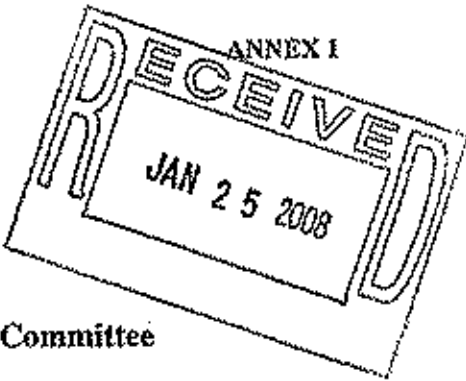


To be completed by the Participating UN Organisation and endorsed by Chair Working Group



**Submission Form
To
The Lebanon Recovery Fund Steering Committee**

To be completed by the Recovery and Reconstruction Cell (RRC)	
Meeting No.	Date of Meeting
Item No.	Programme/Project

*(To be completed by the Participating UN Organisation
and endorsed by Working Group Chair)*

To: Lebanon Recovery Trust Fund Steering Committee	Date of Submission: 27/10/2007
From: National Authority and Head of UN Participating Organisation United Nations Development Programme	Contact: Telephone number, email Ms. Marta Ruedas Tel: Fax: Email: marta.ruedas@undp.org
Through: Working Group <input type="checkbox"/> Endorsement <input type="checkbox"/> Comments	Contact: Telephone number, email
Proposed submission, if approved would result in: <input type="checkbox"/> Continuation of existing programme/project <input checked="" type="checkbox"/> New programme/project <input type="checkbox"/> Other (explain)	Proposed submission resulted from: <input type="checkbox"/> National Authorities initiative within national priorities <input checked="" type="checkbox"/> UN Agency initiative within national priorities <input type="checkbox"/> Other (explain): Non Governmental Organization
Programme/project title: Strengthening the dairy production channel in North Lebanon	
Amount of funds requested for proposed programme/project: 1,000,000 USD	
Estimated number of beneficiaries: 1500 direct and 9500 indirect	
Request against specific earmarking or unearmarked: None	
Amount of indirect costs requested: (7%): \$65,420	

To be completed by the Participating UN Organisation and endorsed by Chair of the Working Group

1. Background

Provide brief and concise information on the background of the programme/project. Indicate how it originated, refer to the Sector programme, request endorsement or approval by relevant Lebanese authorities etc. If extension of existing programme/project; provide information on original programme/project, such as number, programme amount, date of approval.

This project is submitted by UNDP and the René Moawad Foundation. The needs assessment done in the field and the feedback of beneficiaries of on-going projects in North Lebanon after the war, emphasized the dire necessity of helping cattle breeders to recover from the financial losses they bore during the war. These populations (breeders, workers in the dairy SMEs, etc) were severely, although indirectly, affected by the war, including through interruption in marketing fresh products on the market. Those losses of income increased the vulnerability of breeders and association SMEs, especially that most live under or barely over the poverty line, especially in the Akkar region. The loss of additional incomes from the tourism activity which traditionally play a key role in households' budget worsened their situation over a longer period.

At the same time, the dairy channel has a great potential, especially given the high demand for dairy products on the local market and the fact that the current production only meets a small portion of the local consumption demands. Increasing capacity and the quality of products would allow the development of this industry and would result in an increase in revenues for small scale breeders. It is expected that this increase would generate positive spillover effects on the whole local economy. In addition, this project would lead to the adoption of higher hygiene standards and thus improve the food security level.

2. Purpose of Proposed Programme/Project

Detail key objectives, outputs and activities from programme/project cover sheet and attach detailed programme/project document in standard format.

The main goal of the project is to promote social and economic development in North Lebanon, which is one of the most deprived regions in the country and where social and economic indicators show high levels of illiteracy, especially among women, high rates of unemployment, low incomes and limited access to services. Despite several factors that impede agricultural development, such as lack of extension services, difficulty to access credits, and high costs of production, there are few niches of production with high potential.

