs to co-invest in rural areas requiring processing equipment to supply partners with demanded products

In discussions with processors, some indicated interest in co-investing in rural areas if they can get the right quality and price for raw material. These include: Cortas, Wadi Akhdar, and Aoun Foods.

RURAL TOURISM

LIVCD Rural Tourism Upgrading Strategy Overview: LIVCD will encourage the creation of synergies designed to create rural tourism “destinations” through implementing strategies and action plans. At the local level, interventions will be customized based on the location with an emphasis on the enthusiasm and resources committed by municipalities. The first step includes facilitating the development of the strategic document and then leveraging partners and co-investments to support its implementation. In areas where stakeholders have undergone strategic planning, LIVCD will support implementation of prioritized elements. Through these activities, LIVCD is hoping to reach a total of 20 localities and destinations, such as coastal municipalities: Addousieh (Caza of Saida Al-Zahrani), Anfeh (Koura’s Caza of Koura), Jbail (caza of Jbail); hilly municipalities: Maad (Caza of Jbail), mountainous municipalities: Ehmej,(Caza of Jbail), Jezzine union of municipalities, Hadath al Jebbeh (Caza of Bchare), Assia and Tannourine (Caza of Batroun); and municipalities in the Bekaa Valley: Deir Al-ahmar, Anjar, and West Bekaa network (Saghbine, Amiq, Kefraya).

LIVCD assistance ranges from supporting rural tourism infrastructure, such as open public /private spaces serving as focal points such as la “Maison de la Foret” in the Jezzine area, to linking localities to existing rural attractions and activities like the Lebanon Mountain Trail (LMT) and other hiking routes. LIVCD also anticipates identifying clusters or interregional themes from which rural tourism products can be developed, including eco-friendly maritime tourism sites (Anfeh, Addousieh, Jbail), old Roman routes (Via Appia from Byblos to Anjar, through, Maad, Ehmej, Deir Al-Ahmar, Baalbek). In addition, the Project will facilitate establishing a stakeholder’s advisory committee that can serve as a think tank for new ideas on technology and innovation or the design of new routes and destinations.

LIVCD will focus on establishing a collegial environment assisting stakeholders in networking and working together to develop a national strategy. A strong rural tourism sector, in which actors coordinate and cooperate, will stimulate and prepare for launching a marketing campaign to promote rural tourism in Lebanon targeting both domestic and foreign tourists. Finally, the Project will provide support to businesses including training and coaching of more than 30 rural hospitality services to increase the quality of services and meet international certification requirements. In addition, LIVCD will work on the training of local guides and help them develop sustainable business plans in coordination with local institutions and municipalities.

The handicraft sector is considered as part of the rural tourism value chain, it will therefore receive the necessary assistance from LIVCD in order to upgrade and innovate. Potential for intervention in handicrafts include: supporting the Rashaya Pottery Cooperative in order for them to increase production, train new craftsmen, develop new products, introduce innovative design, and create new business linkages. While LIVCD intends to expand handicraft activities, it is essential to preserve its traditional characteristics and minimize mass production of products. Innovations might include: upgrading of pottery items through introducing painting and design of new products and upgrading soap production technology to reach a critical mass allowing for export.

The Project will work in partnership with the private sector and academic institution, including the Faculty of Tourism and Hospitality Management of the Lebanese University and the School of Hospitality and Tourism of Balamand University, to implement innovative research results in pilot sites and then scale them up to benefit the entire value chain. Innovations and technology might include: access control to natural reserves, remote sensing forest management techniques, Web 2.0 electronic platform for information exchange and reservation, and quality standards in hospitality services.

In order to attempt to mitigate the negative consequences from the Syrian crisis and prepare for the future recovery of the tourism industry in Lebanon, LIVCD intends to emphasize realistic and practical approaches for the near term. Activities include strategic planning for local domestic actors in order to create specific priority projects in rural destinations, ideally resulting in improved infrastructure and institutions that can provide services and experiences demanded by visitors. Improving the quality of organizations, infrastructure, and human resources immediately is necessary to take advantage of the situation when the environment improves and the sector recovers. The key target market

for LIVCD in the first two years is local domestic and diaspora tourists who continue to return to Lebanon usually in the summer and holiday season.

Life of Project Expected Results from the Rural Tourism Upgrading Strategy:

Axis One: Support stakeholders to design a national strategy and action plan and advocate for its implementation by increasing demand and implement some key elements of the action plan

Expected results: Increased demand for rural tourism products and packages and increased competitiveness of rural businesses.

Axis Two: Create synergies within the rural tourism value chain

Expected results: New tourism packages developed and increased number of tourists in rural areas.

Axis Three: Upgrade local actors and increase the quality and quantity of products and services

Expected results: Increased capacity and value of products and services and increased income of beneficiaries.

Axis I Support stakeholders in the rural tourism value chain to design a national strategy and action plan and advocate for its implementation (increase demand); Implement some key elements of the action plan

Activity 1.1 Develop and implement a rural tourism national strategy and action plan draft and empower stakeholders to advocate for its implementation

National Road Map Development for Rural Tourism (In Progress): LIVCD is working with Hospitality Services and Beyond Beirut to develop a national road map for rural tourism, through two national workshops, 10 regional and thematic focus groups, stakeholders consultation through interviews and public consultation, as well as drafting a national road map, including policy recommendations, implementation recommendations to LIVCD, and a marketing strategy.

A workshop on Cooperation and Common Action in rural tourism was conducted on March 19th, 2014, attended by 39 participants from 34 organizations including a representative of the Ministry of Tourism, and six regional focus group discussions have been conducted with a total of 86 rural tourism stakeholders from private, public and civil society groups as follows:

1. Ehden, Bsharre, and part of Akkar
2. Batroun, Jbeil, and Tannourine
3. Shouf, Jezzine, and West Bekaa
4. Mid-East West Bekaa and Rachaya al Wadi area
5. Hasbaya and Marjaayoun
6. Akkar

Also, one workshop on common action and sustainability has been conducted, attended by 12 representatives from the rural tourism sector, and a focus group discussion with Ministry of Tourism staff has also been conducted to get their feedback on promotional plan and roadmap strategic directions.

Based on the results of these stakeholder consultations a final road map document was drafted and presented to the Minister of Tourism, Mr. Michel Pharaon – with whom a meeting had been organized and has been attended by USAID. The Ministry of Tourism, after reviewing the road map, has decided to endorse it to become the National Rural

Tourism Strategy 2014-2019.

