



**United Nations Development Programme**

**Country: Lebanon**

**PROJECT DOCUMENT - AMENDMENT**

**Project Title:** Sustainable Land Management Programme for Livelihood Development in Lebanon (extension of Project Document)

**UNDAF Outcome(s):** By 2014, improved accessibility and management of natural resources and enhanced response to national and global environmental challenges

**Expected Output(s):** Sector environmental action plans developed in concerned key ministries and public institutions

**Executing Entity:** **Ministry of Agriculture**

**Brief Description**

Several factors, including the recurrent conflicts in Lebanon throughout the decades, has negatively affected the livelihood of local communities mainly in remote rural areas. Environmental degradation causes additional socio-economic burden on the livelihood of rural communities. The sustainable use of natural resources is very important along with income generation and proper market linkages for the sustainable rural livelihood development. "The Sustainable Rural Livelihood Development Programme" will assist the Lebanese Government in identifying the specific problems and obstacles encountered in the long-term process of achieving sustainable rural livelihood development. The programme will focus on integrated rural livelihood development by integrating sustainable natural resource management with better alternatives in agricultural production and enhancing proper market linkages. The programme will focus on promoting industrial hemp as an alternative to the high THC cannabis plant in the Bekaa for improving the livelihood of rural communities and will collaborate with the private sector to provide sustainable long-term solutions.

Programme Period	2009 - 2014	Net Budget	USD 135,312
Atlas Award ID	00048281	UNDP Management Support Fee	USD 11,610
Project ID	00058344	<b>Total Budget</b>	<b>USD 146,922</b>
Start date:	2007	<b>Allocated Resources</b>	
End Date:	2010	Ministry of Agriculture	USD 100,000
Management Arrangements	NEX	UNDP TRAC	USD 100,000
		Government of Brazil	USD 55,930

NEX  
COUNCIL FOR DEVELOPMENT  
AND RECONSTRUCTION



Agreed by CDR

PRESIDENT  
NABIL A. EL HESR

Agreed by Ministry of Agriculture

Agreed by UNDP

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## I. SITUATION ANALYSIS

### *National Context*

1. Lebanon, with an area of 10,452 km, has always been a major producer and exporter of a variety of agricultural products, on which the local communities rely for their livelihoods. The fertile Bekaa region was at one time the main food producer for the entire Roman Empire. However, the war situation, which prevailed in the country for decades, in addition to the recent conflict of July 2006, have negatively affected the livelihood of local communities and enhanced poverty particularly in remote rural areas.
2. Lebanon is divided into 6 Mouhafazats or governorates as follows: Beirut, North Lebanon, South Lebanon, Nabatieh, Mount-Lebanon and Bekaa. The economy of Bekaa is predominately agricultural, as are those of the North and South. The rural population constitutes about 26% of the total population in the country, and agriculture employs around 8% of the labor force. Despite the fact that the agricultural sector contributes to 8-12% of the GDP, it benefits from approximately 0.4% of the public governmental spending. Rural women became the main contributors to agricultural production, from planting to marketing, due to the extensive male migration to urban areas. Agricultural development is a very important factor for improving the livelihood of rural communities in Lebanon; however, agricultural development should be coupled with sustainable rural development for improving and sustaining the livelihood of local communities.
3. Higher income generation is an essential form of empowerment, and requires pro-market policies that enhance the capacity of poor people to benefit from participation in national and global markets. Any sustainable rural livelihood development in Lebanon should focus on enhancing proper linkage of the rural produce with the market by offering better trading conditions.
4. Cultivation and sustainable collection of economically important indigenous plant species especially medicinal and aromatic plants (MAPs), coupled with proper processing and marketing of MAPs products, can offer an alternative source of income for the rural poor. In addition to their economic importance, MAPs present significant added-value features such as their extended shelf-life, the SE aspect of the extraction and packaging processes, the involvement of marginalized groups and especially women in the collection and processing, and the cross-cutting synergies they present with other key environmental mainstream issues such as the sustainable management of natural resources and more specifically biodiversity.
5. Environmental degradation in Lebanon causes additional socio-economic burden on the livelihood of rural communities. The sustainable use of natural resources is very important along with income generation for sustainable rural development in Lebanon. Land degradation has been identified by the Government of Lebanon as a major obstacle for development and is a major threat to the livelihood of rural communities. Lebanon lost some 75 percent of forest and woodland cover from 1968 to 1991, with continued losses in the past decades. It is a long historical process of cutting down trees and not allowing regeneration, over-exploitation of wood, fires, overgrazing and agricultural expansion. This process has led to a high degree of erosion and to a loss of land productivity.
6. In the 1970s and 1980s, Lebanon became the major producer of illicit drugs in the Middle East. Cultivation of illicit crops started in Lebanon on an increasing scale in the district of Baalbek and Hermel in the Northern Bekaa Valley. Following the start of the civil war in 1975, illicit cropping expanded as Government authorities eroded. In the late eighties illicit cultivation reached its peak whereby cannabis cultivation was estimated as high as 11,000 to 16,000 hectares yielding up to 1,000 tons of cannabis resin. Opium poppy, which was introduced in the eighties, rapidly grew from 3,500 to 5,000 hectares yielding 30 to 50 tons (3-5 tons of Heroin). In 1991-1993 Lebanese and Syrian forces eradicated illicit cultivation of narcotic plants in the Bekaa Valley. However, given the continuing economic and agricultural crisis in the country, and the limited amount of development funds available, many farmers returned to cultivation of illicit cannabis; there is a continued and present danger of return to illicit opium cultivation unless appropriate measures and/or meaningful development alternatives are made available. Indeed, the year 2007 witnessed

