



ACTED



**Faculty of Agricultural
and Food Sciences**

Environment and Sustainable
Development Unit | ESDU

Addressing immediate socio-economic impacts of COVID-19: Subsistence support for Host and Refugee Populations in Lebanon

Concept Note

ACTED in Lebanon
Eshmoun Building, 9th Floor,
Damascus Street, Beirut, Lebanon
Email: hart.ford@acted.org

PARIS HEADQUARTERS
33, rue Godot de Mauroy
F-75009 Paris
Phone +33 1 42 65 33 33
Fax +33 1 42 65 33 46
E-mail: gmu@acted.org
Website: www.acted.org

June 3rd, 2020

1. EMERGENCY DESCRIPTION

The ongoing health crisis has had and will continue having unprecedented implications not only on the health system in Lebanon but also on rising socio-economic challenges. The COVID-19 has led to country-wide confinement and closure of all non-essential businesses. This combined with an economic and financial crisis sweeping across the country since October 2019, has already begun to lead to significant economic security disruptions for the most vulnerable, exacerbating the stress from 9 years of refugee crisis. Even once the extraordinary mobilization measures are going to be entirely lifted, vulnerable populations will face increased and durable vulnerability due to income loss, long-term impacts on supply chains, threat of exposure and affected physical and psycho-social wellbeing. As COVID-19 outbreaks are expected to ebb and flow, and confinement measures likely to be continued to the certain extend, the socio-economic damage is expected to extend well into late 2020, and potentially beyond, highlighting the urgent need to immediately implement measures to contain the impact on vulnerable individuals and local subsistence systems. The data prior to COVID-19 outbreak (Feb 2020) already showed increased reports of the closure of small/medium enterprises, particularly in the hospitality sector - 810 food and beverages companies had shut down by January 2020 (Syndicate of owners of restaurants in Lebanon), and the unemployment rate had risen with an estimated loss of 220,000 jobs as of December 2019 (Infopro), including banks, shops and restaurants firing staff and/or reducing working hours or salaries. Significantly, as the MoI data from the beginning of May shows 30% of registered companies closed down in the country, and an additional 20% reduced their employees' salaries by half since the outbreak of COVID-19. Although the COVID-19 effect on the markets is still largely unknown, as this month's FAO analysis (FAO, COVID-19: Channels of transmission to food and agriculture, April 2020) points out, it will contract both supply and demand side, slowing down the agricultural production and food processing due to the lack of/limited access to inputs which are largely being imported in Lebanon. With fact that the major staples like wheat, sugar, rice are imported, the harsher food shortages are likely to peak in around 1-2 months from the general mobilization measures when the lack of cash dollars twinned with the shipments hold back will exhaust/severely disrupt the domestic stocks. From the consumer side, the existing situation is resulting in sharp increase in prices of goods - already observed in Lebanon prior to the health crisis – with a 6% inflation on food and beverages between October 2019 and January 2020. According to the Lebanese Consumer Protection Directorate, prices of fruits, vegetables, and other food have jumped around 58.43% since October 2019, which have been confirmed by the KIIs conducted by ACTED in March through local CSOs and municipalities across North, Akkar, South and BML. The government recent declarations on regulating the prices of fruits and vegetables, (with a guidance list of MoA over certain wholesale products) despite being directed at protecting consumers from speculations, are leaving producers/farmers in a vulnerable position faced with the rising import costs and disrupted supply-chains, not mitigated by the government support to help avoid supply interruptions. This might have in the coming season severe consequences on the food and agricultural system in country both for the consumers and producers going beyond challenges in immediate absorption of supply and demand shocks and soaring prices.

2. PROGRAMME SUMMARY AND OBJECTIVE

2.1 Subsistence and economic activity support to MSMEs and the productive sector

Using existing beneficiary data from previous projects¹ as well as ongoing UNDP funded Beqaa and South WEP programme, ACTED and AUB ESDU in line with the WHO/FAO guidance² propose to provide livelihood assets support as well as technical support and market linkages to **28 entities** (including MSMEs, small-holder farmers and cooperatives) and **590 direct beneficiaries** (as either MSME/cooperative members, farmers or laborers) to expand production and continue to produce food for the communities and generate income. The beneficiary breakdown is summarized in the Table I below.