Next steps: A Public meeting will be held to present the final draft of the strategy to the stakeholders on July 24th, 2014. After the meeting, 15 days of public consultations will be launched where final comments from the public and the stakeholders will be collected and incorporated into the final document. A short report on the comments received and how Beyond Beirut processed them will be available together with the final document.

Activity 1.2 Implement a national marketing campaign

Trade Fair for Rural Tourism - Travel Lebanon at the Garden Show (Completed): LIVCD contracted Hospitality Services and Beyond Beirut to support the organization of a five day national fair promoting rural tourism within the annual Garden Show event between May 17th and May 31st, 2014. More than 60 exhibitors benefited from the fair to make linkages with buyers, and make sales directly at the event.

During the event On May 28th, the Lebanese Minister of Tourism Mr. Michel Pharaon and U.S. Ambassador to Lebanon David Hale launched the new online platform www.lebanontraveler.com and toured the exhibitors in the presence of national media and rural tourism stakeholders. The show also included live music and live traditional cooking shows. It was a great opportunity for exhibitors to interact with potential consumers (tourists) and with each other.

Marketing Support – Lebanon Traveler: LIVCD is planning to develop an interactive website for the Lebanon Traveler Magazine and will support printing additional issues of the magazine. The Lebanon Traveler website is now active and in addition to the conventional menu of the front page, the website includes innovative and interactive sections; all articles can be shared on social media:

- An Interactive section: where foundations, associations, groups, municipalities, event organizers, and others can log in and submit their event details that will be validated and posted in the calendar of events under the below sections: Eco & Rural Experiences – Outdoor Adventures – City Breaks – Heritage & Culture – Gastronomy & Wines – Religious Tours – Wellbeing & Leisure – Families & Kids
- A Calendar showing the different events each month, visitors can click on highlighted dates and get the full description of the activities.

Next Step: Hospitality services will develop a sustainable business plan for the Lebanon Traveler website.

Live Love Lebanon Campaign (In Progress): The LIVCD project provided the Ministry of Tourism, local tour operators and rural tourism stakeholders, technical support to develop and identify rural tourism packages to be integrated to the Livelovelebanon campaign (including its online portal). Thanks to LIVCD technical support more than 60 packages were developed and identified.

Axis 2 Create synergies within the rural tourism value chain

Activity 2.1 Create synergies and encourage collective action at the local level, through the development and implementation of local strategies and actions plans

Local Tourism Development Strategies: LIVCD provided support to municipalities and local communities in several localities, including Hadath El-Jebbeh, Rashaya al Fokhar, Hammana, and is currently developing a local strategy for Rashaya al-Wadi,

Co-investment in Tourism Product Development: Ski-touring, cross-country skiing, and winter activity development in Kfardebain (In Progress): Auberge Beity Association proposed to diversify winter sport activities by introducing cross-country skiing in Kfardebaine. There are no certified cross-country skiing trails and monitors in Lebanon. The project worked in close cooperation with the Municipality of Kfardebaine and the Lebanese Ski Federation and designed snow shoeing trails with certified monitors.

However, due to the weather conditions and low levels of snow covering the area the activities are on hold until next season.

Co-investment in Tourism Product Development – LMT with EDA in Ehmej (In Progress): Ehmej Development Association (EDA) proposed to capitalize on previous efforts undertaken by EDA and the Municipality to develop winter activities. LIVCD linked Ehmej to the Lebanon Mountain Trail and developed hiking trails with trained monitors who are residents of Ehmej, thus increasing their income. The grant implementation has achieved the following: 1) trained 12 new local guides; 2) printed marketing and promotional material and organized marketing events; 3) developed a promotional website www.ehmej.org; 4) cleaned and blazed 14 hiking trails, including two new and innovative winter sports trails; 5) developed seven rural tourism packages. Next steps include finalizing Ehmej-LMT side trails, as well as training on management for local rural tourism stakeholders.

Co-investment with AUB – on food trails development in upper Chouf and West Beqaa (In Progress): The goal of the co-investment is to increase competitiveness of the rural tourism value chain in the upper Chouf and West Beqaa through the development of a food trail. It is expected that the project will contribute to increase the income of small producers, cooperatives, and local guides, as well as bed and breakfast operations, and others MSMEs integrated in the food trail. The activities under this co-investment are: 1) The supply side: creating tourism activities and packages based on food trails, including the creation of on-farm or "on-cooperative" hospitality services "tables d'hôtes"; 2) increasing quality of products offered and created to meet quality and safety standards, through training, workshops, and on-the-job coaching; and 3) on the demand side, initiate a marketing campaign for tourism products.

Implementation has started and 25 beneficiaries have been selected. Next steps include the start of the training on food tourism and food safety and the development of the food tourism packages. Familiarization tours (test tours of the packages) with rural tourism stakeholders are planned for September 2014.

Union of Jezzine Cooperatives Calendar (Completed): LIVCD supported the development of a calendar of events for the 2014 season for the Union of Jezzine Cooperatives. This Calendar is aimed to be used as a marketing tool, and was launched in a public press conference under the patronage of the Minister of Tourism Mr. Michel Pharaon.

Potential collaborations (Planning):

- LIVCD drafted a grant proposal to upgrade the rural tourism value chain in Hadath al Jebbeh: including 1- *Creation of rural tourism attractions through:* a) the creation of a network of hiking and biking trails, as suggested in Hadath El-Jebbeh's rural tourism strategy, b) the establishment of a "Gate Facility" at the Hadath al Jebbeh Cedars forest entrance as suggested in Hadath El-Jebbeh's rural tourism strategy c) The development of rural tourism packages 2- *Improve quality of hospitality businesses:* by upgrading the accommodation facilities in Hadath al Jebbeh; 3- *Provision of training and technical assistance:* Training and coaching of 12 local guides on hiking guidance and tourism management, coaching of the project manager and the assistant project manager on tourism management, 4) *Marketing and communication inclusive of:* brochures, social media, direct marketing with potential tourists, direct marketing and communication with tour operators, travel agents, and others such as bloggers, promotional websites, and magazines.
- Mamlaket Al-Lazzeb (Deir Al-Ahmar), Arcenciel (Taanael), Rock Climbing Association (Tannourine) and Jabal Moussa Association to design potential interventions to facilitate stakeholders' development of a project that would increase the competitiveness of rural tourism destinations and generate income in rural areas.