a rise in the cultivation of cannabis in the Bekaa area. Several clashes were reported between the security forces and farmers during the summer of 2007.

7. Industrial hemp can be grown as a profitable, high-quality fiber crop without producing “Hashish”. Industrial hems are varieties of Cannabis sativa species which contain less than 1% Tetrahydrocannabinols (THC). The Single Convention on Narcotic Drugs does not apply to the cultivation of industrial hemp. About 30 countries, including all major industrial nations have legalized its cultivation. This plant produces the strongest natural fiber known. It has extremely high cellulose content, is biodegradable, and does not require pesticides to grow. It can be used to make paper, cloth, rope, particle board, plastic, paint, and cardboard. Industrial hemp may be an excellent alternative for the high THC cannabis plant (Hashish) in the Bekaa. Farmers are familiar with the way it grows since it is a variety of the already grown cannabis crop, it will offer a good source for income generation, and will create new job opportunities at the national level. In addition, many products can be manufactured at the local level generating additional income which would directly improve the livelihood of the rural communities.
8. UNDP conducted a production and marketing assessment as well as a feasibility study for industrial hemp at the farm-gate level during 2008. Results of the assessments were encouraging and showed reasonable potential for industrial hemp production in Lebanon (see feasibility tables in Annex I). Industrial Hemp, however, with its estimated return of LBP 170,000/dunum if land is rented and LBP 220,000/dunum if land is owned by the farmer, will not provide the required return to convince cannabis farmers to replace hashish production if planted as an alternative only. In order to reduce hashish cultivation, a comprehensive program needs to be implemented that introduces a crop rotation that will allow higher returns per dunum over a year.
9. The following are the current and planned projects implemented by UNDP and executed by the MoA and LARI, which aim at improving the livelihood of rural communities in Lebanon and which will be monitored by the “Sustainable Rural Livelihood Development Programme”:

- a. **Rural dryland development through innovative market approaches, financing strategies and local initiatives for UNCCD implementation** (on-going; Implementing Agency: UNDP; Executing Agency: MoA) The project aims to promote rural dryland development using several parallel sub-projects that target the improvement of the livelihood of the rural dryland communities.

