



**LEBANON RECOVERY FUND
PROJECT DOCUMENT COVER SHEET**

Participating UN Organisation: UNIDO	Sector: Industry and Agriculture
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Programme/Project Title: Support for livelihoods and economic recovery in war-affected areas of Lebanon Programme/Project Number: XX/LEB/XX	Programme/Project Location: Southern Lebanon Southern Suburb of Beirut, and Bequaa valley
Programme/Project Description: Empowering the war-affected communities through the integration of humanitarian and development assistance and the rehabilitation /revitalization of the productive capacities of the country. The focus is on livelihoods recovery and the rehabilitation of selected agro-processing enterprises.	Total Programme/Project Cost: LRF: USD 3,000,000 Government Input: USD 250,000 (in-kind) Other (targeted enterprises): USD 500,000 (in-kind) Total: USD 3,750,000
	Programme/Project Duration: 2 years
Development Goal and Key Immediate Objectives: Support economic recovery and restore livelihoods in war-affected areas of Lebanon thereby generating employment and alleviate poverty in the country. In line with this objective, the project's interventions are the following: (i) Strategic support to the Ministry of Industry to monitor and implement the programme for the rehabilitation of the agro-industrial sector – Enhanced capacity within the Ministry of Industry to monitor and implement the planned rehabilitation programme and (ii) Provision of technical assistance and inputs for the rehabilitation of damaged agro-processing facilities, especially small- and medium enterprises both in rural and urban areas - A minimum of 75 to 100 agro-enterprises will be rehabilitated, directly generating an estimated 1.000 to 1.500 jobs.	
Outputs and Key Activities: The 18-month project will assist the Government of Lebanon in the process of rehabilitating selected agro-industrial enterprises (including food, beverage, textile, furniture making, etc.), enabling them to resume production and integrate the global market. It is expected that a minimum of 75 to 100 agro-enterprises will be rehabilitated, directly generating 1.000 to 1.500 jobs. Apart from the benefits of an increase in direct employment, the rehabilitation of the targeted agro-enterprises will have a multiplier effect in creating more jobs in food and non-food production as well as improving the quality of life of the rural population, increasing food supply, and contributing to poverty reduction. In parallel to the above-outcomes, it is expected that the project develop the required human resources for proper operation of the agro-processing equipment introduced; training workers and technicians in new technologies/processes, and making and assembling new products.	
Sector Review Date: _____ Sector Working Group Review Date: 12 April 2007 Steering Committee Approval Date: 8 May 2007	

On behalf of:
UNIDO

Chair, LRF SC

2. LOGICAL FRAMEWORK

Objectives	Measurable indicators	Means of verification	Important assumptions
<p>Development Objective: Support economic recovery and restore livelihoods in war-affected areas of Lebanon thereby generating employment and alleviate poverty in the country</p>	<ul style="list-style-type: none"> • Restored economic activities and diversification of economic/income generating activities • Increased food security in households 	<ul style="list-style-type: none"> • Government statistics • Mid-term review report • PSC reports • M&E reports • Gender Assessments 	<p>The security situation in the country improves or remains stable allowing project activities to be implemented as scheduled</p>
<p>Immediate Objectives:</p> <ol style="list-style-type: none"> 1. Strategic support to the Ministry of Industry to monitor and implement the programme for the rehabilitation of the agro-industrial sector. 2. Provision of technical assistance and inputs for the rehabilitation of damaged agro-processing facilities both in rural and urban areas. 	<ul style="list-style-type: none"> • Project is implemented efficiently and in accordance with the plan and timing. • A minimum of 75 to 100 agro-enterprises restored and operational • Number of jobs created 	<ul style="list-style-type: none"> • Project progress reports • Supervision reports • M&E reports • Books of enterprises • Training reports 	<p>Key-people in the institutional setup are competent and stable throughout the project period</p>
<p>Outputs:</p> <ol style="list-style-type: none"> 1.1 A comprehensive action-plan for the rehabilitation of directly affected agro-industries prepared and agreed upon by all stakeholders 2.1 A number of SME agro- enterprises rehabilitated in the South Lebanon and Southern Suburb of Beirut 	<ul style="list-style-type: none"> • Action-plan agreed upon by all stakeholders • 75 to 100 SME's rehabilitated and made operational • Number of jobs generated • Financial turnover of rehabilitated enterprises 	<ul style="list-style-type: none"> • Action-plan report • Minutes of PSC meetings • Project M&E reports • Project technical reports • Minutes of PSC meetings • Books of enterprises 	<p>Key-people in the institutional setup are competent and stable throughout the project period</p> <p>Beneficiaries take full advantage of the capacity-building/technology inputs</p>

