



The World Bank

Decent Employment Creation for Vulnerable Lebanese Citizens and Syrian Refugees in Livestock Value Chains

Project Information Document/ Identification/Concept Stage (PID)

Concept Stage | Date Prepared/Updated: 02-Sep-2021 | Report No: PIDC245212

**BASIC INFORMATION****A. Basic Project Data**

Project ID	Parent Project ID (if any)	Environmental and Social Risk Classification Moderate	Project Name
P176547			Decent Employment Creation for Vulnerable Lebanese Citizens and Syrian Refugees in Livestock Value Chains
Region	Country	Date PID Prepared	Estimated Date of Approval
MIDDLE EAST AND NORTH AFRICA	Lebanon	02-Sep-2021	
Financing Instrument	Borrower(s)	Implementing Agency	
Investment Project Financing	Non-governmental Organization	Non-Governmental Organization	

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	3.75
Total Financing	3.75
Financing Gap	0.00

DETAILS**Non-World Bank Group Financing**

Trust Funds	3.75
MNA VPU Free-standing Trust Funds	3.75

B. Introduction and Context

Country Context

1. **For the past 9 years, Lebanon has been at the forefront of one of the most severe refugee crises of our time.** With a total population of 6 million, Lebanon is hosting up to 1.5 million Syrian refugees, making it the country with the highest per capita concentration of forcibly displaced persons in the world. This has put a significant strain on the country's resources, and pressure on infrastructure and services, and competition over jobs are leading to tensions between communities. Around 44 percent



of Lebanese households cite job competition as the biggest factor driving community tensions (IFC, 2020).

2. **To make matters worse, Lebanon continues to undergo a severe economic and financial crisis and the outlook is grim.** The lack of liquidity in the economy and severe shortage of dollars resulted in parallel exchange rates and inflationary pressures, as well as severe disruptions of essential imports. Movement restrictions taken to curb the spread of the COVID-19 pandemic have further exacerbated the situation and severely affected all sectors of the economy. An ILO/FAO assessment of 363 small enterprises conducted in May 2020 showed that 39 percent of Lebanese workers were permanently laid-off and 38 percent temporarily. For Syrians, that figure stands at 60 percent and 31percent, respectively (ILO and FAFAO, 2020). A large explosion that occurred at the Port of Beirut on 4 August 2020, killing over 200 people and injuring over 6,000, worsened the situation further. The explosion devastated an area with a population of 750,000 people, amongst them vulnerable, poor, migrant workers and refugee communities, as well as housing and food security infrastructure and infrastructure at the port.
3. **The combined effects of the above-described crisis events have resulted in unprecedented levels of unemployment and pushed both forcibly displaced Syrians and Lebanese host communities further into poverty.** The poverty rate has increased to 45 percent (World Bank, 2020). Preliminary data from the Vulnerability Assessment of Syrian Refugees in Lebanon (VaSyr) 2020 indicates that the percentage of Syrian refugee households in extreme poverty (under the survival minimum expenditure basket - SMEB) increased from 55 percent in 2019 to 88 percent in 2020 (UNHCR, 2019). According to a recent WFP assessment, 50 percent of Lebanese and 75 percent Syrians are worried about not having enough food to eat. Loss of income and reduced production of food, essential for dietary sufficiency and diversity resulting from increased prices (e.g., eggs, milk, meat and fresh vegetables), will translate into greater food insecurity and reliance on external assistance over an extended period of time, particularly among the refugee populations and the poorest in host communities.