*Subproject I-* Promotion of Innovative trade initiatives promoted to increase market opportunities for dryland products (funded by the Finnish Ministry of Foreign Affairs and the UNDP's Drylands Development Center):

This subproject aims at promoting rural development in drylands under moderate or high risks of desertification through the introduction of alternative livelihoods such as market access of agricultural dryland products into Finnish markets. The project works in partnership with the Rural Women Advisory Organization in Finland and through a multi-stakeholder working group which includes other projects and initiatives that are working with rural communities and agro-food industry such as YMCA. It will also explore the potential of Fair Trade as an innovative marketing approach and will promote and link existing rural and responsible tourism initiatives to the dryland communities. The projects has identified so far several products that were well received by the Finnish traders such oregano, sumac, rosewater, burghol, almonds, raisins, carob and pomegranate molasses. Work is now underway for registration of the “DRYLANDS” brand name and for adding value to the products through packaging, labeling and leaflets and stories about the dryland producers and products in Lebanon.

*Subproject II-* Implementation of a National Financing Strategy for NAP Implementation. (funded by the Global Mechanism of the UNCCD):

In support of the National Action Program to Combat Desertification that was prepared in 2003 by the Ministry of Agriculture with the support of UNDP and the German Agency for Technical Cooperation (GTZ), the project prepared a national financing strategy for the NAP implementation with the support of the Global Mechanism of the UNCCD. The strategy serves as a comprehensive framework for

overcoming the constraints facing the implementation of the NAP by identifying available financial resources that can be mobilized and by providing mechanisms for accessing external sources of funds. In this regard, bilateral consultation meetings were done with the different stakeholders in Lebanon. A final multi-stakeholder consultation forum was planned for June 2007 but was postponed till end of 2007 because of the political instability in the country.

*Subproject III- Implementation and Coordination of Sub-national and Local-level NAP priority projects:* The project aims at seeking financial resources for implementing small pilot projects for combating desertification, it also works on establishing links and coordination with existing relevant projects. In this regard, a pilot project started in Moujdel Akkar aiming at establishment of irrigation networks and a water-collecting reservoir, the project is funded by AARDO (Afro-Asian Rural Development Organization) through UNDP and the MoA. The project also linked the Women Association of Deir Al-Ahmar (WADA) with the Italian Cooperation who are now developing a project aiming at promotion of agro-tourism in Deir El-Ahmar in Bekaa. Moreover, talks are now underway with the Spanish Agency for International Cooperation for funding a project aiming at Flood prevention in North Bekaa. Finally, coordination is always in progress with the Sub-Regional Action Programme for Combating Desertification in West Asia as well as with other organizations such as FAO and GTZ.

**b. Promoting Cultivation of Medicinal and Aromatic Plants for Livelihood Recovery (on-going; UNDP DEX):**

The livelihood of many local communities was negatively affected by the widespread problem of cluster bombs as a result of the July 06 conflict in Lebanon, including those who depend on additional income generation from the collection, primary processing and marketing of Medicinal and Aromatic Plants (MAPs). Faced with growing livelihood pressures, the local population is more likely to resort to unsustainable practices and intensify exploitation of a diminished land base to meet short-term needs. MAP cultivation can be an alternative for wild harvesting in affected areas, offering high level of yield with minimum inputs, in particular cultivation of *Origanum syriacum* (Origano) and *Salvia fruticosa* (Sage), two MAPs of significant economic value. The project is supporting cultivation of MAPs in at least 5 communities affected by cluster bombs and will create direct income generation for at the collectors' households. Project activities include developing Capacity of local communities for proper MAPs cultivation and pre-processing, empowering local communities to undertake the process from cultivation till harvesting and pre-processing of MAPs, strengthening institutional coordination and partnerships, establishing MAPs nursery for production and distribution of seedlings, and establishing partnerships with private sector and proper market linkages.