Activities	Inputs	Means of verification	Important assumptions
<p>Output 1:</p> <p>1.1 Finalize the tech. and environmental assessment of the agro-industrial sector in war-affected areas, including sectoral support services</p> <p>1.2 Assess the needs to strengthen institutional support: skill development needs that are necessary to provide effective services for the rehabilitation work</p> <p>1.3 Prepare comprehensive proposals for the rehabilitation of affected enterprises: interventions, plants layout, tech. specif. and adequate budgetary details.</p> <p>1.4 Conduct participatory workshops with all stakeholders to present the proposals and select priority enterprises to be rehabilitated based</p> <p>1.5 Establish a PSC involving the main counterparts to oversee the project activities and advise</p> <p>1.6 Provide required training for nationals to supervise and advise on the rehabilitation work</p> <p>1.7 Prepare a work plan for the rehabilitation work</p> <p>1.8 Assist the Ministry of Industry to implement policy decisions leading towards effective post war rehabilitation of the agro-industrial sector</p>	<p>Through the <u>UNDG</u>:</p> <p>Item</p> <p>1. Personnel: Project staff, National and International consultants 575,800</p> <p>2. Contracts: Specialized engineering companies/institutions, professional services, etc 500,000</p> <p>3. Training 230,000</p> <p>4. Transport 25,000</p> <p>5. Supplies & Commodities 30,000</p> <p>6. Equipment 1,342,938</p> <p>7. Travel 50,000</p> <p>8. Miscellaneous 50,000</p> <p>Project sub-total 2,803,738</p> <p>Agency support cost, 7% 196,262</p> <p>Project Budget Total UNDG-ITF 3,000,000</p>	<p>Financial reports</p>	<p>The security situation in the country improves or remains stable allowing project activities to be implemented as scheduled</p>
<p>Output 2:</p> <p>2.1 Confirm planned interventions with each selected enterprises</p> <p>2.2 Final contract negotiations and legal and financial arrangements for the work to be conducted and the equipment to be installed.</p> <p>2.3 Finalize engineering designs, technical specifications and procure equipments/spare parts</p> <p>2.4 Remedial works/new construction at site</p> <p>2.5 Repair unserviceable equipments and install and commission new machines/ production lines</p> <p>2.6 Plan and conduct employee training for unfamiliar machinery and new product production</p> <p>2.7 Provide assistance for the dev. of business plan; management and supervisory staff training</p> <p>2.8 Provide TA to agro-enterprises, including GMP, linkage to markets, research, finance, etc.</p> <p>2.9 Monitoring, evaluation and corrective measures</p>	<p>Through the <u>Government and beneficiaries</u>:</p> <p>It is envisaged and in kind contribution constituted by the provision of buildings for the project, storage of equipment and training facilities; and personnel to be released for the project activities and training.</p>		

3. PROGRAMME/PROJECT JUSTIFICATION

3.1 Background

The recent war in Lebanon has led to tremendous destruction of the country, including livelihoods and basic infrastructure (bridges, airports, ports, water and sewage treatment plants, electrical facilities, etc.), housing sector, manufacturing industry, fisheries, tourism, environment, etc. Most areas of the country were affected including: Southern suburb of Beirut, Southern Lebanon, Southern coast of Lebanon, Akkar in North, Western Bekaa, Hermel and Baalbeck in East Bekaa (see Annex 1: Most affected areas by the war and project sites). An estimated number of 900,000 people were displaced – a quarter of the Lebanese population.

The Lebanese government estimates that 31 "vital points" have been completely or partially destroyed, as have around 80 bridges and 94 roads. More than 25 fuel stations and around 900 commercial enterprises were hit. The destruction has weakened virtually all sectors of the country's economy, from small scale farming, to transportation and tourism, directly affecting the livelihoods of hundreds of thousands of Lebanese citizens. Furthermore, beyond the direct losses and immediate impact on employment and revenue generation capacity, the indirect and long-term shocks, and the monetary and fiscal implications, will resonate for years to come.

The destruction of warehouses storing agricultural inputs, and agro-processing plants in Lebanon, together with the significant damages to power supply and communication infrastructure have negatively affected not only the agro-industrial sector, but a large segment of the society. This includes employees that have been deported or expelled, the farmers and the fishermen as suppliers and their families.