Table I – beneficiary breakdown per the type of entity and support:

	Overall target (including in-kind support)	Number of labourers per entity on average (including unskilled CFW and CFT)	Number of skilled labour/supervisors (including skilled CFT and CFW)	Total of beneficiaries (including entities owners and labourers/supervisors without double-counting)
MSME	6	18 (3 per each MSME)	6 (supervisors receiving CFW and CFT support)	24
Cooperative	22	264 (12 per each cooperative)	22 (supervisors receiving CFW and CFT support)	286
Small to medium holder farmers	40	240 (6 in two cohorts (counting as 3 on average supporting one farmer at the same time))	40 (farmers themselves receiving CFT support)	280
TOTAL	68	522	68	590

Partners will target MSMEs/cooperatives working either in production of Personal Protective Equipment (PPE) materials to respond to or prevent market gaps in these products as demand is sustained throughout the crisis, as well as ensuring that farmers/cooperatives are able to sow agricultural inputs during the current season despite the crisis, making the harvest available for processing and consumption once the season ends and preventing disruption to the local food system. Based on the evolution of the Covid-19 crisis and the local economic situation, and based on market needs, the additional sectors of support to MSMEs beyond PPE production and the productive sector might include the retail sector, electricity and water sectors, and the home-based care sector. Preliminary assessments conducted by partners in April and May 2020 with the

¹ Such as the EU funded programme (2017-2020) targeting 53 food processing and producing cooperatives across North and South, the Dutch Government funded program (2017-2020) providing support to 77 MSMEs, ESDU's German Cooperation funded project through WFP (2018-2019) targeting 5 cooperatives and the upcoming WFP funded project targeting 30 coops/SMEs/start-ups (expected to start in June)

² WHO Guidance note on the role of Cash and Voucher Assistance (...) in the response to the COVID-19, April 2020.

cooperatives and small-holder farmers in North, West Beqaa and the South have shown that although many entities are able and willing to engage additional labour to expand/maintain their operations, one of the most significant challenges faced are increased costs of productions with the soaring prices of the production/processing materials (ex. prices of a dozens of jars went from 9,000 to 22,000LBP). Hence, when engaging additional cash for work would require the entity to purchase complementary assets/equipment or material scale up production or/and maintain current levels of production in light of the economic crisis, ACTED will lead on providing direct material support to the MSME (in-kind). Partners will aim at maximizing women participation as well as ensure inclusion of both Refugee and Host community, targeting at least 50% of Syrians and 50% of host community members. Partners will also aim at inclusion of at least 30% women/women-led entities with prioritizing women headed households/women-led businesses across target domains, as well as including at least 3% of People with Special Needs; however, the final ratio might differ given the operational context and willingness of targeted individuals/entities to engage in the programme. For the geographical targeting, partners will seek for complementariness with other projects to maximize the impact of the programme, notably prioritizing the communities and municipalities which are supported under WEP programme. This will include but will be not limited to: a) in Bekaa: **Rachaya, West and Central Bekaa** districts (including Rashaya, Kfarmechki, Kamed EL laouz, Machghara, Saghbine, Soultan Yaacoub, Anjar, Ferzoul municipalities); b) in the South: **Bent Jbeil, Nabatiyeh, Sour, Hasbaya and Saida** districts (including Ain Ebel, Debel, Hariss, Kfar dounine, Arab Salim, Abbasye, Bourj Rahal, Qana, Hasbaya, Sarafand municipalities).

2.1.1 Support for the economic subsistence/expanding production to 28 MSMEs and cooperatives

Beneficiary Selection: MSME/cooperatives. Partners will adjust targeting criteria for this activity, aiming at selecting project participants that respond to the following eligibility criteria: a) Priority for women and youth led MSMEs/Cooperatives; b) Have proven experience in the field of intervention; c) Committed to social responsibility; d) Their products respect specific standards (National Guidelines, WHO, food safety and others); e) Readiness to collaborate with other MSMEs/cooperative; f) Commitment to provide a minimum of 20% cost sharing cash or in-kind related to the project activities; g) Committed to apply the COVID-19 response protective guidelines when it comes to handling production lines (protecting workers and products produced). Additionally, MSMEs/cooperatives will be prioritized based on their willingness to engage in the labour intensive activities in line with the COVID-19 SOP guidelines; and on the potential for increase in production of the scarce/most essential goods. The vulnerability aspects such as significant loss/reduction of financial capacity due to the crisis will be also considered as a secondary prioritization factor. Partners will target entities engaged both in the production/processing as well agricultural services sector (such as nurseries, input supply stores, etc.) to scale up the investment to the whole value chain as an immediate response to the economic shocks and to build resilience of the primary production actors/services who are seeing sharp increase in the inputs costs.