**c. Mainstreaming Biodiversity Management into Medicinal and Aromatic Plants Production Processes (on-going; Implementing Agency: UNDP; Executing Agency: LARI):**

The project idea is that non-destructive harvests, together with income generated by MAP business opportunities for local people, will maintain the wild stocks of MAP species that are commercially traded and threatened by current harvesting practices. The project will create incentives for local communities to sustainably manage the wild stocks by ensuring the increased financial returns flow to the guardians of wild MAP stocks and are directly linked to sustainable harvest and management practices. For this purpose, the project will support both the establishment of community-based MAP small business enterprises (SEs) and value-added production systems. The project will build awareness in the private sector and among consumers, build capacity and technical knowledge to ensure a shift in the production system, and will support the establishment of a national MAP Association (regulatory body) and a certification system for sustainable wild collection. Certification will be offered to producers and traders who can prove they collect process and store MAPs in a sustainable manner.

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## II. STRATEGY

10. "The Sustainable Rural Livelihood Development Programme" will assist the Ministry of Agriculture (MoA) and the Lebanese Agriculture Research Institute (LARI) in resolving obstacles encountered in the long-term process of achieving sustainable rural livelihood development. The programme will provide advisory services at the policy level to promote livelihood development and will design and coordinate the implementation of national projects that work towards these targets.
11. Rural development goes beyond agricultural development to include the promotion of non-farm activities and rural-urban linkages. The strategy of the programme will focus on integrated rural development by incorporating sustainable natural resource management with better alternatives in agricultural production and proper market linkages.
12. The programme continues the on-going assistance provided to the Government of Lebanon by UNDP to enhance capacity for national decision making and for better environmental governance in line with the United Nations Development Assistance Framework (UNDAF) for Lebanon. On the other hand, the project also meets the Millennium Development Goal 7 (MDG 7) of achieving environmental sustainability.
13. One of the potential agricultural alternatives that is receiving considerable international attention for its high financial value while being environmentally-friendly during its production and processing stages and would provide economic return to local farmers is Industrial Hemp. Accordingly, UNDP initiated the assessment of this crop technically and determined whether a market of the processed hemp products can be initiated.
14. In order to create a market for Industrial Hemp in Lebanon that would promote its cultivation as an alternative crop, a Memorandum of Understanding (see Annex II) was signed between UNDP and the "Agricultural Investment Company (AIC)", in full coordination and consent of the Minister of Agriculture for promoting industrial hemp production and its processed products. AIC will establish a modern processing plant with all the necessary machineries needed to process industrial hemp and will consider small farmers working within this UNDP programme as "Preferred Suppliers". AIC will also plant its own land to supplement the supply from the small farmers. To ensure continuity of plantation for the small farmers, retention of operating cost from total production will be done in accordance with the applicable UNDP regulations, to be used for planting the following season. A cost-sharing agreement will be developed with AIC to establish the mechanism for retention of operation cost.
15. UNDP in turn will work with small local farmers in the Bekaa region by providing them with the technical support needed to cultivate up to 2,000 dunums of industrial hemp in 2010. UNDP will provide know-how as well as equipment such as harvesting machinery and farming supplies to the farmers to ensure the continued plantation of this crop in sustainable manner. UNDP will also ensure quality is maintained on the farms and good quality of crop is produced. To maximise the support of the local community, UNDP will assist AIC to identify farmers for industrial hemp plantation in a geographically diverse manner.

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## III. RESULTS AND RESOURCES FRAMEWORK

**Programme Outcome:** Agricultural policies that improve environmental conditions, reduce land degradation and enhance proper market linkages adopted to promote sustainable livelihood development of rural communities in Lebanon

**Output 1: *Ministry of Agriculture assisted in promoting sustainable land management for rural livelihood development in Lebanon***

**Activities:**

**1.1. Coordination of all on-going UNDP-MoA projects within this programme**

**1.2. Provide advisory services and coordination**

- Conduct regular advisory meetings with senior staff from MoA
- Monitor the related UNDP on-going and planned projects executed by MoA and LARI

**1.3. Undergo resource mobilization**

- Establish continuous contacts with donors for resource mobilization
- Write new proposals and project documents for submission to donors for funding

**Output 2: *Industrial hemp promoted as a potential alternative to narcotic plants in the Bekaa for improving the livelihood of rural communities***