By strengthening the integrated channel (breeding / dairy products), including downstream and upstream activities, as well as targeting breeders and small-scale industrialists involved in the processing phase, the project will improve competitiveness and quality of local productions.

Through a tailor made training and capacity building program, the project tackles the various bottlenecks affecting both agriculture and agro food processing sectors related to dairy products. The intervention's main contribution will be an increase in quality of raw material and final products as well as an increase in capacity for those products for which there is a growing demand.

The mechanisms rely on existing facilities such as the milk collection centers in the region, as well as existing services such as the virtual central market which links producers to traders.

Key activities include the following:

- specific training program addressing breeders, and small-scale industrialists' needs
- technical assistance
- dissemination of information
- construction, rehabilitation and upgrade of processing units
- local development program involving municipalities, coops and local associations

3. Evaluation of Proposals by the Working Group

Provide concise summary evaluation of proposal against:

Implementability

	2007	2008	2009
Estimated commitments (\$mill)	0.1	0.7	0.2
Estimated disbursements (\$mill)	0.1	0.7	0.2

Does the project correspond to national priorities? Yes No

Please elaborate:
The project targets one of the poorest areas of the country and builds on existing facilities and past experiences. The reduction of regional disparities is a national priority for the government, which has also been targeting poverty reduction activities at the policy and operational levels.

Project approved by Line Ministry _____ on _____ (date)

4. Review by Recovery and Reconstruction Cell (RRC)

Check on Programme/Project Proposal Format Contents

- | | | |
|--|------------------------------|-----------------------------|
| <input type="checkbox"/> Cover sheet (first page) | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| <input type="checkbox"/> Logical Framework | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| <input type="checkbox"/> Programme/Project Justification | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| <input type="checkbox"/> Programme/Project Management Arrangements | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| <input type="checkbox"/> Risks and Assumptions | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| <input type="checkbox"/> Budget | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| <input type="checkbox"/> Support Cost | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

*Overall review of programme submission
Recommendations*

Elaborate

5. Decision of the I.R.F Steering Committee

- Approved for a total budget of \$.....
 Approved with modification/condition
 Deferred

Reason/Comments

Elaborate



Dec 27 2007
Date

6. Follow-up action taken by the Administrative Agent

- Project consistent with provisions of the Letter of Agreement with donors (if applicable)

.....
Signature

.....
Date

Lebanon Recovery Fund Programme/Project Proposal Format and Guidelines

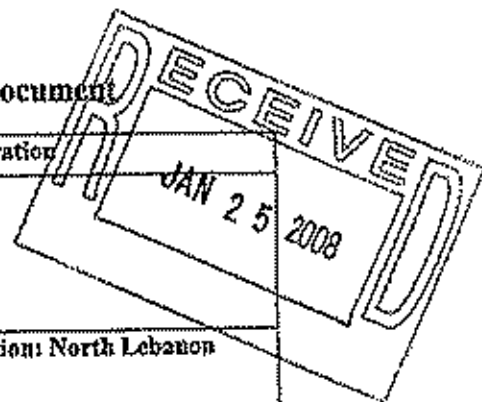
Contents:

1. Cover sheet and description of programme/project document (Appendix A)
2. Logical Framework (Appendix B)
3. Programme/Project Budget (Appendix C)
4. Progress Report (Appendix D)