Beneficiary Selection: Workers. Based on referrals from municipalities/CBOs in the locations mentioned above where ongoing projects are implemented, as well as through the referral system of UNHCR for the Syrian workers, and National Poverty Targeting Program (NPTP) for Lebanese workers, partners will identify the skilled and unskilled workers to take part in the labour intensive (CFW) component. Workers will be selected through a rapid socio-economic assessment that will collect information related to the current household income (not exceeding 394,000LBP per

month per capita) and multi-dimensional vulnerabilities. Acknowledging the specific challenges and constraints heightened by the health crisis for the employment opportunities for females, partners will seek to include at least 30% of females in the labour intensive component, using inter alia referrals and complementariness with the ongoing UNDP supported WEP project which target predominantly women. Contingent of the vulnerability scoring, the final selected beneficiaries might include individuals not involved in the targeted sectors before, nor working in the target entities before or former/current employees of the cooperatives/MSMEs to support continuity of production coupled with the capacity building.

2.1.1.1 Technical Assistance in preparation for labour intensive schemes

At the start of the project, partners will develop **implementation plans** jointly with each of the 28 supported entity, based on a quick assessment of each entity's capacities and technical/operational bottlenecks. Each plan will detail the type of activities foreseen for the increased agro-food and/or PPE production – highlighting the target number of jobs to be created or maintained. Plans will also include a seasonal timetable, the number of worker days per activity on monthly basis, the dunum/hectares to be covered, an overview of the planned capacity building and awareness raising activities, as well as maintenance and sustainability considerations.

Moreover, trainings to the laborers/members of each MSME/cooperatives will be provided via **cash for training** modality for a duration of 2 days (with livelihood working group recommended value of 30,000 LBP/20USD per day) provided before engaging them in the labour intensive activities. This will mainly be focused on safety and protection (such as: precaution measures in the current work environment of COVID-19, appropriate use of tools, awareness on sexual exploitation, decent work condition, etc). The training sessions will be provided either in person or through WhatsApp or other social media platform used by the target entities followed by one on one site visits. Finally, follow-up on cooperatives/MSMEs product development and quality control will be ensured by the programme team via field visits and spot-checks, to track the progress against the implementation plan, as well as assessing the potential impact of external and internal factors (such as weather, pricing, import etc.) that might arise during implementation of the works, and introducing any changes needed to address them.

2.1.1.2 Short term labor force support for sustaining/expand the production

After the technical trainings MSME/cooperatives will be provided with **CfW** for the period of 4 months for estimated 12 days a month (sector recommended value of 20USD-30,000LBP/person/day) for the daily laborers and 22USD-35,000LBP for the supervisors) to cover the costs of the labor required for sustaining/expanding the production of PPE/food supply/primary non-food products and will depend on the number of workers required for the entity to generate meaningful impact on production – it is expected that 310 individuals (both supervisors and labourers) will be targeted for this activity counting as on average 12 members/workers per cooperative and 3 laborers per MSME targeting in total 28 entities (estimated as 6 MSMEs and 22 cooperatives however the final division between type of entity might change and will be determined at the selection stage). Cash transfers will be led by ACTED and distributed through one of the Financial Service Providers (FSP) with which ACTED has an existing agreement (BOB, Liban Post, CSC – selection of the most well suited service provider will be done at project launch based on the current operational environment). The transfers Laborers will be able to pick up the cash themselves directly from the FSP or/and affiliated entities using identification documents (such as National Identification Card/Passport / Extract of civil registry / Residency Card/United Nations Refugee Card). The cash will be disbursed following the Livelihood

working group recent recommendations of the value of 30,000LBP per person/day as an equivalent of 20USD per the official exchange rates. However, taking into account ever increasing inflations rates and if the currency fluctuation continues, ACTED will coordinate with the donor, liaising with the sector recommendations to revise the value or redirect the exchange surplus to other activities.