**Activities: Technical capacity building to produce and market industrial hemp**

**2.1 Selection of hemp variety and farming areas**

**2.2 Implementation of industrial hemp**

- Collaborate with AIC Project as per MoU signed with UNDP
- Provide technical support to AIC project as per MoU signed with UNDP
- Interact with the private sector, whenever needed, for technology transfer and proper implementation of project activities
- Provide support to small farmers
- Identify small farmers beneficiaries within the Bekaa Valley
- Ensure geographical diversification in selection of small farmers within the Bekaa Valley and maximize the number of farmers to ensure wider support of local communities
- Provide operating cost and technical support to the identified small farmers
- Support cultivation of up to 2,000 dunums of industrial hemp during the 2010 season (harvesting machineries, trainings, form of association)
- Provide quality control support to the small farmers
- Ensure sustainability of hemp production through market expansion
- Ensure continuity of plantation for the small farmers by allowing retention of operating cost, from total production, to be used for planting the following season



## Annual Work Plan

Lebanon - Beirut

**Award Id:** 00048281 **Report Date:** 5/6/2009  
**Award Title:** Sustainable Rural Livelihood Development Programme  
**Year:** 2009

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget					
			Start	End		Fund	Donor	Budget Descr	Amount US\$		
00058344	Sustainable Rural Livelihood D	Industrial Hemp (Brazil)			LEB-Ministry Of Agriculture	26800	BRA	71400	Contractual Services - Individ	14,500.00	
					LEB-Ministry Of Agriculture	26800	BRA	71600	Travel	5,000.00	
					LEB-Ministry Of Agriculture	26800	BRA	72100	Contractual Services-Companie	19,000.00	
					LEB-Ministry Of Agriculture	26800	BRA	73500	Reimbursement Costs	10,420.00	
					LEB-Ministry Of Agriculture	26800	BRA	75100	Facilities & Administration	7,010.00	
					LEB-Ministry Of Agriculture	04000	UNDP	72100	Contractual Services-Companie	18,865.00	
			Industrial Hemp Selected Learning & Evaluation			LEB-Ministry Of Agriculture	04000	UNDP	71600	Travel	0.00
						LEB-Ministry Of Agriculture	04000	UNDP	72200	Equipment and Furniture	72,127.00
						LEB-Ministry Of Agriculture	04000	UNDP	72500	Supplies	0.00
						LEB-Ministry Of Agriculture	04000	UNDP	74200	Audio Visual&Print Prod Costs	0.00
						LEB-Ministry Of Agriculture	30071	MOA	74500	Miscellaneous Expenses	0.00
						LEB-Ministry Of Agriculture	30071	MOA	75100	Facilities & Administration	0.00
			Monitoring&Legislation Syst			LEB-Ministry Of Agriculture	04000	UNDP	71300	Local Consultants	0.00
			Socio Economic Assessment			LEB-Ministry Of Agriculture	04000	UNDP	74500	Miscellaneous Expenses	0.00
				LEB-Ministry Of Agriculture	30071	MOA	71300	Local Consultants	0.00		
				LEB-Ministry Of Agriculture	30071	MOA	72100	Contractual Services-Companie	0.00		
				LEB-Ministry Of Agriculture	30071	MOA	74500	Miscellaneous Expenses	0.00		
				LEB-Ministry Of Agriculture	30071	MOA	75100	Facilities & Administration	0.00		
<b>TOTAL</b>										<b>146,922.00</b>	
<b>GRAND TOTAL</b>										<b>146,922.00</b>	



**Annual Work Plan**

Lebanon - Beirut

Award Id: 00048281

Report Date: 5/6/2009

Award Title: Sustainable Rural Livelihood Development Programme

Year: 2010

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Fund	Donor	Planned Budget		
			Start	End				Budget Descr	Amount US\$	
00058344	Sustainable Rural Livelihood D	Learning & Evaluation			LEB-Ministry Of Agriculture	30071	MOA	71400	Contractual Services - Individ	21,000.00
					LEB-Ministry Of Agriculture	30071	MOA	71600	Travel	1,000.00
					LEB-Ministry Of Agriculture	30071	MOA	72300	Materials & Goods	43,000.00
					LEB-Ministry Of Agriculture	30071	MOA	73400	Rental & Maint of Other Equip	30,200.00
					LEB-Ministry Of Agriculture	30071	MOA	75100	Facilities & Administration	4,800.00
<b>TOTAL</b>										<b>100,000.00</b>
<b>GRAND TOTAL</b>										<b>100,000.00</b>



