

Expanded Economic Opportunities Program/USAID Lebanon



SMART Quarterly Report of the YMCA March 1, 2003 – June 10, 2003

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Cooperative Agreement No.: 268-A-00-03-00204-00

Program Title: **The SMART Program
Stimulating Markets and Rural
Transformation**

Grantee: **YMCA of the USA/YMCA of Lebanon**

Reporting Period: **March 1, 2003 to June 10, 2003**

A. EXECUTIVE SUMMARY

A1. Physical Rehabilitation and Initiation of Production Centers

The SMART team of engineers and field coordinators continues to make significant progress on the physical rehabilitation of the existing production centers, as well as the initiation of new centers. The physical rehabilitation of the warehouse, offices, and laboratory for the Atayeb Al Rif marketing cooperative in Wadi Chahrour is nearing completion and will be ready for occupancy July 15, 2003.

The rehabilitation of farms for the purpose of developing new high-value crops for use by the production centers is underway in three villages. Activities in two more villages targeted for production farms have not yet been launched due to issues with the local contribution component and community disagreement regarding the project.

A2. Marketing and Training for Production Centers

Significant progress has been made in the marketing of "Rural Delights" products. The YMCA is in the final phases of a comprehensive international and domestic marketing plan. The plan will detail our approach to sales and marketing during the remaining period of the project. The YMCA retained the services of a food-marketing consultant to assist in the development of the plan and begin execution of the first phases. The preliminary plan calls for re-naming the products and designing new, more attractive packaging and labeling. Beginning August 2003, the product will be known as "Atayeb Al Rif" – the Arabic name for Rural Delights. The name "Rural Delights" has been modified in order to avoid confusion and to facilitate identification of the product. Marketing efforts will focus on branding the name.

The most significant marketing event will take place in New York City from June 29 to July 1, 2003. Atayeb Al Rif products will be featured in the International Fancy Food and

Confection Show – the largest food trade show in the US. Preparations have been focused on designing and producing new labels for the products, writing and printing product literature, contacting buyers and distributors in the US, and preparing the displays for the booth.

Other marketing highlights include:

- Atayeb Al Rif products are now sold in 125 sales points around the country
- June orders for Atayeb Al Rif include a \$25,000 order from the Kingdom of Saudi Arabia; a \$12,000 order from the United Arab Emirates and \$3,000 from Germany.
- Atayeb Al Rif advertisements are displayed on 350 billboards around the country.

During the last reporting period, the Atayeb Al Rif marketing cooperative undertook steps to enhance its operations in order to meet the needs of the expanded SMART program. These steps included securing new offices, storage, and health standards testing space in Wadi Chahrour. The food nutrition specialist continues to work on standardizing health, food safety, and labeling requirements for targeted export markets.

The YMCA team is continuing the process of instituting Hazard Analysis and Critical Control Point (HACCP) principles and application guidelines in the production centers. HACCP is a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling to manufacturing, distribution and consumption of the finished product. This is especially critical as Atayeb Al Rif seeks to expand into the US and European markets.

The comprehensive training program for the women who own and operate the production cooperatives continues as scheduled. Training packages have been developed and tested, a training schedule implemented and trainers secured for each course. As of the end of this reporting period, “Upgrading Training” has been completed in seven centers and “Basic Training” is underway in five others.

B. TASKS COMPLETED DURING THE REPORTING PERIOD

B1. Training

During the last reporting period, preparation of a comprehensive training program for the production cooperatives was completed and trainers were secured for each course. This period saw the commencement of training in ten centers. Details of the training courses were included in the March 15, 2003 quarterly progress report. Below is a table of training programs underway or completed as of this period.

Training Program Tracker

Production Centers	Basic Training	Upgrading Training
Deir Al Ahmar		Complete
El Ain		Complete
Fakiha		Complete
Fourzol	On going	Complete
Wadi Al Arayech	On going	Complete
Kartaba		
Kfardebian		
Beit El Fakess		
Beit Shelala		
Abdelleh		
Tekrit		
Zghorta		
Ain Ebel	On going	Under preparation
Arnoun	Complete	
Deir Qanoun El Naher	On going	Under preparation
Deir Qanoun Ras El Ain	On going	Under preparation
Dhaira		
Khelwat		
Ksaybeh	Complete	Under preparation
Ain Atta		
Mansourah		
Beit Mellat		
Fneydek		
Kfarhelda		
Aadshit		
Braykeh		
Derdghaya		
Jesnaya		
Rmeish		
Mhaydesh		
Jbeil Lehfed		
Aandkit		
Batroun Ghouma		
Karam Saddeh/Ayto		
Kefraya		
Kiayat		
Debel, Aouzah & Beit Leif		
Kfarsyr		
Sin Al Gharbieh		
Zratyeh		

B2. Atayeb Al Rif Marketing Cooperative

During the last reporting period, the marketing cooperative had undertaken several steps to enhance its operations in order to meet the needs of the expanded SMART program. These steps included securing new office, storage, and health standards testing space, standardizing health, safety, and labeling requirements for targeted export markets, and hiring and orienting new staff for the program. This period's activities focused on implementing and finalizing many of these efforts and developing a new strategic plan for the marketing and sales of Atayeb Al Rif products.