It is estimated that 30 to 40% of rural households rely fully or partially on agriculture for their livelihoods. Also, most rural women are involved in agriculture (subsistence crops) and agro-processing activities (diary products and food preserves). At present, the capacity of a large number of these households to resume production is hampered due to problem of access to agricultural inputs, non-availability of spare parts, disturbed support services, etc.

The once developing domestic agro-industries is totally disrupted (either destroyed or out of order), thereby increasing dependency on costly imported food. Direct damages were made to agro-infrastructure such fruit and vegetables processing units, oil presses, dairy plants, confectionery, beverages, cold storage facilities, fishing infrastructure and transport equipment. A broad summary of damaged agro-processing plants is provided below¹.

<i>Size of Industry</i>	<i>Nbre of employees</i>	<i>Nbre of damaged industries</i>	<i>% of total damaged</i>	<i>% of food establishments</i>
<i>Large</i>	> 50	17	11.9	27.2
<i>Medium</i>	10-50	89	62.6	20.8
<i>Small</i>	< 10	42	29.6	13.6

While currently Lebanon is not facing any widespread malnutrition, the food security situation continues to be a major concern. Presently, processed milk is difficult to find in some regions. This applies to other food and non-food products. This reduced food production capacity of the country,

¹ Data in this table are based on the assessment of the post-war prevailing situation of the agro-food sector in Lebanon conducted by UNIDO and information from the Ministry of economy, the Syndicate of Lebanese Food Technologists and the Chambers of Commerce in Beirut, Zahlé and Saida. The table includes both food and non-food industries.

associated with unemployment and erosion of coping mechanisms, is putting vulnerable sectors of the population into serious difficulties, especially in the southern regions and the southern suburb of Beirut, which were severely affected by the air strikes. This compelled the Government of Lebanon to request from UNIDO the provision of technical assistance as well as investment and technology support services with particular focus on:

- Restoring the livelihood for the affected rural population.
- The rehabilitation of the agro-industrial sector, especially Micro-, Small- and Medium Enterprises (MSME's).

This project proposal is taking into consideration the assessments and the early recovery needed agreed upon by the Government of Lebanon and its partners, the UNCT and non-governmental organizations. It is an integral part of the Government outline strategy presented at the Stockholm Conference in August 2006 – “*Setting the stage for long-term reconstruction: The national early recovery process*”. The main objective of this strategy is to establish the critical elements for the country to resume its progress towards sustainable growth and development. It seeks particularly to:

- (i) Provide the conditions for the return of the displaced, including temporary shelter and safety from the immediate threat of unexploded ordnances.
- (ii) Restore minimum capacity in terms of infrastructure, access to basic social services and income generating activities, pending full reconstruction.

In line with the Government request and UNIDO's mandate, the present project is focusing on priority (ii) and will play a key role in empowering the war-affected communities through the integration of humanitarian and development assistance and the rehabilitation /revitalization of the productive capacities of the country.

3.2 Reasons for UNIDO technical assistance

Following the war, the government of Lebanon sought the assistance of the UN system in helping in the reconstruction of destroyed infrastructure, economic recovery and resettlement of displaced persons. UNIDO, in line with its mandate focusing on promoting sustainable industrial development, has responded positively to this requested and is working actively within the UNCT. It co-chairs the Sectoral Working Group (SWG) on Industry and contributes to the SWG on agriculture and the inter-sectoral thematic on economic recovery.

UNIDO's has extensive experience in the country through its Integrated Programme “*Enhancing the competitiveness of the Lebanese industry and its integration in the global market*”. It has also worldwide experience in post-crises projects implementation, for instance, in Iraq, Sudan, Afghanistan, Indonesia, etc. In these projects, the organization has consistently shown that it can provide effective means and realistic prospects for the rehabilitation of destroyed agro-industrial infrastructure, employment creation, improvement of household income levels, and poverty reduction.

UNIDO participated in the Stockholm Conference for Lebanon's early recovery. In line with the priorities highlighted in this conference, UNIDO financed a preparatory assistance under the Project XP/LEB/06/004 – Assessment of the current situation for the preparation of the recovery programme in Lebanon.

3.3 Project approach

Based on UNIDO's appreciation of the Needs Assessment and consultations undertaken with the national counterparts (both public and private sectors) and development partners, there are immediate problems which must be addressed to restore livelihoods and to rehabilitate the productive capacities both in rural and urban areas. These are of capacity building type services as well as technological know-how and investment support programmes.

