



## Aide Memoire Republic of Lebanon



### Climate Smart Agriculture: Enhancing Adaptive Capacity of the Rural Communities in Lebanon (AgriCAL)

Implementation Supervision Mission: 26 September to 8 October 2022

#### A. Introduction and mission objectives

1. The Climate Smart Agriculture: Enhancing Adaptive Capacity of the Rural Communities in Lebanon" (AgriCAL) has hitherto been implemented by the Ministry of Agriculture (MoA) of the Government of Lebanon (GoL) with financing from the Adaptation Fund (AF). The project's goal is to 'increase community resilience and adaptive capacity to climate change in Lebanon'. The project development objective is to 'support the implementation of climate change adaptation measures in the agriculture sector in highly vulnerable areas'.
2. **Project area and target group.** The following targeting criteria were used to identify the project areas: (a) High density of poverty pockets; (b) Low level of farm household productive potential, measured through the average number of farm-units; (c) Importance (and persistence) of war damages in the agricultural sector; (d) Areas prone to desertification and vulnerable to climate change; and (e) Water harvesting potential and high-value crops potential. As for the target group it is comprised of the poor smallholders of various communities of Lebanon living in the identified focus areas. Particular attention is given to the application of a gender balanced approach in project activities.
3. **Components.** The project's main components are: (i) water management; (ii) Roll out of adaptation techniques (iii) rangeland management; and (iv) Policy influence and lessons learnt dissemination. In addition Lebanon has also been benefiting from the Covid19-related Rural Poor Stimulus Facility (RPSF) as the fifth component, which has been finalised.
4. **Financing.** AgriCAL's grant financing from AF is estimated at about USD 7.245 million. No domestic (GOL and the target beneficiaries) counterpart funding was foreseen at design although, in reality, both stakeholders are making a contribution towards the project's implementation. AgriCAL's funding was approved in 2013; MoA and IFAD signed an agreement in November 2013 for the implementation of the project.
5. **Implementation challenges:** AgriCAL implementation has been subjected to a lengthy delay owing to a protracted process of establishing new grant funding management procedures in Lebanon. Project inception activities started only in March 2017, with the establishment of the project management unit (PMU). However, funding to initiate activities was effectively available to the project team only in early 2018. After four extensions (latest in 2022), grant completion and financial closing dates are now set to 21st October 2023 and 21 April 2024, respectively. Progress has been made by AgriCAL in 2021 and the first months of 2022. However, the deepening economic crises and increasingly untenable situation facing the implementing partners in Lebanon, a final extension will be needed in conjunction with a change of project modalities.
6. The **purpose** of the supervision mission was originally scheduled to take place in December 2022, but due to a drastic halt to project activities after May 2022, it was decided to move forward the mission to address what can be characterised as an emergency situation in which implementation has effectively been halted. Thus this mission has focused on addressing this critical situation by facilitating a possible transition of implementation responsibility away from ministry partners and government systems, as they have become dysfunctional to the degree where the project cannot make any meaningful progress.<sup>1</sup>

<sup>1</sup> The mission consisted of Mr. Vrej Jijyan, IFAD country director; Thoodan Al-Eryani, IFAD M&E specialist; Tarek Abdel Monem, IFAD environment and climate specialist, Maya Hachem financial management specialist; Frederic Kagaba procurement expert and, Peter Frøslev Christensen, consultant team leader.

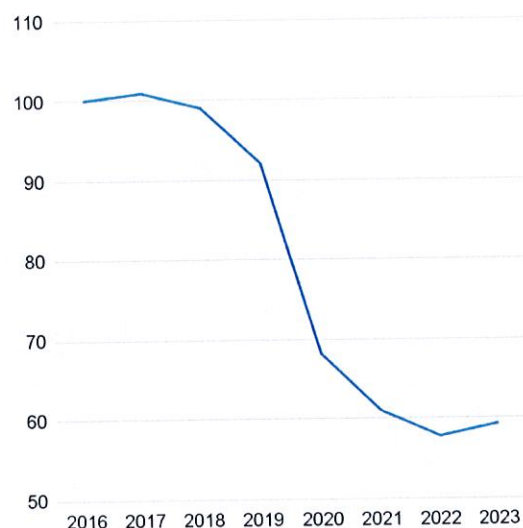
## B. Overview and AgriCal project progress