2.1.1.3 Financial support for scaling up produce

Additionally, and when leading to the expansion of the entity to allow for additional employment via **purchase of assets/equipment essential for scaling up production and ensuring protection/safety in the workplace/of produce – direct in-kind support** will be administered. Financial support valued 3,500 USD on average will be disbursed immediately after the beneficiary selection to allow for essential investments in materials to the 28 targeted entities as well as purchase of preventative materials and disinfection supplies to reduce any risk of transmission during the activity. Wherever possible, partners will also seek to support informal businesses (ex. mask/protective shield production) to formalize, liaising with governmental guidelines.

2.1.2 Support for the 40 farmers for improved self-reliance and/or increased income

Beneficiary selection: Using the network of partners (local NGOs as well as municipalities) as well as the direct beneficiary lists from past interventions ex. ACTED's EU supported project targeting more than 40 small scale farmers and vulnerable HHs in Akkar (2016-2018) or ESDU's WFP supported project targeting more than 800 beneficiaries in the North and West Beqaa through coaching and mentoring on sustainable agriculture approaches, as well as data obtained from partners/local authorities from the ongoing WEP project (UNDP 2019-2021), Partners will target 40 small to medium-holder farmers with in-kind support as well technical assistance so they can continue to produce food for their families or diversify their income by selling produce to the local community while at the same time supporting local vulnerable households with incentivizing labour intensive works on farm via cash for work/trainings. Selection for assistance will be based on vulnerability, motivation and capacities and will include the vulnerability scoring mentioned under the A.2.1.1.

2.1.2.1 Technical Assistance in preparation for the labour intensive schemes

Similarly, to the activity 2.1.1.1, after the technical assessment of the land via site visits followed by development of the agricultural calendar and a road map on improving the practices and products, partners in consultation with the target farmers will select beneficiaries for the labour intensive works on the farms complemented by trainings to support the farmers in the harvest and post-harvest in the fall season. Before start of the works, farmers will receive training on the best agricultural practices (such as covering crop planting, no dig, water retention, usage of fertilizers, usage of compost to improve the soil composition, usage of pesticides, traps, grafting) and safety and protection in the form **cash for training** (with the recommended value of 22USD-35,000LBP for a duration of 5 days). In addition, safety and protection trainings will be given through **cash for training to 280 laborers** (for a duration of 2 days with livelihood working group recommended value of 30,000 LBP/20USD per day). This will mainly be focused on safety and protection issues and mentioned above and will be provided either in person or through WhatsApp or other social media platform used by the target entities followed by one on one site visits. Farmers will be also followed up by programme team via field visits and spot-checks to trouble-shot any possible problems, provide technical advice as well as support farmers in reaching the local processing/packaging entities with their produce (in case of surplus). This will be done via linking the farmers with cooperatives/MSMES/wholesalers either being part of this

programme or reached via other ACTED/ESDU and partners' programmes; either via direct referring - sharing contact lists - or support in developing and updating the "farm profile" to be disseminated and updated for public online access.

2.1.2.2 Financial inputs to support local labour force, crop diversification and expanding production

Depending on the size of the farm and potential to scale up their production, **40** target land owners will receive financial support of up to of around **400USD** each in the form of in-kind support to cover inputs such as seeds, tools and other inputs/materials to continue to improve and increase the produce and to test principles of regenerative agriculture whenever feasible.

2.1.2.3 Short term labor force support for sustaining/expand the production

The grants/in-kind support will be administered in parallel to the labour intensive schemes through **CfW** for a total of 4 months. To maximize the impact of the programme reaching those most vulnerable, partners in coordination with the targeted farmers will whenever feasible introduce rotation system, so every laborer will be involved in the scheme for a period of 2 months (provided with sector recommended value of 30,000 LBP/person/day) estimated as 3 workers per farm divided (in two cohorts of 120 each for a total of 240 working for 8 days per month during 2 months) required during the most intensive seasons (August, September, October). The laborers will be selected following the same modalities described in A2.1.1, and will provide key support for expanding the production, preservation of the crops and support in trail. Whenever feasible the additional financial-inputs/labour will aim at applying on the ground the good agriculture practices on which the farmers will be trained. The cash installments similarly to the A2.1.1. will be disbursed by ACTED contracted FSP directly to the laborers. Linking and technically supporting both vulnerable local labour force and the farmers will aim of establishing small scale farm businesses, where farmers will be able to retain trained staff while also creating cost revenue model producing and selling diversified crops to the community.