Activity 2.2 Support synergies and collective action between national level leading stakeholders, including: Dhiafee Network, LMT, Beyond Beirut, tour operators, and NGOs Planned for next quarter

Axis 3 Support upgrading local actors and increase the quality and quantity of products and services

Activity 3.1 Provide business and ancillary services support to increase the quality and quantity of products and introduce new products to businesses integrated or willing to integrate rural tourism networks

Improve Hospitality Services – Standards, training and business network (In Progress): LIVCD, through a subcontract with ANERA, is supporting hospitality services activities through: 1) Developing standards for rural hospitality services in Lebanon, 2) undertaking a gap analysis between the current situation and the developed standards; 3) developing a standards handbook; 4) organizing training for local businesses; and 5) setting up an institutionalized rural hospitality business network.

During this quarter and based on the result of activity the gap analysis was undertaken and the standards handbook finalized.

Following the development of "Guesthouse Operational Quality Standards", the project started to conduct a mapping and assessment of the needs of existing hospitality businesses. The objective is to establish a baseline of existing conditions of local facilities vis-à-vis the international standards customized to Lebanon needs (Activity 1). Accordingly, a detailed SOW was developed and an agreement was signed with InfoPro on January 31st, 2014. During February, a detailed questionnaire was developed. It included questions related to general information, ownership, location, staff and employees, visitors' profile, verify existing conditions compared to quality standards, meals and beverages, management and staff, list of training required, rates, services requested and provided, linkages, obstacles and improvements needed and GPS coordinates. ANERA and InfoPro identified 93 lodgings all over Lebanon through desk research, Ministry of Tourism lists, ANERA, and LIVCD lists. Out of 93 organizations, InfoPro carried out face to face interviews with the owners of 60 of the lodgings. On March 19th, InfoPro conducted training for all the field surveyors on the questionnaire and information to be collected. A pilot testing took place between March 20th and 22nd, 2014 on six guesthouses. All results were discussed during a Joint Committee meeting on March 27th, 2014 before proceeding with the survey on the ground with 60 rural hospitality businesses all over Lebanon.

The report highlights the main findings of the study. Results include information on employees, family vs staff, vacancies, staff trainings, guest profile, guesthouse capacity, seasons, pricing, booking, and marketing tools, linkages with local attractions, and facility assessment as per the standards. The report includes a gap analysis presenting main obstacles, improvements needed at the level of infrastructure, staff and management, guesthouse services, marketing and linkages.

Presentation of the results to the stakeholders: Following the finalization of mapping and assessing already existing rural hospitality businesses in Lebanon, the project organized an event on June 13, 2014 to announce the results, findings and recommendations of the study to owners/managers of lodgings. The event took place at Riviera Hotel in Beirut. 44 people attended the event. It included representatives from the Ministry of Tourism, USAID, LIVCD, ANERA, and representatives from 29 guesthouses.

Activity 3: Development of a "Quality Service Handbook and training curriculum"

This activity is considered an important step towards the future development of the rural hospitality sector. Most of the guesthouses are family-owned and managed businesses. Usually, either family members work inside the guesthouse; or they have permanent and/or seasonal staff. To be able to implement the designed set of standards customized to their needs, and based on the recommendations and findings of the assessment, ANERA developed a "Quality Service" handbook that will serve as an "Operation Manual" and a reference for staff and operators, and as a training resource for seasonal staff. ANERA envisions the need to develop a new curriculum tailored more specifically to the needs of these kinds of guesthouses. The curriculum will be in Arabic and English with simple and easy to implement procedures and material. Based on a developed SOW, two consultants, Julie Tanas and Rouba Kharrat, in addition to in-house experts, were selected to develop the curriculum. An outline was developed based on reviews and desk research; in addition to focusing on results of the assessment.

Activity 5: Build a DHIAFEE network as an institutional framework for a professional association for guesthouses

The objective of this activity is to establish the DHIAFEE Network Association, a locally registered non-profit entity, with members being owners and operators of local rural

hospitality establishments. The envisioned association will be an institution that represents the members, advocates for their interests, and works on enforcing quality standards of services, its implementation and accreditation; in addition to the promotion of sustainable rural tourism. The association will be critical to sustaining standards that, in return, are critical for further development of this sector. During this reporting period, the project developed the internal laws and regulations of the association. The document was shared with a lawyer and other members to plan the development of the association.

Nest steps: Include the finalization of the training curriculum and the implementation of training as well as the follow-up on activity

Handicrafts Training Program – Qana Cooperative, Srifa Atelier Cooperative and Wadi Al Farah Cooperative: This quarter, LIVCD worked with two groups of women to improve the production of handicrafts, with the objective of improving the design of the handicrafts to better meet the preferences of consumers. LIVCD experts worked with six women at each cooperative to introduce new skills and types of products to make their offerings more appealing to buyers.

These handicraft producers have few marketing outlets for their products, which is a constraint to increasing their sales and incomes. Therefore, in addition to helping the women improve their products to better meet market demand, LIVCD supported them to prepare for participation in the Garden Show in Beirut in May 2014. This event will enable them to showcase their products and make contacts with potential buyers.

After USAID's request, LIVCD conducted a sustainability analysis for the handicraft program, and based on the analysis and USAID approval, LIVCD will subsequently train and support the local women on marketing and creating successful commercial linkages.

Activity 3.2 Provide institutional capacity building training, coaching, and technical assistance training to businesses integrated or willing to integrate rural tourism network Planned for next quarter

CROSS CUTTING COMPONENTS

ACCESS TO FINANCE

Access to Finance cross-cutting component facilitates access to financing and investments in the target value chain. These include 1) facilitating finance for value chain actors and maximize co-investment in PPPs; which require a cost-share from the private sector partner. PPPs encourage market entry by creating incentives or reducing the risk of investing in emerging markets and they leverage core capabilities of private sector entities and individuals to address a development challenge. This includes conducting feasibility studies to identify good investments and supporting loan applications; 2) Working with financial providers to develop new products and services to meet the requirements of rural borrowers; 3) Develop and manage a small grant component; and 4) Strengthen relationships between finance providers and value chain actors, including linking banks to farmers needing loans to invest in upgrades.

Activity 1: Facilitate finance for value chain actors and maximize co-investment in PPPs; leverage appropriate business linkages and ancillary services

Co-investments/PPPs created in the target value chains are described above.