For the rehabilitation to be effective, the project will adopt a concerted approach that draws on domestic resources, international assistance and private sector resources. An international donor working in partnership with UNIDO will provide the financial resources to acquire essential inputs and provide for the necessary technical assistance. Domestic resources will be utilized through the Ministry of Industry and the Ministry of Agriculture who will offer support and guidance on Lebanon's manufacturing environment and rural development issues, with particular help on policy interpretation, marketing statistics and the clarification of relevant legislation. The companies themselves, part of the private sector, will provide the skilled labour force and use generated cash flows to invest in new products, develop the market and respond to its needs, etc.

Within this context, the project strategy will entail the following integrated interventions:

- At the Government level: Provide technical and advisory services necessary for the technical assessment of agro-industrial damage. In cooperation with the Line Ministry and the private sector, the project will complete the Government of Lebanon and UNCT Joint Needs Assessment by conducting an in-depth analysis of the damages to the physical infrastructure related to the agro-industrial sector, (including, support services and supply side for tools and agro-machinery). This initial phase will provide detailed quantitative data of the existing situation, the rehabilitation needs, the absorptive capacity, and the required interventions in as detailed, quantitative and sequential process as feasible. Also, the capacity of the Ministry of Industry will be build to monitor and implement the rehabilitation programme.
- At the enterprise level: Based on the findings of the UNIDO assessment of the Post-war prevailing situation of the agro-industrial sector in the country², specific activities will be developed in view of providing assistance for the rehabilitation of: (i) damaged food-processing units vital for the food supply; and (ii) damaged agro-industrial units essential to contribute basic inputs to the whole communities in general (metal, wood, textile and others). In order to foster the sustained growth of targeted units, the link to the markets will be the major feature of the project interventions. It is worth noting that the private sector determination to succeed in a market economy can be considered the real driving force behind the project, which should be viewed as springboard to foster and release the targeted private sector's entrepreneurial skills.

In all planned interventions, the project strategy will address the key problem of communities and enterprises empowerment. This will be sought through the target groups' high-level participation in all stages of the project - from participatory planning through participatory decision-making and implementation and finally to participatory monitoring and evaluation. Indeed, while technology transfer and skills training are essential components of the project, these can only be effective and sustainable in the context of an approach which directly addresses community/enterprises priorities and facilitates the beneficiaries' active and continuous participation – not just contribution.

² Report dated November 2006 and prepared under the Project: US/LEB/04/159

Furthermore, the project strategy will seek to promote gender equality through the association of women in all aspects of the project programme.

Also, each intervention will be constantly reviewed and monitored in line with the country's political, economic and social development and refined, if and when necessary, to address the most updated needs for the reconstruction and economic recovery of Lebanon.

In view of not duplicating rehabilitation/development efforts, complementarily will be sought from the various programmes of the government and other agencies to be implemented in the country. Cooperation will be sought with FAO in selected interventions of the project targeting rural livelihood recovery (dairy and food processing), and those related to entrepreneurship development and mentoring of business associations (ILO).

3.4 Targeted beneficiaries and project sites

The programme is expected to benefit three categories of beneficiaries. These are the following:

- The services from the public sector (Ministry of Industry and other national bodies) which will gain from the capacity building component of the programme and the assistance in technical and coordination support for the rehabilitation of damaged agro-infrastructure and livelihoods.
- The agro-based industries (micro-, small-, and medium enterprises) which would benefit from the training and technology upgrading aspects of the programme. An expected number of 75 to 100 enterprises will be targeted – generating an estimated 1.000 to 1.500 jobs. Particular attention will be given to micro- and small-scale agro-enterprises.

The project will target the main war-affected areas situated in Southern Lebanon and Southern Suburb of Beirut (see map provided in Annex 1).

3.5 Expected outcomes

The 24-month project will assist the Government of Lebanon in the process of rehabilitating selected agro-industrial enterprises, enabling them to resume production and integrate the global market. Each company will benefit from a business and marketing plan drawn up to meet its particular circumstances and enhancing its competitiveness. It is expected that a minimum of 75 to 100 agro-enterprises will be rehabilitated, directly generating 1.000 to 1.500 jobs.

Apart from the benefits of an increase in direct employment, the rehabilitation of the targeted agro-enterprises will have a multiplier effect in creating more jobs in food and non-food production as well as improving the quality of life of the rural population, increasing food supply, and contributing to poverty reduction.

In parallel to the above-outcomes, it is expected that the project develop the required human resources for proper operation of the agro-processing equipment introduced; training workers and technicians in new technologies/processes, making and assembling new products.