3. POTENTIAL FOR SCALING UP

Although this programme is tailored as a short term response to the impact of health crisis and as such designed for 6 months – whenever feasible and dependent on the availability of funds, partners will consider scaling up this intervention to allow for inclusion of additional MSMEs and cooperatives/farmers to further address supply gaps and ensure essential items and materials are available at reasonable cost within the local market. This would include up to 100 additional MSMEs/cooperatives and 100 additional farmers (200 entities in total) targeted with cash support to subsidize labor costs, grants to ensure that these entities can continue to afford inputs given the ever increasing rates of inflation, and technical support. Moreover, based on need and positive outcomes shown in this initial phase of response, a scale up could also potentially include providing additional man-days of labor support or grants for inputs and/or equipment if inflation rates have drastically increased to allow them to continue their activity during this period of compounding crises.

With additional time and resources, partners would also be able to work towards steady value chain recovery and fostering the linkages in the local supply chains. As feasible within the project and beyond, this will include linking farmers/processing/manufacturing entities with wholesalers/end-markets and support in marketing via info sessions on the registration and usage of sales applications (Digimart); direct referring/connecting farmers, producers to cooperatives/MSMEs through ACTED/ESDU past (as mentioned above) and existing programmes

supporting small businesses across agricultural and non-agricultural value chains. **However, in a scale up in the longer term**, partners propose to undertake additional market strengthening activities for the entities targeted via enhancing capacity of farmers and cooperatives/MSMEs to sell a diverse range of production when large economy of scale cannot be reached but meets the subsistence and income needs through an ecologically sound agricultural model. This will be done through:

- Creating farmers' committee to coordinate on a regular basis and set a production plan between each area to avoid market saturation as well as to share best practices and advocate to the local municipalities/unions for the common cause;
- Create rural local produce markets - with the support of municipalities or Union of Municipalities where cooperatives, SMEs and farmers will have the chance to sell their products and limit the effect of middleman and distributors.
- Identifying new marketing channels including institutional procurement (hospitals, universities, schools, hotels, restaurants, caterings), specialty shops, and supermarkets, food aid distribution networks.
- Implement pilot regenerative agriculture projects, based on and scaling up the introductory trainings and activities under Activity 2.1.2.1. ACTED has developed a standardized model (attached as annex 2) designed for 1 dunum of land which depending on natural conditions and the agro-ecology of the areas can replicated/tailored to different locations in other parts of the country.

In a scale up of these MSME/productive sector support activities, this project also proposes to partner with LiquidStar, an innovative tech startup that provides local container-based charging stations using solar electricity and a distributed battery model to improve electricity access. Such a facility can be provided in rural agricultural communities to improve energy access for farmers for various applications, primarily for running irrigation infrastructure, through connecting them a flexible, delivery-based battery model which would also allow for a flexible payment system. Such a system is expected to reduce energy costs for vulnerable farmers, thus improving productivity and profitability for small farms without the need for large investments in local grids. Moreover, this would allow for uninterrupted access to electricity, particularly to meet irrigation needs, where vulnerable farmers could benefit from a pay-as-you go scheme to access electricity when most needed.

4. FEASIBILITY

Implementation will benefit from experience and presence of both partners in the field as well ongoing successful cooperation under the aforementioned UNDP supported project in the South and Beqaa. **ACTED:** since 2006 in Lebanon, implementing both emergency basic assistance household level cash interventions (with ECHO, UNHCR and WFP) as well as promoting inclusive economic opportunities and sustainable livelihoods through MSME/Cooperative support with support from the EU, Government of the Netherlands. In its programming, ACTED is relying on relationships with local authorities and trust among target communities, vast network of community focal points and partnerships with bigger national NGOs such as AUB, SHIELD, AND, Akkarouna, ABAAD, RDFL, DOT as well as small-scale CSOs (working with over 50 municipalities and 49 CSOs across, North, South and BML to implement programs to address community priorities in the areas of health, education and environment). Coordination with those will allow for the rapid beneficiary selection and rapid deployment of the activities. ACTED will moreover