**LEBANON RECOVERY FUND
PROJECT DOCUMENT COVER SHEET**

Annex A- Cover sheet and description of programme/project document



Participating UN Organisation: UNDP	Sector: Livelihoods Restoration
Programme/Project Manager UNDP Name: Ms. Zena Ali Ahmad Address: Riad Solh Square Telephone: E-mail: zena.ali-ahmad@undp.org	Working Group Chair Name: Address: Telephone: E-mail:
Programme/Project Title: <u>Strengthening the dairy production channel in North Lebanon</u> Programme/Project Number:	Programme/Project Location: North Lebanon
Programme/Project Description: Following the 2006 summer war, in addition to destruction of infrastructure and services, agricultural workers, who were already among the poorest in the country, suffered from huge losses resulting from the interruptions in harvesting, difficulty of marketing and destruction of facilities. This has resulted in a decline in living conditions and loss of income and revenues for a significant group of the population in North Lebanon.	Total Programme/Project Cost: LRF: 1,000,000 USD Government Input: Other: Total: Programme/Project Duration: 18 months
Development Goal and Key Immediate Objectives: The main goal of the project is to promote social and economic development in North Lebanon, which is one of the most deprived regions in the country and where social and economic indicators show high levels of illiteracy, especially among women, high rates of unemployment, low incomes and limited access to services. Despite several factors that impede agricultural development, such as lack of extension services, difficulty to access credits, and high costs of production, there are few niches of production with high potential. By strengthening the integrated channel (breeding / dairy products), including downstream and upstream activities, as well as targeting breeders and small-scale industrialists involved in the processing phase, the project will improve competitiveness and quality of local productions.	
Outputs and Key Activities: Through a tailor made training and capacity building program, the project tackles the various bottlenecks affecting both agriculture and agro food processing sectors related to dairy products. The intervention's main contribution will be an increase in quality of raw material and final products as well as an increase in capacity for those products for which there is a growing demand. The mechanisms rely on existing facilities such as the milk collection centers in the region, as well as existing services such as the virtual central market which links producers to traders. Key activities include the following: <ul style="list-style-type: none"> - specific training program addressing breeders, and small-scale industrialists' needs - technical assistance - dissemination of information - construction, rehabilitation and upgrade of processing units - local development program involving municipalities, coops and local associations 	
Working Group Review Date: _____ RRC Review Date: _____ Steering Committee/Project Approval Group Approval Date: _____	

Date	Name/Title

Annex B- Logical Framework

Objectives	Measurable indicators	Means of verification	Important assumptions
<p>Development Objective</p> <p>Restore and improve the conditions of living of rural populations from North Lebanon who were affected by the 2006 summer war and its long-term economic repercussions in order to alleviate extreme rural poverty.</p>	<ul style="list-style-type: none"> - number of breeders trained - number of breeders using facilities or services established by the program - number of breeders households who benefit from an increase in their income - % of increase in breeders' income generated by the integrated activities - Number of dairy units upgraded - Number of small-scale dairy industrialists trained - Number of small-scale dairy industrialists whose income has increased - Number of cooperatives members trained and participating in the technical committee - Number of municipalities members trained and participating in the technical committee - % of beneficiaries judging that the program has had a positive impact on their capacity - % of beneficiaries judging that the program has had a positive impact on their conditions of living 	<ul style="list-style-type: none"> - activity reports - technical committee minutes - technical committee reports - marketing plan - monitoring and evaluation reports - technical and financial audit 	<ul style="list-style-type: none"> - political situation and peace at the regional level - monetary stability and inflation - no economic slowdown - lack of epidemics
<p>Immediate Objectives:</p> <ul style="list-style-type: none"> - strengthen the recovery process through the creation of a technical committee consisting of various partners (UNDP, LARI, coops, milk collect centers directors, etc) in charge of the technical monitoring - restore rural households' income through a recovery program aiming at overcoming agriculture losses - revitalize the breeding sector by enhancing linkages between stakeholders - enhance small scale dairy units by increasing their capacity of production and improving the quality of their production in a safe and healthy environment 	<ul style="list-style-type: none"> - number of coops, associations, and municipalities members participating in the capacity building program - % of these members judging this program highly valuable or valuable - Number of rural households who have their income increased following their participation in the program's activities - % of increase in production capacity - % of increase in households' income 	<ul style="list-style-type: none"> - attendance sheets - evaluation forms - timeliness of field visits - database reports (lab analyses, quantity of milk collected and processed, evolution of prices) - monthly activity reports - pictures - invoices and financial invoices - field visits reports 	<p>(Immediate Objective to Development Objective)</p> <ul style="list-style-type: none"> - building permit delivered in a short delay - availability of construction material, - price stability - willingness of stakeholders to work together