Sectoral and Institutional Context

4. **Agriculture constitutes one of the main livelihood sources for vulnerable communities in rural areas and is seen as a critical sector for employment creation and poverty reduction in Lebanon.** The agricultural sector contributed 3 percent to the country's gross domestic product (GDP) and employed 11 percent of the active working population in 2019 (World Bank, 2021); the broader agri-food sector contributes to a higher percentage of GDP when related value chain activities are counted. Agriculture has the highest rate of those in poverty (40 percent) and the highest rate of informal employment (85 percent), comprised mostly of women and refugees (FAO,2021). According to the General Agricultural Census carried out in 2010, the total utilized agricultural area (UAA) was 231,000 ha cultivated by 169,512 agricultural holders. Almost half of the agricultural holders relied solely on agricultural activities for their livelihoods and occupied around 63 percent of the UAA (FAO, 2021). Crop production represents about 60 percent of agricultural output, while livestock production accounts for 40 percent (Dal *et al.* 2021). Exports accounted for an average of 21.1 percent of



merchandise exports from 1998–2017 (World Bank, 2021). The production of animal products, such as cow's milk, poultry, sheep and goats and eggs, is one of the main activities in rural Lebanon, particularly in the northern areas. In these areas, the poorest in the country, the majority of farmers depend on dairy products as their primary means of subsistence (Abdallah *et al.*, 2018). The 2016 production survey indicated that the number of cattle heads reached 86 265, of which 62 percent were dairy cows, accounting for 82 percent of the total value of milk production (FAO, 2021).

5. **In smallholder and family farming households, women play a prominent role in animal production, but major constraints impede female work in the livestock value chain.** According to an FAO review (2021), in homesteads, women take care of poultry (with an average of 10–50 backyard chicken), sheep, goats and cattle. They are responsible for all aspects of animal husbandry, especially on farms with less than 3 cows. The tasks include milking, feeding, providing water, fodder collection, preparing feed rations, and feed and care for the animals, particularly small ruminants, rabbits and poultry. Women also clean stables and poultry houses, as well as ensure egg collection and processing of milk into butter, cheese, yogurt, labneh, and other dairy products (in many cases, the processing and marketing activities are done through cooperatives). Marketing tasks performed by women include selling fresh milk, eggs and processed dairy products to people coming to their doorsteps from within their same villages or nearby villages or to middlemen coming to their doors. Female training needs in animal production include capacity building in the areas of animal nutrition and feed ration mix, disease diagnosis and treatment, dairy product processing and marketing. Major constraints constraining female work in livestock production include lack of access to extension services, credit and labor-saving technologies (FAO, 2021).
6. **The agri-food sector is the second-highest employer of displaced Syrians, second only to the construction sector.** It is also one of only three sectors where Syrian refugees are legally allowed to work. Over half of young refugees in the workforce are employees; around 45 percent are daily and/or seasonal workers, mostly in agriculture and construction. Syrians have historically played an important role in Lebanon's agricultural sector, both as an export market and supply of competitive farm laborers. The majority of the workforce on dairy farms production units is constituted by Syrian refugees in Lebanon. However, most displaced persons in Lebanon work in agriculture with low wages and precarious working conditions. Adult Lebanese men earn agricultural wages that are 34 percent higher than those paid to Syrian men in Lebanon, and wages paid to Syrian men are significantly higher than wages paid to women and children (Syrian or Lebanese) (FAO and UNICEF 2019). With appropriate enforcement of social protection and decent jobs, agriculture can play a critical role in reducing poverty and vulnerability by employing poor and marginalized populations, including migrants, refugees, and other displaced people (Bahn *et al.*, 2021).
7. **Job creation in the agriculture sector is limited by a number of challenges, including productivity gaps and low competitiveness which are exacerbated by the COVID-19 pandemic.** The agri-food sector has been hard-hit by the combined effects of Lebanon's continuing crises. Even before the financial crisis, the vast majority of Lebanese farmers had little or no access to capital. The high costs of small loans and the inability of most small-scale farmers to provide collateral have long dissuaded the country's commercial banks from lending to the agricultural sector. The financial crisis and COVID-19 pandemic negatively impacted the agri-food sector through a severe increase in feed and inputs prices, reduced access to markets and disrupted logistical channels. The disruption of the logistical



channel and drop in demand are reducing sales and lowering prices. Many animal producers are contending with increasing costs, which affects their ability to feed the herds/flocks, pushing the smaller holders to sell a part or all of their animal stock and exit the industry.