- *Results:*

249 MSMEs have been assisted by LIVCD to access finance through trainings, workshops, PPPs and access to loans.

LIVCD completed four feasibility studies with financial analysis, and they are ready to be implemented.

LIVCD assisted 19 MSMEs in their loan application process.

Activity 2: Support Lebanon Investment in Microfinance USAID-funded project in developing new financial products and service if needed

Collaboration initiated and is on-going on several activities mainly related to trainings and workshops.

LIVCD explored the establishment of a DCA guarantee fund for financial institutions, however with the existence of Kafalat guaranteeing up to 90% of the loan at a subsidized interest rate, the establishment of a DCA guarantee fund would not be competitive in Lebanon.

Activity 3: Develop and manage small grants component

See Table of Co-Investments and Grants below

Activity 4: Strengthen relationships between finance providers and value chain actors through training and technical assistance, and train loan officers and other MFI staff on agriculture and agribusiness initiatives

- *Progress to date:*

- LIVCD met with financial institutions such as Kafalat, Banque du Liban, BLC Bank, Byblos Bank, BLF, Bank Audi, BLOM Bank, Emkan, Vitas and others to introduce the project and to discuss the possibility of future cooperation.
- Regular meetings are being held with financial institutions to keep updated on the financing sources available.
- One development agreement was signed with BLC Bank; joint activities are being implemented which led to successfully facilitated loans.
- Finalizing a manual to train farmers on maintaining accurate records of all transactions and calculating revenues and expenses; template developed.
- Seven conferences and presentations in cooperation with financial institutions were held to explain to potential beneficiaries the sources of financing available, the required documentation, and the terms and conditions of loans.

- 17 loan officers participated and benefited from technical production training organised by LIVCD.

CAPACITY BUILDING

The institutional capacity building component of LIVCD aims to build critical skills of Lebanese stakeholders, and leave in place a permanent cadre of skilled local firms, associations, foundations, and organizations that can support the development and long-term stability of Lebanon's rural economy. This component is divided into two main parts:

1) Program Management Capacity Building: Some institutions in Lebanon lack structure, capacity, vision, or resources to have sustainable impact on agribusiness or tourism, yet they have strong advantages like existing programming, dedicated staff, field presence, local knowledge, and a mandate to implement change. LIVCD Capacity Building activities will identify organizations in the commercial agriculture and tourism sectors with the capacity and desire to expand or improve, and offer assistance to build their capacities as regional and national facilitators and services providers. The project will improve the skills of local partners and grantees in managing USAID-funded projects. The training will focus on contractual rules and regulations, business conduct and ethics, project management, financial administration, communications, and monitoring and evaluation.

2) Technical Capacity Building: This component intends to involve all stakeholders in project activities through coaching and mentoring Lebanese counterparts. Interventions will be designed to ensure a consistent flow of technical assistance and training to target value chain actors that are directly linked to the upgrading strategies and work plans. Based on numerous meetings with an array of institutions since LIVCD began working, there is a dire need to work with organizations and MSMEs who in general have very weak management structures-often run by one individual, few documented policies and procedures for important areas such as finance, procurement and human resources, and in many cases enterprises who are not able to calculate basic costs at the production level in order to determine profitability and required prices for products to break even.

The results of these efforts coincide with LIVCD's goal of partnering with the private sector to increase incomes of the rural population by strengthening organizational management and efficiency, as well as expanding the number of MSME's that can compete in selected markets, improving linkages between firms and other actors throughout the value chain by providing networking training and events for businesses to cooperate in improving their own institution in addition to the overall competitiveness of selected value chains. LIVCD will also strengthen MSME's advocacy towards improving the business environment for selected value chains. In addition, LIVCD will support including youth and gender strategies into ongoing value chain assessments and upgrading strategies. The identification and implementation of cross-LIVCD youth and gender inclusion strategies will be designed to ensure that LIVCD's value chain initiatives have a positive impact on gender disparity and foster opportunities for youth participation.

Axis I: Institutional Capacity Building and training for NGOs, businesses and other associations in the value chain

- Under the Institutional Capacity Building component LIVCD aims to benefit 150 NGOs and cooperatives. LIVCD's Capacity Building component is designed to enhance the ability of organizations that are linked to LIVCD's value chains to make meaningful contributions to value chain upgrading strategies. Developing capacity focuses on their ability to be relevant, efficient, effective, and sustainable value chain contributors. To upgrade the institutional capacity, LIVCD's menu of common training inputs focuses on three key areas: Project design, project implementation, and project management and reporting. For this purpose, LIVCD developed reference booklets that were pilot-tested during the previous quarter, and based on participant feedback, the reference manuals were revised and translated into Arabic for easier usage by trained organizations.
- LIVCD has published an RFP inviting companies specialized in Capacity Building Training to participate in a competitive procurement process, requiring interested companies to submit a proposal. The objectives are to:
 - Deliver the LIVCD capacity building approach and curriculum to identified NGOs;
 - Provide monitoring and evaluation of organization's capacity building;
 - Support LIVCD in the feedback and advancement of capacity building tools as necessary.

Axis2: Value Chain specific technology transfer trainings

These are discussed in the Value Chain updates.

Gender

LIVCD shared the draft **gender assessment** with Social Impact for feedback. Comments were sent back to the consultant to review the assessment to be finalized and submitted to USAID during the next quarter.

- During this quarter, LIVCD conducted two internal gender and youth trainings.

New Staff Orientation: Having a number of staff who joined LIVCD team after the initial gender training, all new staff attended a gender training to introduce them to gender and youth inclusion to identify and address barriers to access, carry out value chain specific appraisals, and develop and implement youth and gender mainstreaming activities.

COMMUNICATIONS

Activity 1.1 Ensure good visibility of LIVCD through institutional communications

Project Events:

Women's Day Event (March 11, 2014)- LIVCD Honors Women for their Efforts to Improve Economic Status of Women in Rural Area: To celebrate International Women's day, LIVCD gathered 40 women who are active in several sectors in rural areas across Lebanon, who shared their experiences during a roundtable discussion and discussed ways to strengthen the economy in rural areas of Lebanon. During the event, the BLC Bank and Al Majmoua Association gave an overview of the financial services available for women to invest in their businesses. The 40 women received certificates of appreciation in recognition of their efforts and engagement in providing economic opportunities for their households. Future TV prepared a report including testimonies from the attendees. Al Balad and Lebanon Opportunities published press releases of the event.