Objectives	Measurable indicators	Means of verification	Important assumptions
<p>OUTPUTS:</p> <p>1.1 Identification and training of stakeholders</p> <p>2.1 Formation of a technical committee with enhanced capacities in local development</p> <p>3.1 Increase in milk quality and in quantity produced (higher yields)</p> <p>4.1 Development of linkages with regional activities and projects especially milk collect centers located in the North, dairy units upgraded</p> <p>5.1 Upgrade and <i>mise-à-niveau</i> of dairy units and increase in processing capacity</p> <p>5.2 Diversification of dairy products and reintroduction of traditional cheeses</p> <p>6.1 Increase in sales (milk or dairy products)</p>	<ul style="list-style-type: none"> - number of breeders using facilities or services established by the program - number of breeders households who benefit from an increase in their income - % of increase in breeders' income generated by the integrated activities - Number of dairy units upgraded - Number of small-scale dairy industrialists trained - Number of small-scale dairy industrialists whose income has increased - Number of cooperatives members trained and participating in the technical committee - Number of municipalities members trained and participating in the technical committee - % of beneficiaries judging that the program has had a positive impact on their capacity - % of beneficiaries judging that the program has had a positive impact on their conditions of living 	<ul style="list-style-type: none"> - attendance sheets - evaluation forms - timesheet of field visits - database reports (lab analyses, quantity of milk collected and processed, evolution of prices) - minutes of meetings - monthly activity reports - pictures - invoices - field visits reports 	<p>(Outputs to immediate objective)</p> <ul style="list-style-type: none"> - building permit delivered in a short delay - availability of construction material, - price stability - willingness of stakeholders to work together
<p>ACTIVITIES:</p> <p>1.1.1 Implementation of a training program addressing specific needs of coops, associations and municipalities</p> <p>2.1.1 Establishment of the technical committee</p> <p>2.1.2 Provision of technical assistance</p> <p>2.1.3 Monitoring of the program</p> <p>2.1.4 Evaluation and recommendations</p> <p>3.1.1 Implementation of 52 intensive one-day session (cows housing, feeding, veterinary care, etc)</p> <p>3.1.2 Technical assistance</p> <p>3.1.3 Provision of storage facilities</p> <p>4.1.1 Organization of meetings with the various stakeholders</p> <p>4.1.2 Visits on sites for breeders (milk collect centers, coops specialized in forage production, lab and dairy units)</p> <p>5.1.1 Rehabilitation, construction, update and equipment of dairy units</p> <p>5.1.2 Implementation of 112 intensive out-day sessions</p> <p>5.1.3 Technical assistance</p> <p>5.2.2 R & D to develop new products</p> <p>5.2.3 Collect of old recipes, design of HACCP processes for these old cheeses and processing</p>	<p>INPUTS:</p> <ol style="list-style-type: none"> 1. project team, local consultant, 2. project team, local consultant, stakeholders 3. agricultural engineer specialized in animal production, fields officer 4. project team 5. subcontracts (construction and equipment suppliers) <p>agricultural engineers specialized in quality control (dairy products)</p>	<ul style="list-style-type: none"> - attendance sheets - evaluation forms - timesheet of field visits - database reports (lab analyses, quantity of milk collected and processed, evolution of prices) - minutes of meetings - monthly activity reports - pictures - invoices and financial reports - field visits reports 	<p>(Activity to output)</p> <ul style="list-style-type: none"> - building permit delivered in a short delay - availability of construction material, - price stability - willingness of stakeholders to work together - ways of communication opened

ANNEX 3- Programme/Project Justification

Background

UNDP, with the Council for Development and Reconstruction, has been implementing a project for reducing regional disparities in Akkar since 2002. The project targets local development planning, strengthening of municipalities and cooperatives and NGOs, and youth mobilization. It has recently initiated a local development programme (ART GOLD) in the country (including North Lebanon), for local development planning, local economic development strengthening, and decentralized cooperation.

RMF has been active in North Lebanon for some time. It works on local development, specifically economic development, in the region.