3.6 Contribution towards the attainment of the MDGs

The project will have a direct contribution to the attainment of the MDG's in the country. The Goals that will be focused on are:

- Goal 1 *“Eradicate extreme poverty and hunger” through its activities promoting income-generating activities and employment”*.

- Goal 3 “*Promote gender equality and empower women*” through the association of women in all project activities and decision-making”.

The project will also indirectly contribute to other Goals (2, 4, 5 and 7) through its capacity building/training interventions, improvement of the food security situation/nutrition and health issues, and promotion of environmentally friendly processing technologies.

3.7 Timeline of the activities

The project will be implemented over a period of 18 months. An indicative work plan for the project in chart form is appended in Annex 2. This work plan will be revised at the start of the project based on planned participatory workshops to be conducted with stakeholders.

4. MANAGEMENT ARRANGEMENTS

4.1 Implementation modalities

The project will be implemented in line with existing institutional framework with the Ministry of Industry as the main national counterpart. UNIDO will have the overall responsibility for the appropriate use of the donor funds. In accordance with its administrative rules and regulations, the agency will take responsibility for decisions regarding staff recruitment, contractual agreements, technical assistance, backstopping and project supervision, procurement, monitoring and reporting.

In consultation with the Ministry of Industry, the project will set-up a Project Management Unit (PMU) which will be responsible for the day-to-day implementation and coordination activities. The PMU will be based within UNIDO premises in Beirut. The organizational and operational structure of the PMU will be designed to ensure that the project management team has the autonomy and the capacity to effectively conduct its day-to-day operations and/or to make any amendments necessary to the project's action/activity plans so as to ensure that consistent progress is made during the project implementation phase.

A Chief Technical Adviser (CTA) will be recruited by UNIDO to head the PMU. He/She will be responsible for the technical aspects of the project and the coordination of its activities in line with the counterparts' priorities and ensuring proper cooperation with other on-going programme. He/She will be assisted by a National Project coordinator (NPC) and Field Project Assistants (FPA), also to be recruited by the project. The NPC and FPAs will assist the CTA in the daily field operations supervision, ensuring that all contract obligations are met in the different project sites, follow-up on each project component progress and make the necessary contacts and efforts to ensure implementation meets the project's target.

UNIDO technical staff will be responsible for assessing the needs, including spare parts, plants re-engineering, appropriate agro-based industries to be developed, training needs, etc. These assessments will include detailed technical specifications to be used for tendering and procurement. Both local and international sources will be considered, taking into account specification, quality and price. Also, when necessity arises, sub-contracting will be sought for specific interventions following UNIDO's administrative rules and procedures regarding the acquisition of services.

In partnership with relevant governmental authorities, UNIDO technical staff will overlook distribution of the supplied spare part and technologies, examine the operational efficiencies of rehabilitated plants and make further recommendations for corrective measure as required.

Also, given the nature and complexity of such programme in managing activities that involve a number of different stakeholders (government ministries, local government bodies, entrepreneurs, rural communities and others) and the need to expand cooperation amongst them – a Project Steering Committee (PSC) will be constituted. The main functions and responsibilities of the PSC will be to:

- Advise the project on strategic directions/decisions and support activities to be provided.
- Set criteria for and agree on the selection of the enterprises to be rehabilitated.
- Ensure the effective cooperation between all key stakeholders.
- Advise on the effectiveness of the ongoing activities, including any adjustments that need to be made to the annual work plan.

Members of the PSC will be constituted from the main stakeholders, including representatives from the Ministry of industry, the Ministry of Agriculture and Fisheries, the private sector represented by the Food Association, the Association of Lebanese Industrialists (ALI), the Chambers of Commerce, the Civil society represented by the Consumers association and the leaders of the rural communities.

The programme will enhance trust, inter-organizational co-ordination and cooperation through the use of stakeholders' workshops and PSC meetings. It will also seek to build on existing co-ordination initiatives aimed at strengthening economic recovery in the region. This framework will support the involvement of all relevant stakeholders and will help to ensure national ownership and sustainability of the project.