'Strategies for Agriculture Resilience and Adaptation to Drought in Lebanon' (June 19, 2014): On World Day to Combat Desertification, LIVCD held a conference attended by over 100 participants, including representatives from several NGOs, UN agencies, projects active in water-related issues, farmers, water establishments, the Litani River Authority, municipalities from around the Litani River Basin, and the Chambers of Commerce, Industry, and Agriculture. Experts in the field discussed sustainable agricultural water use and land management to better cope with the increasing risk of drought in Lebanon and how to raise attention on its effect on agriculture.

LIVCD Website - LIVCD has submitted a request for a project website to USAID, which will allow disseminating information such as announcements for events, exchanging documents and information on specific topics related to the value chains between the project stakeholders in different regions across Lebanon, sharing best practices, and communicating opportunities to potential partners. The request is pending USAID clearance.

Facebook Page - In February, LIVCD launched a Facebook page that publicize stories and images from the field, testimonies, events, and articles relevant to the project's scope of work related to the several value chains. The page is linked to the project partners' online outlets, and allows sharing relevant information related to the value chains. The page also features the application to the LIVCD Annual Program Statement (APS). www.facebook.com/lebanonvaluechain

Activity 1.2 Support the promotion and sales of LIVCD products and specific value chains.

Supporting rural cooperatives accessing market and building linkages – Horeca Show (March 2014): LIVCD supported the participation of 20 cooperatives from rural areas of Lebanon in the Horeca show. The cooperatives produce a range of products, including: processed food (10 cooperatives), handicrafts (four cooperatives), olive oil (four cooperatives), and honey and free range eggs (two cooperatives). LIVCD provided training to the cooperatives in preparation for showing their products, and designed a brochure which includes a project brief, a short story and contact numbers of the 20 participating cooperatives. Cooperatives were able to forge linkages between other organizations, processors, and industry owners.

LIVCD also co-sponsored the National Extra Virgin Olive Oil contest, the only olive oil tasting contest in Lebanon and one of Horeca's main events. LIVCD beneficiaries such as Dar Behtar and Willani won prizes for the best extra virgin olive oil. The Minister of Tourism visited the booth and was pleased by the high quality products displayed. The event attracted good media coverage, including bloggers such as the well-read food blog 'No Garlic No Onion' and several newspapers and magazines such as Now Lebanon and L'Orient-Le-Jour. Future TV also interviewed the team members and cooperatives in a short documentary.

LIVCD is providing technical assistance to improve the communications tools for local actors in rural tourism:

www.lebanontraveler.com : A new website was developed in partnership between Hospitality Services and LIVCD, which promotes rural destinations for Lebanese and foreign visitors across the country. LIVCD also supported printing new issues of the Travel Lebanon Magazine.

- Supporting Ehmej Municipality in the promotion of its tourism assets: Developed hiking trails brochures for new winter hiking trails, in addition to support in reprinting nine summer trails. Supported the development of a new website www.ehmej.org showcasing the region as a rural tourism destination with many attractions.

LIVCD worked with the Union of Jezzine Municipalities on an agenda of activities, events, and promotions for the summer season 2014 in the region. The Head of the Union of Jezzine Municipalities Mr. Khalil Harfoushe launched the calendar under the patronage of Minister of Tourism Michel Pharaon. The calendar is distributed at the Ministry and several shops.

Travel Lebanon at the Garden Show: (See Rural Tourism Activity I.2)

Raising awareness on the Olive Oil Seal of Origin and Quality: (See Olive Oil Activity I.1).

LIVCD is providing technical assistance to improve the Packaging and Labeling of several partners:

LIVCD published an RFP for packaging and labelling which will allow Lebanese small and medium enterprises to develop packaging and products adapted to both domestic and export markets. The contract was awarded to Libanpack. LIVCD and Libanpack started assisting several cooperatives such as the Der Behtar Olive Oil Cooperative and Metn el Aala Honey Cooperative to upgrade their visual identity including a logo and label, and develop promotional tools. This quarter, LIVCD in partnership with Libanpack finalized the upgrade of the Metn el Aala Cooperative label. This Cooperative produces honey and was founded in 1987 and supports 84 beekeepers in the area, which are active members and work hard to improve the beekeeping sector. The upgrade of the label will help the cooperative to improve their brand's image and reach out to consumers in the domestic market, leading to increased income for the beekeepers.

Signing ceremony for two co-investments related to the honey value chain, with APIS and with Jabal el Sheikh. Articles were published in Le Commerce du Levant, Lebanon Opportunities, Al Balad, and The Daily Star. A short video was prepared by Roni Ziade on LIVCD's efforts in increasing the exports of honey.

MARKETING INTELLIGENCE

Axis One: Marketing Intelligence Support for Value Chain Activities in LIVCD targeted value chains

Market studies/strategies: LIVCD continued to make marketing information available to stakeholders in the targeted value chains, to support them in identifying and pursuing market opportunities. Market studies/strategies supported included the following (note that these are also discussed in the relevant Value Chain Updates above):

Rural Basket for Health Sector: LIVCD completed the main study for rural basket products (juice, eggs, apple chips, jam, molasses, and sour citrus peels). The study assessed demand for the selected 'rural basket' items, both organic and non-organic, and identified quality standards and terms of sale, including packaging, labeling, and payment terms. The purpose of the market study was to assess the possibility of linking specialized retail outlets with rural producers, and ultimately improve sales of cooperatives and small producers that produce local food that fall within the "health and specialty" segment.

LIVCD will continue updating the assessment, particularly the specific sales leads for various products. This will enable LIVCD to facilitate linkages between cooperatives and small producers, as well as demonstrate the value of this type of marketing intelligence to cooperatives and small producers.

Marketing Assessment for Cooperatives in Southern Lebanon: The marketing assessment looked at the capabilities and constraints faced by six cooperatives that produce mouneh (preserves) and handicrafts. They are: Cooperative "Al Imad" for processing of Agriculture products in Hariss, Kfarsir Cooperative, the Cooperative Association for Production and Food Processing in Ain Ebel, the Agricultural Cooperative Association in Deir Qanoun Ras el Ayn, the Cooperative Association for Agricultural Processing in Aramta, and the Handicraft Cooperative Association in Bent Jbeil. The assessment focused on marketing, including target markets in Lebanon, constraints in marketing, and recommendations for improving the marketing of cooperative products.