Background/ Problems to be addressed

The project will partially address the structural deficiencies related to agricultural production in North Lebanon, including:

- lack of adequate infrastructure
- lack of access to credits
- high costs of production
- low yields
- poor quality of agricultural produce
- lack of diversification

The agro food processing sector is directly linked to agriculture. In a lesser extent, the sector is also dependent on the transport and the packaging sectors as well as the regulatory environment. The agricultural sector in North Lebanon is still a major sector which provides at least 70% of the population with direct or indirect incomes. The main crops are fruits, olives and these late years, the forage production has hugely increased. With an estimation production of \$1 billion dollars in 2002, the agro food sector is one of the main industrial sectors in the country. Recent statistics indicate that a significant percentage of industrial workers are employed in the agro food industry (2002), as follows:

Economic Activity	Total workers		
	Total	Male	Female
Food products & beverages	26,396	22,750	3,641
Total - industrial sector	114,108	99,904	14,204
%	23.13	22.77	25.63

Source: Industrial census, Ministry of Industry, website

The non-formal sector also plays a key role both in terms of production and employment. Most of the employment in the country is characterized by medium and small sector employment, where the breakdown of establishments, workforce and production per the number of employee (2002) shows that around 71% of the establishments have less than 5 employees and 94.9% of them have less than 10 employees (refer to the table below).

Economic Activity	Nb of establish	Work-force	Nb of employees	Wages & Salaries (000\$)	Output (000\$)	Value Added (000\$)
Total: 1-4 workers	16,223	43,747	20,781	159,947	806,334	347,256
Food products & beverages	3,171	8,779	3,839	33,960	146,567	55,735
Total: 5-9 workers	4738	30823	21155	98949	753192	304071
Food products & beverages	1059	6877	4569	21483	149452	57102
Total: 10-19 workers	617	8,120	6,396	29,029	332,066	134,933
Food products & beverages	143	1,858	1,366	6,219	90,279	26,327
Total: 20-34 workers	219	5565	4977	24325	326070	149660
Food products & beverages	42	1052	910	3609	58646	19687
Total: 35-49 workers	78	3,309	3,114	16,444	200,810	96,182
Food products & beverages	40	6,846	6,737	47,070	474,628	231,727
Class 6,7 & 8: over 50 employees	141	22,544	22,221	163,726	1,534,442	674,704
Total food sector	4,455	25,412	17,421	112,341	919,567	390,578
TOTAL	22,016	114,108	78,640	492,420	3,952,910	1,706,809

Source: Industrial census, Ministry of Industry, website

According to the industrial census (2002), 18% of the industrial establishments are located in North Lebanon and 61.5% of them are located in Beirut or in Mount Lebanon.

The trade balance in the country is negative as Lebanon imports a large part of its internal consumption of agro food products. However, before the war in July 2006, there was a noticeable increase in the exports. The ratio exports/imports increased from 0.17 to 0.36 over the last 5 years; partly as a result of improved quality of Lebanese production, as well as the technical export support programs launched by the Government, in addition to development of new channels with high potential such as the wine productions.

Although the agro-business sector is affected by structural weakness of the Lebanese agriculture sector, few niches exist such as the wine, dairy products, olive oil, and organic products. Agro food sector in North Lebanon that is negatively affected by structural problems, witnessed new constraints as a result of the July 2006. Among the main structural problems faced by SMEs of the agro food sector are difficulty to access credit and financial resources; lack of modernization; low quality; and lack of enabling regulatory environment. These lead to weak competitiveness both on the local markets and abroad. In addition to these structural problems, the war has led to physical destruction of infrastructure, destruction of factories (especially in the dairy sector where the biggest facilities were completely destroyed), losses linked to the difficulty of harvesting, and losses in additional income generated by tourism activities which contributes to family's budget.