4.2 Monitoring and evaluation

The project will be subject to monitoring, review, reporting and evaluation processes in line with the prevailing UNIDO policies and procedures. In particular,

- The CTA will prepare regular fourth-month progress reports on project activities detailing progress achieved in terms of the scheduled programme of work, the problems and constraints emerging over the period, and recommendations for correcting them. In addition, a detailed work plan will be prepared identifying activities to be implemented for the following six-month period. Each report will be sent to the donor, with copies being sent to the national counterparts for their information, review, and recommendations for any appropriate action that needs to be taken.
- As part of the standard monitoring activities of the organization, UNIDO technical staff and Project consultants will make field visits to the project sites and prepare technical reports detailing the project's progress, achievements/findings, and lessons learned. These field reports will be made available, upon request, to the donor as well as to other collaborating projects and partners.
- During the last two months of the project, the CTA shall prepare and submit to the counterparts and to the donor an end of project report for review and approval. This 'terminal' report will assess, in a concise manner, the extent to which the project's scheduled activities have been carried-out, the outputs produced, and the progress made towards achieving the immediate, medium, and the expected longer term development objectives of the project. It will also make recommendations for any future follow-up actions that may help to support the sustainability of the project.
- In addition, the beneficiaries themselves will be involved in the monitoring of the project.

Meetings of the PSC will also be held once every four months. PSC meetings will involve the participation of the Government and UNIDO representatives. A self-evaluation report, showing the progress of the programme for that four months period will be prepared and distributed two weeks ahead of each meeting.

Also, the project shall be subject to a mid-term evaluation after the actual project start date. The PSC meetings and the mid-term evaluation will analyze the results of the project and may recommend any complementary measures required to improve project performance and the achievement of the project's expected objectives. The project will be also subject to an- independent evaluation at its end.

Monitoring of project activities will include data collection and analysis, gathering of baseline information, and the preparation of 'programme of work' and budget expenditures assessments. Special attention would be given to the participation of the beneficiaries in the monitoring and evaluation process. Monitoring modalities will be agreed upon by the PMU and experts who will be dispatched during the first month of the project. These measures will be key management tools so as to ensure the effective and efficient implementation of the project.

5. ANALYSIS OF RISKS AND ASSUMPTIONS

5.1 Sustainability

This project is design to support the economic recovery of war-affected areas of Lebanon. A major focus is on the empowerment of the private agro-industrial sector and rural communities in these areas. Their determination to rehabilitate their enterprises, restore their livelihoods and succeed in a market economy can be considered the real driving force behind the project and the sustainability of its planned activities.

The project adopts a holistic and participatory approach at all stages, involving all stakeholders at various levels, from planning, to implementation and monitoring of activities. Therefore, the project will be part and parcel of their current and planned activities, including, selection of technologies, design of products, marketing issues, etc., thereby improving the project sustainability.

As part of the implementation, a number of capacity building and strengthening activities will be undertaken (human resources and infrastructure). These will ensure the continuation of the project activities after its completion.

The alignment of the project with country strategies and action plans regarding post-war plans ensures the commitment of the Government and other stakeholders to supporting and sustaining the planned activities.

5.2 Risks

The greatest risk would be that the political and security situation in the country deteriorate, thereby impacting negatively the project implementation. However, the Government and the international community are taking all deemed steps to help consolidate the peace process and promote economic development in the country.

Apart from the political and security situation, no other critical factors are foreseen to negatively impact the project since the project was developed in close consultation with the authorities and development partners. Furthermore, representatives of beneficiaries will be involved in all decision-making processes at each stage of the implementation. These measures will minimize project risk and help to enhance ownership, trust, and sustainability.

6. PRIOR OBLIGATIONS AND PRE-REQUISITE

Before the start of the project, the national counterparts will be expected to provide a contribution including the necessary building for the project office and storage. They are also expected to make necessary budgetary provisions for: (i) selected national staff to participate in the project's activities and in-service or other training programs; and (ii) ensuring the maintenance of the equipment to be provided by the project.

7. LEGAL CONTEXT

The proposed project will be implemented in line with the Standard Basic Co-operation Agreement concluded between UNIDO and the Government of Lebanon.

8. THE PROGRAMME/PROJECT BUDGET

The programme budget is summarized in the tables below (per category of expenditure and per output). A detailed breakdown of these costs is provided in Annex 3.