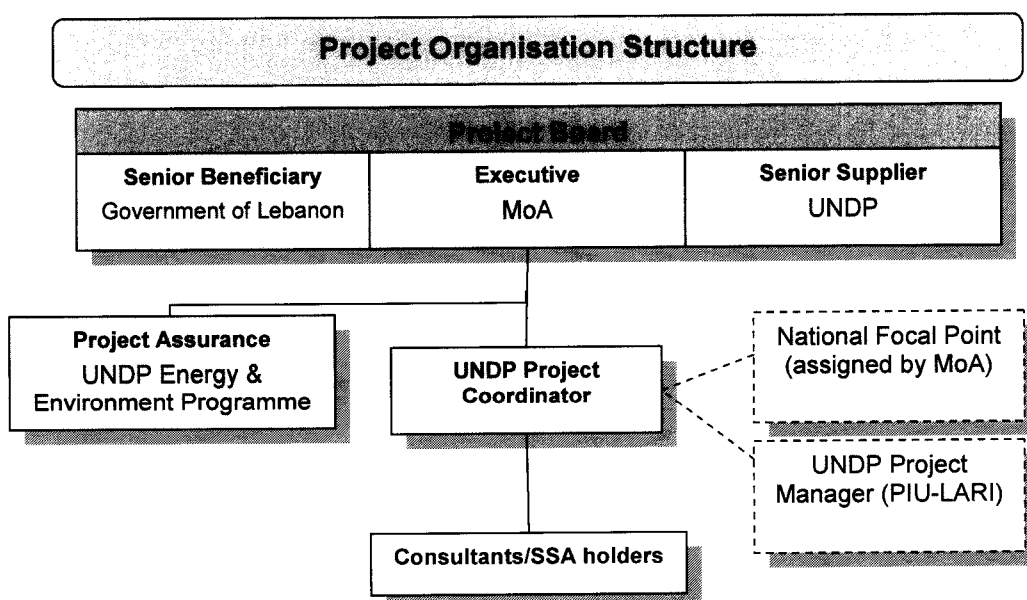
## V. MANAGEMENT ARRANGEMENTS

### i. Execution Modality

The project will be implemented with the following foreseen executing arrangements: UNDP National Execution (NEX) modality will be applied to ensure broad stakeholder participation and to create both a high flexibility and an enabling environment for innovation. Project execution will be carried out by the *Ministry of Agriculture* working on behalf of the Government of Lebanon.

UNDP will recruit a Project Coordinator to coordinate the implementation of the entire project. (S)He will be under the overall supervision of the UNDP Project Manager at LARI PIU and the overall guidance of UNDP Focal Point at MoA. The Project Board, which includes senior representations of the Lebanese Government and UNDP will be responsible for the overall progress monitoring and guidance of the project as well as the approval of the annual workplan.

UNDP will monitor the progress towards intended results, and will ensure high-quality managerial, technical and financial implementation of the project, and will be responsible for monitoring and ensuring proper use of administrated funds to the assigned activities, timely reporting of implementation progress as well as undertaking of mandatory and non-mandatory evaluations. Furthermore, the procurement of goods and services and the recruitment of personnel shall be provided in accordance with UNDP guidelines, procedures and regulations. In addition to these general responsibilities, UNDP Lebanon will have the following specific tasks: (i) Coordinating amongst all programme partners; (ii) ensuring proper technical and managerial linkages between all the on-going and planned projects; (iii) monitoring the financial management of the programme; and (iv) mobilizing additional funds to the programme.