GCC market overview and export opportunities for Processed Food: LIVCD completed the main study for processed food products in the GCC countries. The study identified in the GCC countries existing trade channels and consumers/shopper trends as well as regulatory requirements and market barriers. The purpose of the market study was to study consumer demand for different high added value products that Lebanese processors have the ability to competitively produce. The outcome of this study will be presented to processors that are able, and interested to, export to the GCC. Following the presentation the consultant will work on developing a sector strategy with key stakeholders to recognize the importance of the industry and help identify the barriers and practical solutions to improving competitiveness and sustainability in the sector.

Floriculture Value chain market assessment: LIVCD completed a study for the floriculture value chain to provide actionable market intelligence, advice and support to the LIVCD project and partners on the floricultural sector- including flower cuts - in GCC countries (Abu Dhabi, Dubai, Qatar and KSA) and Lebanon. The study was supplemented by a final recommendation from the consultant based on the collected information in terms of market entry and pricing strategies.

Market study for the "Ready-to-eat" segment within the processed food value chain: LIVCD completed a market study for the ready-to-eat segment in Lebanon to understand the market size and opportunities within this segment. The study included an analysis of the dinners, dough, and pastry industry and a retail audit analysis of the ready to eat "oriental dishes" segment.

U.S. market study and presentation on: "How to move from Ethnic Markets to Mainstream and Specialty Markets in the U.S.": LIVCD is working with a U.S. expert to complete a study for processed food products in the U.S. The purpose of this study- that will be followed by a presentation to the processors- is to show where Lebanese processors are currently competing, mainly the ethnic market, and how to shift to the specialty food sector in the U.S. while identifying the appropriate market channels and products that are most suitable for the Lebanese food industry. The study, the presentation, and the related activities will be used to guide processors in increasing exports of Lebanese

processed foods to the U.S., mainly to the specialty food market segment.

Iraq Market Study for Processed Food: LIVCD initiated a market study for processed food products in Iraq. The study aims at identifying in Iraq existing trade channels and consumers/shopper trends as well as regulatory requirements and market barriers. The purpose of the market study is to study consumer demand for different high added value products that Lebanese processors have the ability to competitively produce. The outcome of this study will be presented to processors that are capable- and are interested- to export to Iraq. The study will cover Erbil and other Kurdish areas as well as the Arab part of Iraq.

Brazil Market study for Olive oil and Processed Food: LIVCD is considering initiating a market study in Brazil to assess the export opportunities for olive oil and other highly demanded selected processed food items. The study purpose is to help olive oil producers benefit from the increasing demand for high quality olive oil in Brazil as well as other processed food products. Brazil is country with the highest Lebanese diaspora and the market study aims at understanding their needs and assessing the market size for potential exports of Lebanese high value added products.

Marketing Intelligence Assessment – Processed Foods Value Chain: In addition to the specific studies for value chain products and partners noted above, LIVCD also completed the Marketing Intelligence Assessment for the Processed Food value chain this quarter, and determined next steps to develop a sustainable marketing intelligence system. The Assessment focused on priority categories of marketing intelligence that food processors use to understand the target market: (1) Demand in target market, (2) Competition in target market, (3) Product requirements in target market, (4) Regulatory requirements in domestic and target markets, (5) Market structure in target markets; and understanding the types of marketing intelligence and sources that Lebanese food processors currently use, how they use them, and the gaps in availability of marketing intelligence. The constraints related to marketing intelligence for target markets identified were:

- Distributors are the main source of marketing intelligence for food processors, but do not provide sufficient information to allow food processors to make informed decisions about investing (e.g. in product development or meeting technical requirements) to enter or strengthen their competitive position in target markets.
- There are no publicly supported, up to date, marketing intelligence sources tailored to Lebanese food processors, or any significant cooperation among actors to obtain marketing intelligence. Tasdier, a free source of marketing intelligence supported by USAID under the QCC project, was last updated in 2012, and none of the food processors interviewed use it despite indicating that they need access to this type of information.
- Processors have weak in-house marketing intelligence capabilities, and perceive that market research firms and consultants are too expensive for the service provided.

LIVCD also identified on-line marketing intelligence sources that provide information about domestic and target export markets, including both those currently used by value chain actors and those that are not yet used, but that could fill the gaps in availability of marketing intelligence identified above and are included in the Marketing Intelligence System.

Axis Two: Support Sustainable Marketing Intelligence Service for Targeted Value Chains

Development of Marketing Intelligence Database: LIVCD designed a marketing intelligence library database and began populating it with sources of marketing intelligence relevant to the target value chains and products. These include both studies conducted by LIVCD (listed in Axis I above), as well as those from external sources (other donors/projects, publicly available information, and others.) The library also contains links to other databases, both free and subscription (e.g., Tasdier, Import Genius) with information about how to use them.

Initially the database will be used by LIVCD staff to access relevant marketing intelligence to inform value chain activities. In the next quarter, LIVCD will identify partners and

explore models to provide the marketing intelligence to interested parties through a commercially sustainable business model.

4. PERFORMANCE INDICATOR RESULTS

The table below provides a progress overview of the major indicators for the project. The Excel spreadsheet is also embedded in this document to provide an easier to read format; double click on the icon below (IPTT Y2Q3.xlsx) to open the Excel document.



IPTT Y2Q3.xlsx

No.	RF reference	Indicator Title (with Disaggregation)	Disaggregation	Target Unit	Reporting Frequency	Baseline	Year II - (Oct 2013 to Sep 2014)					Year III - (Oct 2014 to Sep 2015)					Year IV - (Oct 2015 to Sep 2016)					Year V - (Oct 2016 to Sep 2017)					Proposed LOP Targets	LOP Achieved		
							Target Y1	Q4	Actual Y1	Target Y2	Q1	Q2	Q3	Q4	Actual Y2	Target Y3	Q1	Q2	Q3	Q4	Actual Y3	Target Y4	Q1	Q2	Q3	Q4			Actual Y4	Target Y5
USAID/Lebanon Development Objective 2: Enhance Economic opportunity for the poorest segments of Lebanese society, particularly in areas outside Beirut																														
CDCS Goal: insert when approved																														
Curve of project performance										20%							35%													
LIVCD Objective: Develop fully functioning, competitive value chains to increase incomes of the rural population including MSMEs																														
1	D O 2	Number of MSMEs, including farmers, and other organizations receiving business development services from USG assisted sources - (custom) based on FtF 4.5.2-37 (S)		MSMEs, including farmers/producers	Quarterly	0	35	648	648	2,550	533	486	889	1,908	4,463														12,750	2,556
		MSME Size	Micro (1-5)			0		640	640	383	525	429	798	1,752	669														1,912.50	
		MSME Size	Small (6-50)			0	N/A	7	7	1,913	8	55	54	117	3,347														9,563	
		MSME Size	Medium (51-100)			0	N/A	1	1	255	0	2	37	39	446														1,275	
2	D O 2	Value of exports of targeted agricultural commodities as a results of USG assistance - FtF 4.5.2-36		Value and Volume	Annually	TBD	N/A	N/A	N/A	10%	N/A	N/A	N/A		11%														46%	
		Value Chain	Pome Fruit			TBD	N/A	N/A	N/A	10%	N/A	N/A			11%														46%	
			Stone Fruit-Avocados			TBD	N/A	N/A	N/A	10%	N/A	N/A			11%														46%	
			Stone Fruit-Cherries			TBD	N/A	N/A	N/A	10%	N/A	N/A			11%														46%	
			Olive Oil			TBD	N/A	N/A	N/A	10%	N/A	N/A			11%														46%	