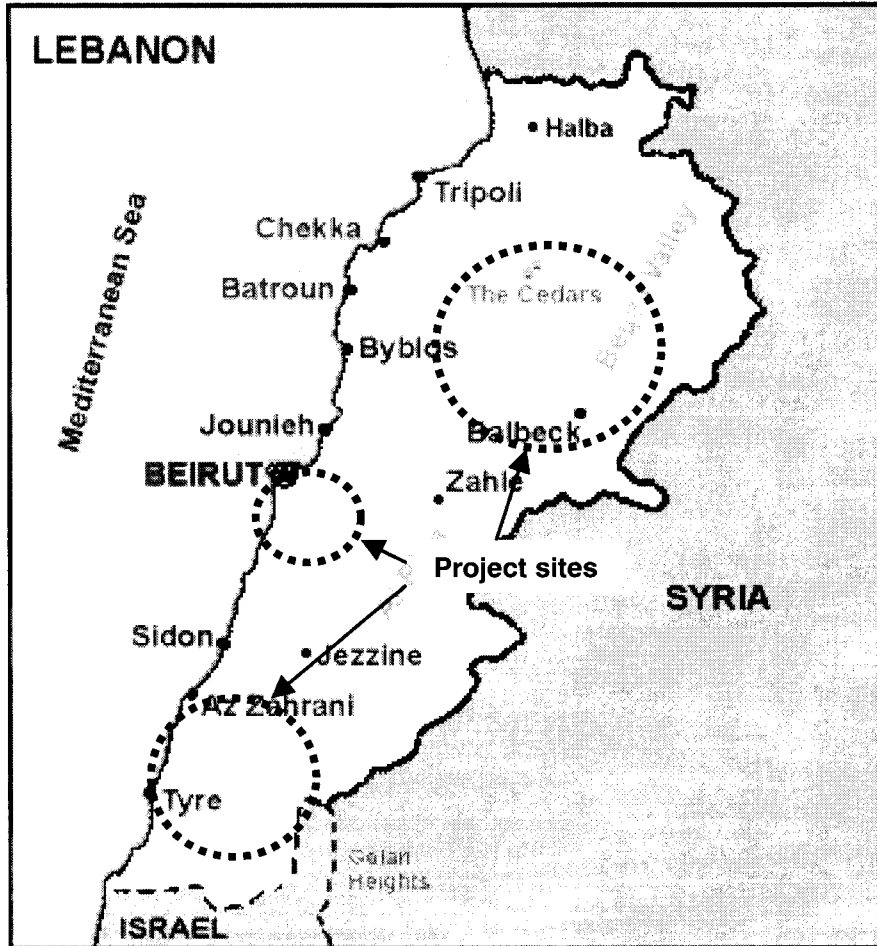
Table 1: Project budget per category of expenditure

CATEGORY	ITEM	UNIT COST	NUMBER OF UNITS	TOTAL USD	TOTAL COST USD
1. Personnel	• National Project Personnel		36	28,800	575,800
	• International expertise	12,000	22	264,000	
	• National expertise	2,500	78	195,000	
	• UNIDO HQ technical expertise	11,000	8	88,000	
2. Contracts	• Civil engineering/rehabilitation work			350,000	500,000
	• Refurbishing/new construction for food processing units			150,000	
3. Training	• Participatory workshops			30,000	230,000
	• In-service training			120,000	
	• Studytour for private sector partnership development and marketing of products			80,000	
4. Transport					25,000
5. Supplies + commodities					30,000
6. Equipment	• Food processing equipment			600,000	1,342,938
	• Metal/wood/mechanics workshops			300,000	
	• Textile/garment making equipment			400,000	
	• Other (vehicle, IT's, etc.)			42,938	
7. Travel					50,000
8. Miscellaneous					50,000
Project sub-total			163		2,803,738
Agency support cost, 7%					196,262
Project Budget Total UNDG-ITF					3,000,000

Table 2. Project budget per output

No	DESCRIPTION OF OUTPUT	USD
1	A comprehensive action-plan for the rehabilitation of directly affected agro-industries prepared and agreed upon by all stakeholders	225,000
2	A number of SME agro-processing enterprises rehabilitated in the South Lebanon and Southern Suburb of Beirut	2,245,938
	Project management	332,800
Project budget excluding administrative support cost		2,803,738
Administrative support cost, 7%		196,262
Project Total Cost		3,000,000