## ii. UNDP Support Services

In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery by UNDP for two distinct cost categories related to the provision of support services, namely

UNDP **General Management Support (GMS)** recovered with a flat rate of 5% and includes the following services:

- Project identification, formulation, and appraisal
- Determination of execution modality and local capacity assessment
- Briefing and de-briefing of project staff and consultants
- General oversight and monitoring, including participation in project reviews
- Receipt, allocation and reporting to the donor of financial resources
- Thematic and technical backstopping through Bureaus
- Systems, IT infrastructure, branding, knowledge transfer

UNDP direct costs incurred for **Implementation Support Services (ISS)**, recovered through the Universal Price List, as long as they are unequivocally linked to the specific project, these costs are built into the project budget against a relevant budget line and, in the case of clearly identifiable transactional services, charged to the project according to standard service rates. ISS include the following services:

- Payments, disbursements and other financial transactions
- Recruitment of staff, project personnel, and consultants
- Procurement of services and equipment
- Organization of training activities, conferences, and workshops, including fellowships
- Travel authorization, visa requests, ticketing, and travel arrangements
- Shipment, custom clearance, vehicle registration, and accreditation

## iii. Visibility

UNDP will ensure that respective donors to the project will receive visibility the maximum visibility possible, including the display of all logos on all equipment/items purchased in this project.

UNDP will be responsible for determining when its name and logo are to be displayed and prior written authorisation must be granted by the UNDP Resident Representative on a case by case basis.

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## **VI. MONITORING FRAMEWORK AND EVALUATION**

### **i. Overall Monitoring Framework**

Periodic monitoring of the implementation progress will be undertaken by the UNDP Country Office. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion and to ensure smooth implementation of project activities. Furthermore, UNDP will be responsible for financial monitoring and reporting on all disbursements of the programme to donors.

Monitoring will be a continuous and systematic process review of the various activities and will be intended to

- measure input, output, and performance indicators;
- provide regular and up-to-date information on the progress towards meeting the overall Project Objectives;
- alert the implementing partners with problems in implementation, and provide basis on which performance may be improved, and
- determine whether the relevant stakeholders are responding as expected.

### **ii. Within the annual cycle**

- A quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by UNDP to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see section below), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, Progress Reports shall be submitted by the Project Coordinator to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

The regular reporting from the project is governed by the UNDP reporting requirements which include the following reports:

- i- Biannual progress reports which will reflect the progress of the executed actual works vs. planned works, goods procured, works subcontracted, technical assistance, performance indicators and financial report;
- ii- Annual Project Progress (APR) as per UNDP format to be submitted annually as of project initiation. The APR will be discussed during the annual Tripartite Project Review (TPR) in the presence of the project national counterparts and all concerned stakeholders.

iii. **Quality Management for Project Activity Results**

Below is a preliminary Quality Management table for the project.

<b>Outcome:</b> Agricultural policies that improve environmental conditions, reduce land degradation and enhance proper market linkages adopted to promote sustainable livelihood development of rural communities in Lebanon		
<b>Activity Result 1</b>	<i>Ministry of Agriculture assisted in identifying and adopting means to enhance sustainable land management for rural livelihood development in Lebanon</i>	Start Date: May 2009 End Date: December 2010
<b>Purpose</b>	<i>Enhance sustainable land management for rural livelihood development in Lebanon through implementation of relevant projects</i>	
<b>Description</b>	<ul style="list-style-type: none"> <li>- Provide advisory services and coordination</li> <li>- Undergo resource mobilization</li> </ul>	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Number of new projects in the pipeline	TPR report	December 2009 and December 2010
<b>Activity Result 2</b>	<i>Industrial hemp promoted as a potential alternative to narcotic plants in the Bekaa for improving the livelihood of rural communities</i>	Start Date: May 2009 End Date: December 2010
<b>Purpose</b>	<i>Improve livelihood of rural communities through promoting environmentally friendly and low cost alternative to narcotic crops</i>	
<b>Description</b>	<ul style="list-style-type: none"> <li>- Collaborate with the private sector</li> <li>- Provide support to small farmers</li> </ul>	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Area planted with Industrial Hemp, number of farmers involved and a processing plant established	Progress reports	December 2010

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## VII. LEGAL CONTEXT

This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement between the Government of Lebanon and the United Nations Development Programme, signed by the parties on 10 February 1986.