5. LIVCD GRANTS AND CO-INVESTMENTS TABLE

Active and Completed Grants											
Value Chain	Grant Number	Grant Title	Grantee	Grant Status	Start Date	End Date	Geographical area (Mohafaza, Caza, Village)	USAID Approved Amount USD	USAID Approved Amount LBP	Grantee Contribution USD (expected)	Total Budget USD
Cherries	G-LIVCD-034	From Farmer to Market (FFM): Developing a Sustainable Cherry Value Chain in Jabal Moussa	Association for the Protection of Jabal Moussa	Active	5/9/2014	3/6/2015	Yahchouch, Qehmez, Jouret el Thermos, Nahr ed Dahab, Ghbaleh, Ebreh, and Chouwan; Keserwan - Jbeil	\$ 23,450	35,175,000	\$ 5,400	\$ 28,850
Cherries	G-LIVCD-035	From Farmer to Market (FFM): Developing a Sustainable Cherry Value Chain in Jabal Moussa	Association for the Protection of Jabal Moussa	Active	5/9/2014	3/6/2015	Yahchouch, Qehmez, Jouret el Thermos, Nahr ed Dahab, Ghbaleh, Ebreh, and Chouwan; Keserwan - Jbeil	\$ 29,944	44,916,000	\$ 12,303	\$ 42,247
Cherries (Pome Fruit)	G-LIVCD-030	Proximity Agriculture Center	Caritas	Active	5/1/2014	4/30/2015	Mount Lebanon	\$ 54,620	81,930,000	\$ 19,375	\$ 73,995
Grapes	G-LIVCD-019	Stimulating Investment in New Variety Grape Orchards Demanded in High Value Markets through a Public Private Alliance	Jaber Trading Company	Active	1/13/2014	1/12/2015	Kfarmishki, Bekaa	\$ 79,974	119,961,000	\$ 158,571	\$238,545
Grapes	G-LIVCD-020	Stimulating Investment in New Variety Grape Orchards Demanded in High Value Markets	Middle East Business Company SARL	Active	1/20/2014	1/19/2015	Various Regions of Bekaa Valley	\$ 135,869	203,803,500	\$ 269,571	\$405,526
Honey	G-LIVCD-015	Increasing Honey Exports and Supporting Beekeepers through a Joint Product Promotion	Jibal Loubnan for Baladi Production	Active	12/20/2013	12/19/2014	Rashaya and Hasbaya	\$ 18,642	27,963,000	\$ 22,866	\$ 65,466
Honey	G-LIVCD-025	Improving the Beekeeping Sector in Metn, Keserwan, and Byblos	APIS	Active	2/12/2014	2/11/2015	Metn, Keserwan, and Jbeil	\$ 149,850	224,775,000	\$ 62,740	\$212,590

Honey	G-LIVCD-001 and G-LIVCD 004	Support Families through Beekeeping	Caritas	Completed	4/19/2013	9/30/2013	Akkar	\$ 69,179	103,353,426	\$ 14,480	\$ 83,659
Honey (Rural Basket)	G-LIVCD-014	Strengthen the Development Cooperative of Jezzine and provide income-generating opportunities for small and medium farmers in the rural areas of Jezzine caza	Development Cooperative in Jezzine	Active	12/9/2013	11/9/2014	Jezzine Caza	\$ 140,920	211,380,000	\$ 92,715	\$233,635
Olive Oil	G-LIVCD-011	Increasing competitiveness of olive oil growers by decreasing cost of production through improved harvesting practices and capacity building of cooperatives and farmers	Cooperative Association for Agricultural Ibrin	Completed	10/14/2013	1/30/2014	Akkar, Batroun, Koura	\$ 51,348	77,022,000	\$ 17,519	\$ 68,867
Olive Oil	G-LIVCD-010	Joint Product Promotion to Increase Export and Revenue of Lebanese Extra-Virgin Olive Oil Producers	Willani sarl	Active	10/1/2013	9/30/2014	Zgharta and Koura	\$ 15,964	23,946,000	\$ 20,971	\$ 36,935
Olive Oil	G-LIVCD-032	Development and improvement of the olive oil sector in Lebaa and neighboring villages	Nicolas Fares and Sons	Active	5/23/2014	10/23/2014	Jezzine, Lebaa with farmers from East-Sidon, Deir Zahrani and Jezzine regions	\$ 68,855	103,282,500	\$ 77,113	\$145,968
Olive Oil	G-LIVCD-036	Improving olive producers' productivity and competitiveness in Lebaa and neighboring villages	Cooperative association for organic agriculture and olive production (OLEA Cooperative)	Active	6/9/2014	6/8/2015	Cazas of Jezzine, Chouf, Nabatieh, East-Sidon, and Zahrani	\$ 14,864	22,296,000	\$ 8,556	\$ 23,420
Pome Fruit	G-LIVCD-026	Improving Pome fruit competitiveness in Jouroud Al Maten through a Production Service Center	Sannine Cooperative for Sustainable Agriculture - SCSEA	Active	4/1/2014	3/31/2015	Sannine, Zaaroor, Bakich, Baskinta, Mtein, and Tarchich	\$ 58,860	88,290,000	\$ 25,128	\$ 83,988
Pome Fruit	G-LIVCD-027	Improving Pome Fruit Competitiveness in Jouroud Al Maten through a Production service center	Sannine Cooperative for Sustainable Agriculture - SCSEA	Active	4/1/2014	3/31/2015	Sannine, Zaaroor, Bakich, Baskinta, Mtein, and Tarchich	\$ 88,100	132,150,000	\$ 49,000	\$137,100
Pome Fruit (Cherries)	G-LIVCD-031	Proximity Agriculture Center	Caritas	Active	5/1/2014	4/30/2015	Reyfoun, Kesrwan	\$ 73,464	110,196,000	\$ 22,649	\$ 96,113