8. **Supporting animal producers with agricultural inputs, knowledge and facilitating their access to markets would improve household food security, income generation and creation of employment opportunities, including for refugees.** The immediate needs of smaller farmers, particularly those with less than 15 dairy cows, consist of concentrate feed, medications and vaccinations. Providing support to smaller animal producers to maintain productive livestock and poultry activities will improve food security, nutrition and income generation. The provision of animal feed and other inputs combined with improved breeding practices and value chain development to link the producers to dairy processors will sustain livestock through the traditionally difficult winter periods when natural pastures are not available and feed prices increase. Supporting livestock producers' access to markets (through value chain arrangements) will allow them to generate more regular cash income (which would improve the overall welfare of their families) and allow job creation. The provision of poultry, feed and good breeding practices to Lebanese small-holder farmers and refugees will contribute to food security of the households and refugees. Support to the poultry value chain can also facilitate the sale of surplus production for cash, however, it is not the primary objective in supporting the poultry-related activities of smallholders. Urgent action is thus needed to counter the adverse effects of the crises and develop high-potential agricultural value chains in order to safeguard jobs of both Syrian and vulnerable Lebanese communities and contribute to food security and adequate nutrition in Lebanon.
9. **The Lebanese government adopted a laissez-faire attitude to the agriculture sector following the country's civil war, but more recently has taken steps to promote investment in the agriculture sector.** This hands-off approach was reflected in the prioritization of public investments and promotion of the financial and real estate sectors, while investment in agriculture and rural communities was limited. Agricultural access to finance had been limited due to the short loan periods offered and high interest rates charged by banks and farmers' general lack of management training and collateral. The government offers subsidies for selected agricultural inputs and final products (wheat and tobacco) and provides some limited control of the prices consumers pay for food (Bahn *et al.*, 2021). The agriculture sector largely but not exclusively falls under the authority of Lebanon's Ministry of Agriculture, which regularly develops strategy documents to guide its work in supporting the growth and development of the agriculture sector. In 2020, the Ministry of Agriculture prepared the *National Agriculture Strategy 2021–2025* with five key pillars: (a) restoring the livelihoods and productive capacities of farmers and producers, (b) increasing agricultural production and productivity, (c) enhancing efficiency and competitiveness of agri-food value chains, (d) improving climate change adaptation and sustainable management of agri-food systems and natural resources, and (e) strengthening the enabling institutional environment. The strategy also identifies the need to improve and modernize digital services to farmers as one of the flagship programs.



Relationship to CPF

10. The activity is aligned with the *Lebanon - Country Partnership Framework for FY17-FY22 by contributing to the Focus Area 2: Expand Economic Opportunities and Increase Human Capital*, through improving access to finance, skills development, and strengthening safety nets for the poorest Lebanese farming households and Syrian refugees. It will help Lebanon mitigate the economic and social impact of the Syrian crisis, financial crisis and the COVID-19 pandemic, safeguard the country's development gains, and enhance the prospects for stability and development in the coming years.

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C. Project Development Objective(s)

Proposed Development Objective(s)

The project aims to create decent employment opportunities and improve incomes of Lebanese farmers, particularly women, and Syrian refugees.

This would be done by improving animal (dairy livestock and poultry) productivity, improving market access through strengthened animal value chains, and creating job opportunities along the project-supported value chains, in particular for women and Syrian refugees, in the project areas.

Key Results

11. The achievement of PDO will be measured against the following proposed key outcomes:

- At least 300 new jobs (100 percent for refugees) created under minimum decent working condition (written contract, Occupational Health and Safety (OHS), satisfactory income/wages) with at least 1 year duration;
- At least 2,000 income generating opportunities for refugees and host communities created, including at least 50 percent for refugees;
- Share of women farmers and employees participating in the supported value chains at least 30 percent;
- At least 20 percent increase in sales volume of participating producers.

12. This activity would create jobs and employment opportunities and raise incomes of poor Lebanese farmers and Syrian refugees affected by the current crises by promoting the development of selected animal (dairy livestock and poultry) value chains in selected geographic areas of the country. It would address some of the key issues constraining the dairy value chain development, including the small production scale and low quality, limited access to financial resources, low awareness about modern production practices and technologies, and lack of entrepreneurial and business management skills. The poultry value chain-related activities would target predominantly Syrian refugees, marginalized farmers and agricultural wage earners. Distribution of egg-laying chicken, feed and provision of agro-technical advice are expected to ensure protein-rich diets for the families as well as generate production surplus. A value chain development will be supported under the project to facilitate the sale of the poultry production surplus, increasing incomes for the beneficiaries.