### Country context

7. During the last two years, Lebanon and its people have experienced an unprecedented crisis. The challenges ahead are exceptionally large. Lebanon's socio-economic conditions have continued to deteriorate to untenable levels. The economy has already contracted by more than 40 percent since 2017 and is expected to contract further 5.3% in 2022 (see figure).<sup>2</sup> The Lebanese pound has lost approximately

#### Real GDP Growth (2016=100)

EIU, Sept 2022



95 percent of its real value, while food prices have increased almost ten-fold since May 2019. Unemployment is exceptionally high, and 80% of the population has been pushed into poverty. The World Bank estimates that the crisis is likely to rank in the top three most severe crisis episodes globally since the mid-nineteenth century.<sup>3</sup> The already existing economic and financial crises were compounded by the Covid19 crisis starting in 2020, hitting tourism and remittances, whereas the explosion in the port of Beirut on 4 August 2020, has caused significant loss of physical assets and degraded the port's handling capacity, increasing trading costs. The Banque du Liban (BdL) has introduced currency controls resulting in a substantial discrepancy between the official government exchange rates and the black market one. This has led to the introduction of the concept of 'fresh' dollars implying cash dollars or dollars that can be transferred into the country without having to be converted to Lebanese pounds at the official rates. An agreement was in principle made with the IMF in April 2022 that could unlock much needed finance, but that

would depend on the government implementing politically difficult reforms including exchange rate liberalisation.

8. The budget passed in late September contained none of the reform measures that would comply with the IMF agreement. Instead it includes a tripling of nominal public sector wages, unfinanced which *de facto* will imply that the government will print more money, adding to the triple digit level inflation and thus quickly eroding the real value of the wage increases. Moreover, the increase of salaries is made only to staff whose monthly income does not exceed 12 million pounds ( $\approx$ USD 300).

9. As a result of all these ills, Lebanon needs significant financial and technical assistance to overcome this deep humanitarian, social, and economic crisis. Most importantly, it needs to initiate comprehensive reforms to bring public finances into order, restructure public debt, rehabilitate the banking system, expand the social safety net, and improve governance.

10. In this context, the AgriCAL project in general and the PMU in particular has done a remarkable job of keeping up implementation momentum up until May 2022 (see supervision mission report from that date). Unfortunately, the project is no longer immune to the deteriorating context. The economic and political crises now threatens to arrest project progress with payments to service providers not getting necessary approval from the Lebanese Court of Accounts, which has shifted from a post-approval regime to one where activities have to be pre-approve and mostly don't get that. This has effectively blocked payments from the PMU account in the BdL. This is due to the government's policy of managing the exchange rate and thus limiting the use of 'fresh dollars'. While the ministry of agriculture has been trying to provide both arguments and documentation, no progress has been made and the current situation has reached a critical phase where implementation has grinded to a halt as the project is unable to access its dollar-based account.

11. The economic crisis has also hit the ability of civil servants (including those in the ministry of agriculture,

<sup>2</sup> Economist Intelligence Unit: Lebanon Country Report, September 2022

<sup>3</sup> Bank: Lebanon, 'Public Finance Review - Ponzi Finance?' July 2022

MoA) to perform their duties. Shortages of fuel restrict the mobility of staff, including extension staff and project supervision is also hampered by this. Moreover, staff are also being asked to work only half-time and receive proportional salary cuts. Even those still working full time struggle to make ends meet, as hyperinflation has eroded the real value and salary payments are delayed. As a consequence, many civil servants have left their jobs, several of whom have emigrated as has over 200,000 people since the start of the crisis<sup>4</sup>, while many of the remaining staff have gone on general strike (since May 2022), including AgriCAL project staff. Thus, staff now show up at their workplace only once every fortnight (e.g. 10% attendance) as they cannot be legally fired if doing so. This has further cemented the standstill of project implementation.