Processed Food	G-LIVCD-028	Support to Jana el Ayadi Food Processing Cooperative in Deir el Ahmar	Jana el Ayadi	Active	4/11/2014	2/10/2015	Deir el Ahmar, Baalbeck, Bekaa	\$ 31,500	47,250,000	\$ 10,660	\$ 42,160
Processed Food	G-LIVCD-033	Upgrading the Caritas Food Processing Facility in Deir Al Ahmar	Caritas Lebanon	Active	5/19/2014	12/18/2014	Deir el Ahmar, Baalbeck, Bekaa	\$ 64,000	96,000,000	\$ 22,927	\$ 86,927
Rural Basket	G-LIVCD-009	Distributing chicken to underprivileged Lebanese families affected by Syrian crisis in Northern Bekaa	Lebanese Organization for Studies and Trainings	Completed	7/16/2013	2/15/2014	Bekaa (Baalbeck and Hermel)	\$ 24,906	37,359,000	\$ 11,565	\$ 36,471
Rural Basket	G-LIVCD-008	Distributing chicken to underprivileged Lebanese families affected by Syrian crisis in Northern Bekaa	Lebanese Organization for Studies and Trainings	Completed	7/16/2013	2/15/2014	Bekaa (Baalbeck and Hermel)	\$ 73,000	109,500,000	\$ 20,625	\$ 93,625
Rural Basket	G-LIVCD-012	Free Range Egg Production in Akkar, North Lebanon	Akkarouna	Completed	10/21/2013	6/20/2014	Akkar (Dreib and Wadeh Khaled)	\$ 54,500	81,750,000	\$ 16,295	\$ 71,795
Rural Basket	G-LIVCD-013	Free Range Egg Production in Akkar, North Lebanon	Akkarouna	Completed	10/21/2013	6/20/2014	North	\$ 14,720	22,080,000	\$ 5,298	\$ 20,018
Rural Basket	G-LIVCD-006 and G-LIVCD-007	Value Chain Interventions in Targeted Lebanese Communities- Thyme Planting to Mitigate the Impact on Lebanese Communities Primarily Affected by the Syrian Conflict	Agriculture Cooperative of Chadra	Active	6/14/2013	8/29/2014	Akkar	\$ 56,312	84,468,000	\$ 40,800	\$ 97,112
Rural Basket	G-LIVCD-002 and GLIVCD 003	Baladi Egg Production	North LEDA	Completed	4/17/2013	12/31/2013	Akkar	\$ 63,031	94,168,314	\$ 21,835	\$ 73,755
Rural Tourism	G-LIVCD-029	Establishing a food trail in the Higher Shouf and West Beqaa regions	American University of Beirut	Active	4/16/2014	4/16/2015	Mount Lebanon, Shouf Caza, and West Bekaa	\$ 50,260	75,390,000	\$ 23,671	\$ 73,931
Rural Tourism	G-LIVCD-018	Promoting and Increasing Competitiveness of Rural Tourism in Ehmej	Ehmej Development Association	Active	1/3/2014	11/3/2014	Ehmej	\$ 47,470	71,205,000	\$ 18,130	\$ 66,960
Rural Tourism	G-LIVCD-016	Ski-touring, cross-country skiing, and winter activity development in Kfardebain	Auberge Beity Association	Active	12/20/2013	5/19/2014	Kfardebiane	\$ 28,300	42,450,000	\$ 9,870	\$ 38,170
Rural Tourism	G-LIVCD-017	Ski-touring, cross-country skiing, and winter activity development in Kfardebain	Auberge Beity Association	Active	12/20/2013	5/19/2014	Kfardebiane	\$ 24,688	37,032,000	\$ 26,185	\$ 50,873
Rural Tourism	G-LIVCD-005	Enhance the Economic Status of Women in North Lebanon	Atayeb el Ref	Completed	6/3/2013	12/31/2013	Batroun, Koura, and Donnieh	\$ 58,831	88,246,950	\$ 21,450	\$ 80,281

Pending Grants											
Value Chain	Grant Number	Grant Title	Grantee	Grant Status	Start Date	End Date	Mohafaza	USAID Approved Amount USD	Client Approved Amount LBP	Grantee Contribution USD	Total Budget USD
Avocado	TBD	Develop Lebanese Avocado Production (DLAP)	Hariri Foundation	Pending	TBD	TBD	South Lebanon	\$ 24,600	36,900,000	\$ 73,879	\$ 98,479
Avocado	TBD	Develop Lebanese Avocado Production (DLAP)	Hariri Foundation	Pending	TBD	TBD	South Lebanon	\$ 88,586	132,879,000	\$ 23,698	\$112,284
Rural Basket	TBD	Expanding Production and Sales of Adonis Valley and its Related Suppliers in the Rural Basket	Adonis Valley	Pending	TBD	TBD	Fatri, Caza in Jbeil-Mount Lebanon	\$ 64,350	96,525,000	\$ 71,736	\$136,086
Grapes	G-LIVCD-021	Stimulating Investment in New Variety Grape Orchards Demanded in High Value Markets	Medigardens	Pending	TBD	TBD	Various Regions of Bekaa Valley	\$ 143,861	215,791,500	\$ 285,429	\$429,290
Honey	G-LIVCD-022	Improving the Livelihood of 150 Beekeepers in the Bekaa and South Regions	Caritas	Pending	TBD	TBD	South Lebanon and Bekaa	\$ 148,500	222,750,000	\$ 63,000	\$211,500
Honey	TBD	Improving the Livelihood of 150 Beekeepers in the Bekaa and South Regions	Caritas	Pending	TBD	TBD	South Lebanon and Bekaa	\$ 40,836	61,254,000	\$ 18,900	\$ 59,736
Olive Oil	G-LIVCD-037	Development and improvement of the olive oil sector in Kfeir and neighboring villages through increased investments and improvements in the milling and storage operations	Local International Co	Pending	TBD	TBD	Kfeir, Hasbayya	\$ 149,399	224,098,500	\$ 156,530	\$305,929