Annex 1: Most affected areas by the war and project sites



Annex 2: Project indicative work plan

Output/Activity	Year 1				Year 2	
	1	2	3	4	1	2
1. A comprehensive action-plan for the rehabilitation of directly affected agro-industries prepared and agreed upon by all stakeholders						
1.1 Finalize the technical and environmental assessment of the agro-industrial sector in war-affected areas, including the sectoral support services						
1.2 Assess the needs to strengthen institutional support: skill development needs that are necessary to provide effective services for the rehabilitation work						
1.3 Prepare comprehensive proposals for the rehabilitation of affected enterprises: interventions, plants layout, tech. specif. and adequate budgetary details.						
1.4 Conduct participatory workshops with all stakeholders to present the proposals and select priority enterprises to be rehabilitated based on well-defined criteria						
1.5 Establish a PSC involving the main counterparts to oversee the project activities and advise						
1.6 Provide required training for nationals to supervise and advise on the rehabilitation work						
1.7 Prepare a work plan for the rehabilitation work						
1.8 Assist the Ministry of Industry to implement policy decisions leading towards effective post war rehabilitation of the agro-industrial sector.						
2. A number of SME agro-processing enterprises rehabilitated in the South Lebanon and Southern Suburb of Beirut – 150 enterprises targeted generating directly 1,500 jobs.						
2.1 Confirm planned interventions with each selected enterprises						
2.2 Final contract negotiations and legal and financial arrangements for the work to be conducted and the equipment to be installed.						
2.3 Finalize engineering designs, technical specifications and procure equipments/spare parts						
2.4 Remedial works/new construction at site						
2.5 Repair unserviceable equipments and install and commission new machines/ production lines						
2.6 Plan and conduct employee training for unfamiliar machinery and new product production						
2.7 Provide assistance for the development of business plan; management and supervisory staff training						
2.8 Provide technical assistance to targeted agro-enterprises, including GMP, linkage to markets, research, finance, etc.						
2.9 Monitoring, evaluation and corrective measures						

Annex 3: Detailed breakdown budget per output

Output 1: A comprehensive action-plan for the rehabilitation of directly affected agro-industries prepared and agreed upon by all stakeholders				
<i>Bud. line</i>	<i>Description</i>	<i>Monthly Cost (US\$)</i>	<i>w/m</i>	<i>Total US\$</i>
11-50	Short-term international experts: <ul style="list-style-type: none"> • Agro-economist • Industrial engineer • Evaluation 	12,000 12,000 12,000	1 2 1	48,000
11-01	UNIDO technical expertise	11,000	2	22,000
17-50	Short-term national experts: <ul style="list-style-type: none"> • Food sciences • Rural/community development • Mechanical engineer • Business management • Marketing 	2,500	12	30,000
33-00	In-service training: <ul style="list-style-type: none"> • Participatory workshops: Awareness and consensus building 			30,000
32-00	ToT programme on management of post-crisis situations			30,000
45-00	Equipments <ul style="list-style-type: none"> • Project vehicle • Office equipments (IT, etc) 			30,000 30,000
51-00	Miscellaneous items			5,000
Sub-Total 1			18	225,000

Output 2: A number of SME agro-processing enterprises rehabilitated in the South Lebanon and Southern Suburb of Beirut – 100 enterprises targeted generating directly 1,500 jobs.				
<i>Bud. line</i>	<i>Description</i>	<i>Monthly Cost (US\$)</i>	<i>w/m</i>	<i>Total US\$</i>
11-50	Short-term international experts: <ul style="list-style-type: none"> • Food engineer • Industrial engineer • Evaluation 	12,000 12,000 12,000	2 3 1	72,000
11-02	UNIDO technical expertise	11,000	6	66,000
17-50	Short-term national experts: <ul style="list-style-type: none"> • Food sciences • Mechanical engineer • Business management • Marketing 	2,500	30	75,000
21-00	Local sub-contracts: <ul style="list-style-type: none"> • Civil engineering rehabilitation work • Electrical work • Other 			500,000
33-00	In-service training - Cost of the course and incentives for the participants: <ul style="list-style-type: none"> • Woodwork • Metalwork • Mechanics • Welding • Food-processing • Textile/garment making 			120,000
32-00	Study-tour for private sector partnership development and marketing of products			50,000
45-00	Equipments: <ul style="list-style-type: none"> • Food processing equipments • Metal/wood/mechanics workshop equipments • Textile/garment making equipment 			500,000 412,938 400,000
51-00	Miscellaneous items			50,000
Sub-Total 2			36	2,245,938

4. Project management				
Bud. line	Description	Monthly Cost (US\$)	w/m	Total US\$
11-00	Chief Technical Adviser (split missions)	12,000	12	144,000
13-00	Local administrative support:			
	• Executive secretary	1,000	18	18,000
	• 1 driver	600	18	10,800
15-00	Project travels			30,000
16-00	UNIDO HQ staff			
	• Technical supervision			15,000
	• Evaluation			5,000
17-00	National Project Coordination:			
	• National project coordinator	3,000	18	54,000
	• National field assistant	2,000	18	36,000
51-00	Miscellaneous: office supplies, telephone, printing, publicity material, vehicle maintenance, etc.			20,000
Sub-Total 4			84	332,800
Sub-Total (1+2+3+4)				2,803,738
Administrative Support cost, 7%				196,262
Grand Total				3,000,000