B3. Marketing

The YMCA is in the final phases of a comprehensive international and domestic marketing plan. The plan will detail our approach to sales and marketing during the remaining period of the project. The YMCA retained the services of a food-marketing consultant to assist in the development of the plan and begin execution of the first phases. The preliminary plan calls for renaming the products and designing new, more attractive packaging and labeling. Beginning July 2003, the product will be known as "Atayeb Al Rif" – the Arabic name for Rural Delights. The name "Rural Delights" has been modified in order to avoid confusion and to facilitate identification of the product. Marketing efforts will focus on branding the name.

The most significant marketing event will take place in New York City from June 29 to July 1, 2003. Atayeb Al Rif products will be featured in the International Fancy Food and Confection Show – the largest food trade show in the US. Preparations have been focused on designing and producing new labels for the products, writing and printing product literature, contacting buyers and distributors in the US, and preparing the displays for the booth.

Other marketing highlights include:

- Atayeb Al Rif products are now sold in 125 sales points around the country
- June orders for Atayeb Al Rif include a \$25,000 order from the Kingdom of Saudi Arabia; a \$12,000 order from the United Arab Emirates and \$3000 from Germany.
- Atayeb Al Rif advertisements are displayed on 350 billboards around the country. These billboards have been donated to the project by the *Pikasso Agency*.

B4. Physical Rehabilitation of Facilities

The team of engineers and field coordinators has made significant progress on the physical rehabilitation of the production centers. A description of these works for each center is provided below.

El Ain, Bekaa Valley

During the last reporting period, the SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information

regarding the production center and the area stakeholders' requirements and concerns. Engineering visits to determine the physical rehabilitation requirements have taken place.

El Fakiha, Bekaa Valley

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements and concerns. Engineering visits to determine the physical rehabilitation requirements have taken place and the drawing of the center has been completed. Internal designs and final drawings, as well final electrical and sanitation plans, are also complete.

Fourzol, Bekaa Valley

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements and concerns. After reaching a consensus with the cooperative on the facility, the following steps related to rehabilitation were undertaken: the first engineering visit was conducted to determine physical layout and works to be undertaken, and internal designs and a drawing of the center was completed by the team's architects.

Wadi Al Arayech, Bekaa

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements and concerns. After reaching a consensus with the cooperative on the facility, a legal permit for the production center was secured, the first engineering visit was conducted to determine physical layout and works to be undertaken, and the team's architects completed a drawing of the center. Final electrical and sanitation plans have been completed and bills of quantity have been developed. An engineering assessment report and specifications for pre-qualifying contractors has been completed.

Deir Al Ahmar, Bekaa Valley

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements and concerns. After reaching a consensus with the cooperative on the facility, a legal permit for the production center was secured, the first engineering visit was conducted to determine physical layout and works to be undertaken, internal designs and a drawing of the center was completed by the team's architects, electrical, mechanical and sanitation plans were drawn, and a bill of quantity was developed. An engineering assessment report and specifications for pre-qualifying contractors has been completed.

Beit El Faks, North Lebanon

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements and concerns. After reaching a consensus with the cooperative on the facility, a legal permit for the production center was secured, the first engineering visit was conducted to determine physical layout and works to be undertaken,

and internal designs and a drawing of the center was completed by the team's architects. Final electrical and sanitation plans have been completed and bills of quantity have been developed. An engineering assessment report and specifications for pre-qualifying contractors has been completed. The tendering process for identifying a contractor was applied, and an evaluation team selected a contractor and negotiated the terms of the contract. The contract has been signed and work is underway. It is scheduled to be completed by June 30, 2003.

Tekrit, North Lebanon

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements and concerns. After reaching a consensus with the cooperative on the facility, a legal permit for the production center was secured, the first engineering visit was conducted to determine physical layout and works to be undertaken, and the team's architects completed a drawing of the center. Final electrical and sanitation plans have been completed.

Zghorta, North Lebanon

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements, and concerns. After reaching a consensus with the cooperative on the facility, a legal permit for the production center was secured, and the first engineering visit was conducted to determine physical layout and works to be undertaken.