Background on the dairy sector

In 2004, milk production amounted to 243,947 tons in Lebanon; ¾ are cow milk. If the Bekaa region was traditionally a breeding region, the increase of head has made Akkar the main region for production. Between 1997 and 2004, the production in Akkar has increased by 33% as follows:

	Cows		Sheep		Goats	
	Exploitations	Nb of heads	Exploitations	Nb of heads	Exploitations	Nb of heads
Akkar	5333	15268	691	22987	594	26408
Lebanon	15451	75874	5245	378050	7166	435965
%	34.5	20.12	13.17	6.08	8.29	6.06

Source: Ministry of Agriculture, website, agricultural census in 1999

The average production per head (4250 L/year) is relatively low compared to international standards (6500-7000 L/year/head) for the same breed of cows (Holstein). This is due to a number of factors including (a) lack of support from the Ministry of Agriculture in terms of extension services, technical assistance, norms and procedures, hygiene and veterinary standards; (b) high transportation costs; (c) poor yields in terms of milk production (low producing local races, non adaptation to daily feeding rations, diseases, etc.); (d) lack of compliance with food safety standards; (e) lack of know-how of breeders in basic techniques of breeding and animal health; (f) lack of common storage facility, and the limited ability of breeders to invest in one which means that they need to sell their production in a very short delay even if the prices are very low; (g) foodstuff availability and prices; (h) lack of vaccination program; (i) weak reproduction management/ inaccessibility of artificial insemination due to factors of availability and the cost.

Around 85% of the produced cow milk is delivered directly to small cheese dairies for processing, and the majority of traditional processors accept the raw milk based on visual examination (color, odor, general aspect) without the use of any scientific tests. The milk is not controlled for any microbiological aspect or any chemical composition in order to optimize the production. As such, the actual quality of received milk does not allow mass production of cheese in any guaranteed quality of product, and will limit innovation of new products.

Official statistics (1997) indicate the presence of more than 228 small cheese processing units in Lebanon; experts indicate that the real number is around 500 small cheese processing units (of which only a third are officially registered). In North Lebanon the number of cheese processing units is estimated to 100 units, of which only a very small number treat more than 3T/day of milk through a specialist technician. These processing units confronted the similar constraints listed above, including absence of direct and formal relation with farmers; absence of milk quality monitoring; absence of cheese innovation capacities; absence of training for cheese processors and specialist technicians; poor equipment and low capacity of investment; poor capacity of negotiation with the big outlets due to the quality of the product; and problem of hygiene conditions inside the units.

Milk production represents one third of the dairy products consumption. Annual consumption of milk is estimation to 189/liters per capita which is a quite high level similar as other countries. The current estimated consumption of dairy products is estimated as follows:

processed cheeses	22%
non affinated cheeses	21%
Butter	20%
milk powder and concentrated milk	16%
affinated cheeses	11%
Labneh	4%
fermented milk	2%
milk	2%
Ice cream	1%

The total milk market in Lebanon amounted to 117.6 million litres in 2005, including packed liquid milk (White: 7.3 million litres, Flavoured: 3.3 million litres), powder milk (75.2 million litres), and loose milk (31.8 million litres). At 2.4 litres per capita, packed liquid milk consumption in Lebanon is very small compared to powder milk which is 16.7 litres per capita. Powder milk is dominates the milk market.

Project Strategy

- How do the proposed outputs and activities help solve these problems? How does the programme/project fit in with the national priorities? What would happen without the programme/project?

This project will be implemented in North Lebanon by UNDP and RMF. The activities of the project were designed to meet several needs, including improving quality of produce, increasing capacity of processing, and upgrading SMEs in dairy production. Planned activities target all phases of the process from the production to the marketing of final products in order to improve quality and disseminate good practices at all stages.

Breeding / milk channel
Target groups: Breeders Dairy units owners Members of coops and municipalities
Main activities: <ul style="list-style-type: none">- Conduct training on norms of housing in dairy farming, cows feeding, cows management and manipulation, cows reproduction, milk quality and mastitis problems targeting breeders- Conduct training on hygiene principles, production management, line of production per item, packaging, quality control, marketing- Rehabilitate, upgrade and construct 4 dairy units
Linkages: Two milk collection centers were established by IFAD in North Lebanon. They will ensure the proper storage of milk before its processing.
Transversal activity: enhance local development initiatives

The project will also be supported by the initiatives implemented at the national level for SME development, including technical assistance in terms of standards and norms, access to credits (Kafala program), and initiatives aimed at the creation of business incubators to promote start-ups and new businesses.