### Proposed way forward

12. IFAD, MoA and the ministry of environment (MoE, as the designated authority) consequently initiated a comprehensive review of options to address the situation and also intensified dialogue with the Court of Accounts and with other development partners facing similar problems (e.g. World Bank). During this review, it was estimated that the project would be able to implement a maximum of additional 5% of remaining project activities under the current set-up, bring total disbursement to only 46% at best. Thus, the project, and Lebanon, would fail to deliver on the important climate adaptation ambitions set out at the start, hurting vulnerable rural communities at a time when such support is most needed. The project partners have consequently reached the conclusion that the current implementation modality is not conducive for effective implementation, primarily because of the reliance on government financing and staffing channels have become increasingly dysfunctional. Instead, there is a need for an implementation modality that is less reliant on these dysfunctional systems and with implementation experience. This necessitates that the project engages with a third party implementer, possibly a UN agency, which can ensure a speedy and smooth transition from the current set-up. The alternative would be to complete the project in October 2023, while attempting to implement what few activities that are feasible and seek the release of the funding kept by the Court of Account.

13. If a third party implementer, possibly a UN agency, is identified, It will be important that it has the implementation modalities that will ensure that the bottlenecks currently halting progress can be bypassed especially by not relying on the court of account to approve disbursements. However, it will also entail a different modality by which stakeholders in PMU, MoA, GP, MoE and LARI are engaged. First of all, if the new implementer has assumed project implementation responsibility (probably mid-2023) the PMU as an entity will be abolished to avoid having two parallel management units. The implementer will engage the core staff of PMU and other institutions on a more consultancy-like basis, based on consultation with these stakeholders but ultimately determined by the third party. Moreover, the shift will require, from a legal perspective, a change in the implementation modality and Financing Agreements. Accordingly, the IFAD-AF Agreement will have to be revised, whereas the IFAD-MoA agreement will be annulled and a new agreement will be signed between IFAD and the new implementer.

14. Under this now third party implementation scenario, the current PMU driven implementation model will thus continue for some months during which time efforts will be made to deliver on the ongoing activities including those where funding is available in the designated account at BdL, continuing attempts to unblock at least part of the finance and progress if successful. However, IFAD will only pay incentives for staff against verifiable performance.

15. The list in [appendix 4](#) has been made with a view of providing an indication of the tasks and activities that will be allocated to the third party from mid-2023 and those that PMU will attempt to implement in the run-up to the transition.

16. The guiding principle has been that of providing the new entity with the activities that are 1) relatively easy to implement (provided finance is available) 2) that are not tied up in complex management and financial set-ups and 3) form a coherent, self-contained set of actions that are well-defined.

17. The list provides information on budget availability for each activity, status hereof and budgetary resources available. Below is an narrated overview of the outputs, outcomes and components including the transition paths, where relevant.

18. It should be noted that the below overview is *only a scenario* that will materialise if an implementing

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1. <sup>4</sup> Middle East Monitor: *Lebanon: emigration increased by 346% last year, 2022*. 60% of the youth consider leaving Lebanon according to ArabBarometer, July 2022.

agency is identify that can take on the tasks in a credible fashion and providing value for money. So far it has not been possible to identify such an agency. There is thus also a real risk that the project will be closed in October 2023 under the current weak implementation modalities. However, efforts should still be made to recoup the funding held up by the Court of Account regardless of whether an implementation transition materialise. **Meanwhile, it should be emphasized that any potential third party might decline the implementation of certain, secondary, activities and keep the focus on main project's activities. In this case these secondary activities will be cancelled.**

### **Implementation Transition of Component 1: Water Management**

19. The objective of this component is to support water harvesting from greenhouses and promote efficient irrigation. Below is the status and transition plan for each sub-component.

#### ***Subcomponent 1.1: Rainwater Harvested from Greenhouse Roof Tops***

20. *Status:* As reported during the previous missions, two sites at Byblos have been constructed and are functional. They have been supervised by the Green Plan, signed off by the MoA and approved by MoE. The value of the two irrigation schemes was USD 89,000 combined, provided as a grant to the two farmers. These schemes are innovative for climate change adaptation with incentives for O&M and simple institutional set-up that would ensure sustainability. The stored water within these systems will be used in late summer/autumn; the period when the water table is low and exposed to salinity. This would provide a good model to enhance crop resilience to climate change.