Ainebel, South Lebanon

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements and concerns. After reaching a consensus with the cooperative on the facility, the first engineering visit was conducted to determine physical layout and works to be undertaken, and the team's architects completed a drawing of the center. Final electrical and sanitation plans have been completed and bills of quantity have been developed. An engineering assessment report and specifications for pre-qualifying contractors has been completed. The tendering process for identifying a contractor was applied, and an evaluation team selected a contractor and negotiated the terms of the contract. The contract has been signed and work is underway. It is scheduled to be completed by July 30, 2003.

Arnoun, South Lebanon

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements and concerns. After reaching a consensus with the cooperative on the facility, the first engineering visit was conducted to determine physical layout and works to be undertaken, and the team's architects completed a drawing of the center. Final electrical and sanitation plans have been completed and bills of quantity have been developed. An engineering assessment report and specifications for pre-qualifying contractors has been completed. The tendering process for identifying a contractor was

applied, and an evaluation team selected a contractor and negotiated the terms of the contract. The contract has been signed and work is underway. It is scheduled to be completed by September 2003.

Der Qanoun El Nahr, South Lebanon

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements and concerns. After reaching a consensus with the cooperative on the facility, the first engineering visit was conducted to determine physical layout and works to be undertaken, and the team's architects completed a drawing of the center.

Der Qanoun Ras Ein, South Lebanon

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements and concerns. Final electrical and sanitation plans have been completed and bills of quantity have been developed. An engineering assessment report and specifications for pre-qualifying contractors has been completed. The tendering process for identifying a contractor was applied, but a contractor has not yet been finalized.

Dhayra, South Lebanon

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements and concerns. After reaching a consensus with the cooperative on the facility, the first engineering visit was conducted to determine physical layout and works to be undertaken, and the team's architects completed a drawing of the center. Final electrical and sanitation plans have been completed and bills of quantity have been developed. An engineering assessment report and specifications for pre-qualifying contractors has been completed. The tendering process for identifying a contractor was applied, and an evaluation team selected a contractor and negotiated the terms of the contract. The contract has been signed and work is underway. It is scheduled to be completed by September 2003.

Khelwat, South Lebanon

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements and concerns. After reaching a consensus with the cooperative on the facility, the first engineering visit was conducted to determine physical layout and works to be undertaken, and the team's architects completed a drawing of the center.

Kosaybeh, South Lebanon

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements and concerns. After reaching a consensus with the cooperative on the facility, a legal permit for the production center was secured, the first engineering visit was conducted to determine physical layout and works to be undertaken,

internal designs and a drawing of the center was completed by the team's architects, electrical, mechanical and sanitation plans were drawn, and a bill of quantity was developed. An engineering assessment report and specifications for pre-qualifying contractors has been completed. The tendering process for identifying a contractor was applied, and an evaluation team selected a contractor and negotiated the terms of the contract. The contract has been signed and work is underway. It is scheduled to be completed by July 2003.

Kartaba, Mount Lebanon

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements and concerns. After reaching a consensus with the cooperative on the facility, the first engineering visit was conducted to determine physical layout and works to be undertaken, and the team's architects completed a drawing of the center.

Kfardebian, Mount Lebanon

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements, and concerns. After reaching a consensus with the cooperative on the facility, the first engineering visit was conducted to determine physical layout and works to be undertaken, and the team's architects completed a drawing of the center.

B5. Upgrading of Production Equipment

Progress on upgrading the production equipment has been focused on conducting an assessment of existing equipment in the production centers, developing guidelines on how to improve the equipment, studying options for equipment available in the market, and developing specifications for new equipment to be installed in the new production centers.

B6. Initiation of New Centers

Ksaybeh, South Lebanon

Work in progress on the new center in Ksaybeh includes securing the land to be used for the new production center, obtaining the legal permits required for construction, and completing interior and exterior designs. Final bid specifications have also been completed and the tendering process is currently underway.

Beit Shelala, North Lebanon

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements and concerns. After reaching a consensus with the cooperative on the facility, the first engineering visit was conducted to determine physical layout and works to be undertaken, and the team's architects completed a drawing of the center. Final electrical and sanitation plans have been completed.

Ain Atta, Bekaa Valley

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area stakeholders' requirements and concerns.

Atayeb Al Rif Marketing Cooperative Warehouse, Laboratory and Office

The Atayeb Al Rif Marketing Cooperative (RDMC) secured a 1400m² space in Wadi Chahrour that will be used as a new warehouse, quality control laboratory, printing area, and offices and display center for Atayeb Al Rif products. The lease agreement was secured for a period of six years at a cost of \$30,000 per annum. The property owner donated the first year of rent to the Atayeb Al Rif Marketing Cooperative.