- What are the essential features of the programme/project's operating environment including the problems and opportunities provided by evolving social, political, institutional and economic context in Lebanon?

This program meets the priorities set by the government in a region where agriculture and agro food processing are major sectors, which could develop comparative advantages for some specific high quality produce and thus lead to economic development through job creation in SMEs. Agricultural regions such as the Akkar of North Lebanon are among the poorest region of Lebanon.

- What are the expected benefits?

The expected benefits are:

- Adoption of good practices by farmers and industrialists
- Increase in quality of raw materials and final products
- Increase in capacity of processing
- International standards and hygiene requirements are met by SMFs
- Upgrade and modernization of semi-industrial units
- Higher capacity to meet local and foreign demands for traditional products

- Who are the main beneficiaries, and how will they benefit? Are there other stakeholders who may gain or lose as a result of the programme/project? How will stakeholder participation be handled?

Direct beneficiaries include:

- Breeders trained: 500 who will benefit from extension services and on-site technical assistance as well as new opportunities of sales for their produce. This will lead to a reduction in their production costs, a higher quality of milk, higher yields and thus a higher purchase price of milk at farm. They should and thus generating more income.
- Breeders using equipment or upgraded facilities: 1200
- Small-scale industrialists trained: 30
- Workers in the dairy industry: 250
- Cooperatives of breeders (Akkar) trained: 7
- Municipalities' members trained: 60

The four first categories of beneficiaries benefit from an increase in income generated by their participation in the project's activities through the reduction of their cost of production, a higher capacity of production, a better quality of their produce and the implementation of the marketing strategy. The fifth category will benefit from a capacity building initiative.

Indirect beneficiaries include family of the direct beneficiaries who will benefit from the additional income and the basic services they could access (9,500). At the local level, there would be a spillover effect that will benefit to the entire local communities since additional income will be spent locally. The public at large will benefit from higher hygiene standards of both raw material and by-products.

Groups that might be against the project

Import agents might see demand for their products diminished as the local production increases both in quantity and quality and thus leading to a substitution effect.

- Are the needs of particularly vulnerable or marginalised groups addressed? How?

Farmers and breeders belong to the poorest fringes of the population. Social and economic indicators show that Akkar is one of the poorest regions in Lebanon. The war has increased poverty and precariousness since economic activities were stopped or slowed generating huge losses especially in agriculture. These populations who had no savings now face dire financial difficulties and cannot afford basic services. Moreover, foreign assistance immediately after the war focused on South Lebanon which was the region the most severely affected and thus in North Lebanon, the local economy did not benefit from the first recovery programs.

By strengthening SMEs, it would be possible to promote jobs creation. Unemployment rate can reach 25% for youth under 25. The program will have for objective to allow SMEs to develop their capacity and diversify their production and be able to be competitive on the local markets. By being able to hire new employees, the program will contribute to reduce the unemployment rate and reduce poverty in remote areas.

- Will the beneficiaries of the programme/project participate in its development and delivery? How?

The three categories of beneficiaries will participate in the implementation phase as their participation will be one of the key factors of success as far as training sessions and technical assistance are concerned. SMEs owners are directly involved in the *mise à niveau* process of their facilities, the technologies they use and the marketing strategies they might need to implement. One of the project components consists in enhancing the role of local stakeholders in the development process of their region, with a focus on governance.

- Will men and women benefit from the programme/project? How will any gender inequalities be handled?

There will be no distinction between men and women in this program. Technicians and engineers on the field will ensure that women can participate in proper conditions in all activities planned within the projects.

- Have environmental concerns been addressed including environmental impact/risk assessment where relevant?

The proposed activities do not have any environmental negative effects

- Are there specific issues in relation to the security situation? How will they be handled?