use synergies with other past and ongoing projects project mentioned above, notably EU funded project (2017-2020) improving value chain linkages through supporting production to end markets for 53 agricultural cooperatives. ACTED will also use its' experience and beneficiary database from climate-smart and cooperative agricultural programs ongoing since 2015 through both EU and WFP funding including integrated landscape management, sustainable agricultural techniques for 46 small-holder farmers and more than 350 HHs targeted through individual 'home gardens. Moreover, ACTED is implementing two UNDP supported agro- and non-agricultural interventions across South and Beqaa governorates to improve women's access to secure and sustainable incomes and livelihoods – synergies with these programmes will be sought notably in terms of harmonization of the beneficiary targeting and selection processes – making sure there are no duplications. **ESDU:** for more than 20 years, the Environment and Sustainable Development Unit (ESDU), a regional R&D center at the Faculty of Agricultural and Food Sciences of the American University of Beirut, has been promoting, through large community development projects, sustainable rural livelihoods all over Lebanon. The Unit focuses on participatory development and capacity building through knowledge management and sharing, appropriate technologies, and impact analysis with particular attention to smallholder farmers, women and youth in the rural areas. Being a multi-disciplinary unit, ESDU has developed elaborate training modules on a wide range of topics targeting sustainable agriculture and agro-food processing. Throughout its capacity building projects, ESDU has been engaged with cooperatives, community kitchens and small-scale producers and farmers throughout Lebanon and has built a robust relationship with local communities, municipalities, local NGOs/CBOs and the private sector.

5. MONITORING AND EVALUATION

Partners will rely on their respective Monitoring, Evaluation, Accountability (AME) Units under the general oversight of ACTED surrounding the work of the project implementation team via a) conducting regular data collection activities, in order to provide an independent measurement of the progress towards the achievement of the project outcomes; c) managing data related to project activities and data collection activities; d) overseeing the complaint response mechanism, in order to ensure accountability; c) contributing to strategic direction, as well as feedback learning opportunities in current project implementation and future project design. It shall be noted, that as a response to the health crisis and mobility challenges as well as protection risks, ACTED has established a) global remote management guidelines which limit risk and ensure strong follow up; b) SOPs to mitigate risks of exposure for beneficiaries: i.e. limiting social contacts, refrain from group settings and use remote data collection as well as beneficiary selection/verification. Moreover, AME Units will firstly conduct remote assessments (if mobility restricted) through phone calls and photo verification (via WhatsApp) of the ex. lost livelihoods. In case, physical access is restrained at the time of implementation, baseline and endline assessment to monitor use of cash/assets and beneficiary satisfaction will be also administered remotely by AME department. Programme hotline number (CRM) will be distributed online/via phone and showcased in relevant visibility materials to ensure continuous accountability and feedback.

6. RISKS AND MITIGATION MEASURES

Risk-1: Although humanitarian operations have been recognized by the government as “essential”, there is a risk that activities including labor-intensive schemes will be halted following the MoSA statement considering these as non-life-saving. **Mitigation-1:** Partners has designed the scope of activities to be in line with allowed governmental exceptions to general mobilization. In case the

cash-work activity is not allowed by the national activities, partners in coordination with the donor may redirect this element to other activities. **Risk-2:** Humanitarian/development actors will face sporadic access due to the movement restriction measures introduced by the MoIM. **Mitigation-2:** Partners already liaised with the relevant bodies to ensure permission is continued during this period. In the event that access is constrained, partners will continue to liaise with response coordination leads (notably the OCHA access task force, as well as Interagency field offices) to report any access issues. In case of COVID-19 prolonged outbreaks/confinement, ACTED and ESDU will be able to continue implementation using existing SOPs mentioned above – doing assessments through phone, collecting documents with limited social/physical contact or remotely.

Budget Overview	
	Amount in USD
Activities Costs (Subsistence and economic activity support to MSMEs and the productive sector)	751,862
Personnel (support staff cost)	38,988
Indirect costs (equipment's, operational cost, overhead...)	41 750
Total	832 600