The SMART team of engineers and field coordinators undertook the first meeting with the local cooperative to identify and share information regarding the production center and the area's requirements, and concerns. After reaching a consensus with the cooperative on the facility, the following steps related to rehabilitation were undertaken: a legal permit for the production center was secured, the first engineering visit was conducted to determine physical layout and works to be undertaken, internal designs and a drawing of the center was completed by the team's architects, electrical and sanitation plans were drawn, a bill of quantity was developed, and an engineering assessment report was completed. The team also developed the physical specifications for the work and released tendering documents to selected contractors. The bids were opened and evaluated according to the specified criteria and a work order agreement with the selected contractor was completed. Work on the center has commenced and will be completed by July 15, 2003. The SMART program's chief engineer, Mr. Joseph Kassab, conducts regular monitoring of the work.

B7. Initiation of New Farms

A component of the SMART program requires the identification, rehabilitation and cultivation of land for the purpose of producing high value marketable crops to be used by the Atayeb Al Rif cooperatives in the production process. A total of five farms in Kartaba, Der Qanoun Ras El Ain, Dhaira, Ain Atta, and Ghouma Batroun have been targeted for this program during the first six months of 2003. Work on the first three of these farms is underway. Work on the remaining two farms in Ain Atta and Ghouma Batroun has not begun due to issues with the community's willingness to make a contribution toward the project, as well as strong disagreements among community members, which has delayed decision-making on the project.

Progress during this reporting period therefore focused on the farms in Kartaba, Der Qanoun Ras El Ain, and Dhaira. Details on the progress within each farm are provided below.

Kartaba Farms, Mount Lebanon

The Kartaba farm's objective is to produce locally grafted semi-dwarf fruit trees of high market value. Approximately ten women, who will join a Atayeb Al Rif cooperative, have been recruited to run this production farm. The SMART team secured an 8 dus farm (1 du = 1000 m²) with a water source. Rehabilitation of the land and bidding for an irrigation

system are currently underway. SMART agricultural engineers have acquired 50,000 rootstocks from the US and have grafted them locally with the varieties available in the Akkar demonstration farm. The rootstocks will be transported to the farm as soon as the land rehabilitation is complete. A comprehensive training program was developed and is scheduled to commence June 20, 2003.

Der Qanoun Ras El Ain, South Lebanon

This farm is being cultivated for the production of aromatic annual and perennial plants and trees. The following plants are being produced on the farms: cumin, saffron, cardamom, sumac, coriander, mint, fennels, basil, chili pepper, star anis, and oregano. These plants are now being readied for transplant. Upon harvest, the produce from this farm will be processed by the Atayeb Al Rif production centers located in each village. The team has identified local sources for buying the herbs. The team has met with local community leaders and identified an 8-du plot of suitable land with a water source. The land was contributed for a minimum of seven years. The team has completed work to rehabilitate the land and install an appropriate water conveying system. A comprehensive training program is currently being implemented.

Dhaira Farm, South Lebanon

This farm will be used for the production of locally produced, rainfed fruit trees including olive trees, loquats, jujube fruit, carob, bay leaves, pecan nuts, walnuts grafted on American rootstocks (black walnut), and almonds grafted on rootstocks suitable for calcareous soils (GF677). Work for this farm has been delayed due to the YMCA's request for a waiver from USAID. However, training on plant production and post harvest handling has commenced.

CONCLUSION:

The achievements of the first six months of the SMART program have laid a strong foundation for an increased emphasis on the marketing component during the next phase of program implementation. The YMCA is now well positioned technically to respond to market demands with high levels of quality control, an increased processing capacity, and an increased number of trained and organized women for the production process. With the advent of standardized and appropriately equipped production centers (that are consistent with internationally recognized criteria) and the forthcoming official opening of the warehouse in Wadi Chahrour, the YMCA's foremost priority for the next period is to focus on the marketing plan.

To date, through successful leveraging of local expertise (involvement of two key volunteers) and strategic coordination with DIMA (local distributor), the YMCA has begun to advance some new ideas and approaches for marketing. Nevertheless, the marketing plan that is currently being developed requires significant technical and financial investments to ensure the successful opening and sustained access to new markets. The YMCA is aware that USAID has collaborated extensively around the world with several organizations in the marketing field including SRI and Deloitte. In light of the fact that USAID has significant expertise and lessons learned from collaborating partners, the YMCA would welcome advice and counsel from USAID at this time.