There are no specific issues in relation to the security situation

4. Management Arrangements

Give a brief description of programme/project implementation and monitoring arrangements to ensure the cost-effective and efficient attainment of the outputs identified in the logical framework, including:

The project will be implemented jointly by UNDP project in North Lebanon and RMF

5. Analysis of risks and assumptions

Key assumptions with regard to external factors that are outside programme/project control but nevertheless necessary to the achievement of programme/project outputs and purpose should be stated in the log frame.

Main risks

- Political instability both at international and local level
- Economic stability, no inflation crisis

ANNEX 4- Project Budget and Workplan

See Appendix C for recommended format.

CATEGORY	ITEM	UNIT COST	NUMBER OF UNITS	TOTAL COSTS (US\$)	
1. Personnel	project director	2,320.00	month/person	18 month/person	41,760
	accountant	987.00	month/person	18 month/person	17,766
	secretary	370.50	month/person	18 month/person	6,669
	Production manager	1,451.00	month/person	12 month/person	17,412
	Animal Production manager	1,235.00	month/person	12 month/person	14,820
	Technician for maintenance	864.50	month/person	12 month/person	10,374
2. Training	training - farm level	250	day	52 days	13,000
	training - processing units	150	day	112 days	16,800
	technical committee meetings				4,800
3. Transport	in country travel				9,579
4. Equipment	Upgrade dairy unit in Medjlaja	700,000			700,000
	Upgrade 3 dairy units	25,000			75,000
	Stationery	1,800			1,800
5. Travel					0
6. Miscellaneous	reporting cost and audit				4,800
7. Agency Management Support					65,420
TOTAL					1,000,000

954,580
 +7%
 = ok!

WORK PLAN - RECOVERY PROGRAM IN BREEDING AND DAIRY SECTORS (NORTH LEBANON)

ACTIVITIES	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1.1.1 Implementation of a training program addressing specific needs of coops, associations and municipalities																		
2.1.1 Establishment of the technical committee																		
2.1.2 Provision of technical assistance																		
2.1.3 Monitoring of the program																		
2.1.4 Evaluation and recommendations																		
3.1.1 Implementation of 52 intensive one-day session (cows housing, feeding, veterinary care, etc)																		
3.1.2 Technical assistance																		
3.1.3 Provision of storage facilities																		
4.1.1 Organization of meetings with the various stakeholders																		
4.1.2 Visits on sites for breeders (milk collect centers, coops specialized in storage production, lab and dairy units)																		
5.1.1 Rehabilitation, construction, update and equipment of dairy units																		
5.1.2 Implementation of 112 intensive one-day sessions																		
5.1.3 Technical assistance																		
5.2.2 R & D to develop new products																		
5.2.3 Collect of old recipes, design of HACCP processes for these old cheeses and processing																		

PRELIMINARY STANDARD PROGRESS REPORT OUTLINE *

Reporting UN Participating Organisation:
Country: Lebanon

Programme/Project No. and Programme/Project Title:
Reporting Period:

I. PURPOSE

This section is a résumé of the Programme/project as approved in programme/project submission to the LRF Steering Committee. It includes:

- Main objectives and outcomes expected as per approved Project/Programme/project Document.
- Reference to how the programme/project relates to the national priorities and how it aims to support national reconstruction goals of Lebanon.
- A listing of the main international and national implementing partners involved.

II. RESOURCES

This section includes total approved budget and summary of resources available to the programme/project from LRF and non-LRF resources, identifying earmarking if applicable.

III. RESULTS

Information in this section includes:

- An assessment of the extent to which the programme/project component/programme/project is progressing in relation to the outcomes and outputs expected for the year.
- Main activities undertaken and achievements.
- Implementation constraints, lessons learned from addressing these and knowledge gained from evaluations and studies that have taken place during the reporting period.
- Key partnerships and inter-agency collaboration: impact on results.
- Other highlights and cross cutting issues pertinent to the results being reported on.

IV. FUTURE WORK PLAN

Information in this section includes:

- Priority actions planned for the subsequent reporting period to overcome constraints, build on achievements and partnerships, and use the lessons learned during the previous period.
- Indication of major adjustments in the strategies, targets or key outcomes and outputs.
- Estimated Budget required (including any major funding shortfalls).