21. The project formalised the arrangement with the two farmers and has signed with them a Memorandum of Understanding (MoU). The MoUs include their commitment to carry out all the needed operation and maintenance works; allow field visits for other farmers to the greenhouses with the rainwater harvesting system for the next 5 years; and to install a water metre to calculate the amount of rainwater harvested that was used in irrigation. PMU, will need minor funding for organising field visits.

22. The knowledge product associated with this activity will still be reported under component 4 as requested by the Ministry of Environment.

23. *Budget:* The total allocated budget for this activity was US\$ 106,000 which is totally committed with an outstanding payment of US\$ 24,502 to be paid by the PMU from the designated account. If an implementing agency is identified, it will have an additional allocation of USD 5,000 for organising tentatively 10 study tours if it fits within existing ongoing engagements and activities. PMU may also implement these activities (including visibility production and dissemination) in the transition period if possible.

24. *Timeframe:* GP and MoE will need to organise study tours from other farmers, with small cost of transport and coffee breaks, to be supported and funded by the implementing agency if feasible (see above).

#### ***Subcomponent 1.2: Water Efficient Irrigation Systems Deployed***

25. *Status:* The pipelines for all the hill lakes have been completed and irrigation filtration rooms have been constructed as per the table below.

<b>Contract Title</b>	<b>Contract Amount</b>	<b>% completed</b>
Supply & installation of irrigation network - Beit Lif hill lake	42,373	100%
Supply & installation of irrigation network - Deir El Mokhaless lake	66,858	100%
Supply & installation of irrigation network - Kfarchouba hill lake	83,757	100%
Supply & installation of irrigation network - Qornayel hill lake	34,039	100%

Supply & installation of irrigation network - Ehmej hill lake	111,980	100%
Supply & installation of irrigation network - Menjez hill lake	121,470	100%
Supply & installation of irrigation network - Ain El Bnayeh hill lake	84,947	100%
Supply & installation of irrigation network - Barqa hill lake	94,530	100%
Supply & installation of irrigation network - Kaikab hill lake	124,754	100%
Supply & installation of irrigation network - Zrazir hill lake	181,930	100%
Construction of a filtration room for the irrigation networks - lakes in Mount Lebanon & Nabatieh	56,475	100%
Construction of a filtration room for the irrigation network - Ehmej hill lake	11,839	100%
Construction of a filtration room for the irrigation networks - lakes in Baalback & Hermel & Menjez	49,752	100%

26. The remaining activities under this sub-component is to support a secondary network and then install on-farm drip irrigation systems. In addition, to ensure sustainability, training for Water User Associations (WAUs) was foreseen where available as well as support to municipalities will be given in areas. All the remaining activities were to be executed by Green Plan. Now, only the training to WAUs will be carried out by Green Plan and the rest will be transferred to the implementing agency. In case GP is not able to undertake the WUA training, the implementing agency may consider assisting. USD 7,500 is tentatively allocated for this activity. A total of 698 farmers are targeted, covering 150 ha.

27. Although the payments for operation and maintenance were not assessed by the project, the previous mission confirmed an average payment of \$0.5 USD/m<sup>3</sup> of water services. Farmers are informed by municipalities every year about the fees for maintenance which ensures sustainability of the water networks.

28. *Budget:* The table below shows the financial details of the remaining activities to be executed by the implementing agency.

Activity	Available Budget	Implementation Status
1.3.16 Installation of Irrigation on-farm level	US\$ 525,000	Not initiated
1.3.17 GIS and analysis for drip irrigation farm level	US\$ 55,925	Not initiated
1.3.18 Training of WAUs	USD 7,500	Not initiated

29. *Timeframe:* The table below shows the expected timeframe of the remaining activities to be executed by the implementing agency assuming a start date of June 2023.