The UNDP Resident Representative in Lebanon is authorized to effect in writing the following types of revisions to the Project Document, after consultation with the project partners:

- Revision of, or addition to, any of the annexes to the Project Document;
- Revisions which do not involve significant changes to the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of inputs already agreed to or by cost increases due to inflation;
- Mandatory annual revisions which re-phase the delivery of agreed project outputs or increased expert or other costs due to inflation, or take into account agency expenditure flexibility; and
- Inclusion of additional annexes and attachments



IX. ANNEXES

ANNEX I- Economic Analysis for Industrial Hemp\*

A- Cost/Revenue at the Farm Gate per Dunum (in Bekaa Area)

Practices	Barley		Chickpeas		Hemp	
	Quantity	Total cost	Quantity	Total cost	Quantity	Total cost
Plantation month	Oct-Nov		Mar		Mar-Apr	
Harvesting month	Jun		Jul		Jul-Aug	
land lease		LBP 50,000	1 dunum	LBP 50,000	1 dunum	LBP 50,000
cultivation using a mouldboard with 4 furrows		LBP 4,500	1 dunum	LBP 4,500	1 dunum	LBP 4,500
Seeds	15 kg	LBP 5,250	15 Kg	LBP 19,500	3 kg	LBP 18,000
Seeder		LBP 3,000	1 dunum	LBP 3,000	1 dunum	LBP 5,000
cultivation using a scarifier or a mouldboard with 5 furrows		LBP 4,500	1 dunum	LBP 4,500	1 dunum	LBP 4,500
Monitoring & Inspection					1 dunum	LBP 6,000
fertilisation	1 dunum	LBP 5,000			1 dunum	LBP 5,000
weed treatemnet			1 time (herbicide)	LBP 3,000		
harvesting	Combine	LBP 25,000	hand	LBP 8,000	Combine	LBP 25,000
Threshing				LBP 3,500		
Yield (estimated)	300-400 kg grains	LBP 200,000	70 kg grains	LBP 210,000	100 kg grains	LBP 168,000
Byproduct	40 kg Hay	LBP 10,000	1 bag Hay	LBP 10,000	500 kg straw	LBP 120,000
Grand Total costs		LBP 97,250		LBP 96,000		LBP 118,000
Products Price		LBP 210,000		LBP 220,000		LBP 288,000
Income		LBP 112,750		LBP 124,000		LBP 170,000

## B- Estimated cost/revenue for processing Hemp oil (in Europe)

PARAMETER	UNIT	
Seed cost	€/tseed	740
Extraction cost	€/tseed	100
Storage and carriage	€/tseed	50
Oil content	%	33
Oil extraction ratio	%	70
Oil density	kg/l	0.92
Loss	%	5
Weight ratio		
Oil per seed		0.219
Seed cake per seed		0.771
Seed per oil		4.557
<b>TOTAL COST</b>	<b>€/tseed</b>	<b>890</b>
	<b>€/toil</b>	<b>4,056</b>
Seed cake		
Market price	€/tcake	120
Revenue	€/tseed	92.47
Revenue	€/toil	421.35
<b>Floor cost for oil</b>	<b>€/toil</b>	<b>3,634</b>
<b>Floor cost for oil</b>	<b>€/loil</b>	<b>3.34</b>
<b>Ex works prices (conventional)- Germany</b>	<b>€/loil</b>	<b>5.00 – 7.00</b>
<b>Ex works prices (Bio)- Germany</b>	<b>€/loil</b>	<b>8.50 – 10.50</b>

\*Source: "Production and Marketing Assessments for Industrial Hemp in Lebanon", Final Report, UNDP/MoA (2009)



**ANNEX II- Memorandum of Understanding between the United Nations Development Programme and Agriculture Investment Company S.A.L**