D. Preliminary Description

Activities/Components

15. This activity is part of a joint initiative between the World Bank, ILO and UNHCR through the PROSPECTS partnership, financed by The Netherlands. The initiative aims to safeguard and create decent employment along horticulture and livestock value chains in selected geographic areas of the country for vulnerable Lebanese farmers and Syrian refugee communities, at the same time improving their food and nutrition security. The World Bank would support the development of



livestock and poultry chains, whereas ILO would focus its activities on horticulture value chain development. UNHCR would expand its ongoing mitigation work at the field level related to social tensions between host communities and refugees, and there would be a specific focus on reducing tension due to competition of jobs to ensure a conflict sensitivity and do no harm approach.

16. ***Component 1: Dairy value chains development for decent employment generation and increased incomes (US\$ 2.25 million):*** This component would finance activities related to the provision of inputs and structuring and development of the dairy value chain through demand-driven partnerships between Lebanese farmers and off takers and increasing access to finance by providing partial grants to eligible beneficiaries. The improved business is expected to increase demand for labor, providing decent employment opportunities for Syrian refugees. Specifically, the project would finance the activities related to the (1) structuring productive, demand-driven partnerships and business management support (US\$ 0.5 million); and (2) the provision of commercialization grants (up to US\$ 20,000) to support investment (such as agricultural machinery, small-scale processing equipment, cooling facilities and other equipment) and agricultural inputs (such as feed, forage seeds, veterinary medicines, etc.) for production, value addition, marketing, quality enhancement and food safety. The commercialization grants would be provided to dairy livestock producers (up to 10 dairy cows or equivalent). In parallel, the project would also build the capacity of local private and public partners to provide (financial and non-financial) business development services in the long term through collaboration with ILO and UNHCR. This support will also include activities aimed at strengthening women's technical skills and will be implemented in cooperation with organizations addressing other constraints (in particular food nutrition and hygiene) of vulnerable households. The training would include awareness-raising of risks from climate change and benefits of climate change adaptation.
17. ***Component 2: Poultry value chain input support for improved food and nutrition security and increased incomes (US\$ 1.0 million):*** This activity would finance the distribution of egg-laying chicken and feed and provision of agro-technical advice to refugees in order to tackle food and nutrition insecurity and contribute to improved livelihoods. The activity would also support a limited value chain development, providing opportunities for the poultry producers to sell the surplus products that the family does not require for consumption.
18. ***Component 3: Supervision and monitoring (US\$ 0.5 million):*** This component would finance overall project management, monitoring and implementation, including the following aspects: (a) project management and coordination among different actors and stakeholders; (b) monitoring and evaluation, including periodic beneficiary satisfaction survey (at inception, mid-term and project conclusion) including ethnicity and gender disaggregated data; (c) project environmental and social safeguards; (d) project fiduciary administration, internal controls and audit, and (e) citizen engagement mechanism.

Environmental and Social Standards Relevance

E. Relevant Standards



ESS Standards	Relevance
ESS 1 Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10 Stakeholder Engagement and Information Disclosure	Relevant
ESS 2 Labor and Working Conditions	Relevant
ESS 3 Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4 Community Health and Safety	Relevant
ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
ESS 8 Cultural Heritage	Not Currently Relevant
ESS 9 Financial Intermediaries	Relevant

Legal Operational Policies

Safeguard Policies	Triggered	Explanation (Optional)
Projects on International Waterways OP 7.50	No	
Projects in Disputed Areas OP 7.60	No	

Summary of Screening of Environmental and Social Risks and Impacts

Generation and disposal of animal wastes Occupational and community health and safety potential related to possible contraction of avian flu and COVID-19 Emission of odors and attraction of insects and rodents Risks related to potential perception of exclusion of certain vulnerable groups

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