Activity	Expected Start Date	Expected Completion Date
1.3.16 Installation of Irrigation on-farm level	June 2023	June 2024
1.3.17 GIS and analysis for drip irrigation farm level	June 2023	June 2024

Activity	Expected Start Date	Expected Completion Date
1.3.16 Installation of Irrigation on-farm level	June 2023	June 2024
1.3.18 Training of WUAs	June 2023	June 2024

### Implementation Transition of Component 2: Adaptation Techniques Roll-Out

30. This component aims to improve food security in the programme area and make farmers adopt more climate resilient agricultural and livestock production methods. This is to increase the quantity of local production and reduce climate-induced variability. Below are the main achievements and outstanding issues by sub-component.

#### *Subcomponent 2.1: Enhanced Early Warning System*

31. *Status:* The last three weather stations have been installed and delivering correct reporting, thanks to Debane's support. There is still an outstanding issue for finalising the MoU with Debane for the next five years, but this should be easily implemented in the next months and won't require substantial efforts on behalf of LARI or PMU. As the software for the early warning system came with the first batch of weather stations, the unit cost for delivering additional stations is rather low (USD 8,000) and should LARI/GoL wish to expand coverage this could relatively easily be done by purchasing more.

32. All other activities have been completed including procurement of equipment for the training centre, the printers, the soil moisture sensors and related IT equipment.

33. *Activities still to be implemented:* The finalisation of the associated smartphone application is the only major outstanding issue that the implementing agency will have to undertake. The LEB APP will need to be updated and modified to properly access and disseminate the information from the EWS and weather stations. As the LEB APP has more than 30,000 users, getting this issue addressed is of critical importance to ensure the maximum outreach. It is important that the app is gathering information from the beneficiaries (e.g. gender, age, etc) in order to feed in the project's M&E system, specifically its outreach database.

34. *Budget overview:* There is a budget of USD 19,000 for the IT specialist to update the app. This will be done within the new implementing agency's implementation timeframe from mid-2023 to mid-2024. The ToR for the assignment will have to be developed but LARI has the knowledge of the LEB APP and will hence assist in developing specifications / ToR.

#### *Subcomponent 2.2: Expanded farmer outreach and ensured financial and management sustainability of the early warning system*

35. *Status:* Ensuring sustainability of the EWS is one of the main outcomes of this subcomponent. The service contract with Debanne ensures sustainability for the upcoming five years in terms of maintenance and data access. It has been agreed with LARI to recruit a consultant in order to develop a sustainability strategy beyond the five year service contract and develop a financing strategy, which should also consider private financing, but with no predetermined outcomes.

36. *Activities still to be implemented.* The study for a sustainability plan is still pending. ToR has not been developed yet, but should be broad enough to encompass scenarios of both public and private financing (or a combination thereof). The implementing agency will have to initiate this in cooperation with LARI.

37. *Budget overview:* USD 25,000 has been allocated for experts to elaborate a comprehensive strategy for the sustainability of the EWS. It should be done within the first year of implementation under a new implementer. No ToR has been developed yet, but the assignment is rather precisely defined and should be easily implementable.

#### *Subcomponent 2.3: Capacity Building on Techniques for Vulnerable Field Crops Enhanced*

38. *Status:* The subcomponent is mainly aimed at capacity development for LARI and MoA staff. Substantial progress has been made including training on irrigation and crop modeller trainer expert, expert trainer in greenhouse, hydroponic and soil less agriculture and the evapotranspiration trainer expert have been provided. In total these activities benefited some 45 people from amongst others LARI, the ministry and academia. Additional beneficiaries will be generated through farmers field days when all activities under this component have been completed

39. *Activities still to be implemented:* A statistics and research design trainer expert is to be recruited for training LARI staff in these critical aspects. Both ToR and a shortlist are available which should facilitate speedy uptake. The implementing agency will also collaborate with LARI staff on demonstration plots, crop modelling and introduce the smart phone application to communities and farmers on irrigation and IPM. This will also help in extending outreach. Finally the dissemination activities of the above have obviously not been implemented yet, but will be done so once the other activities are completed, using farmers field days as a key method.

40. *Budget overview:* USD 5,000 has been allocated for the statistics and research design trainer and should be implemented within the first year of the implementing agency's timeframe. USD 32,437 has been allocated for demonstration plots and crop modelling, but no ToR are available. The timeframe is 1½ year to ensure proper implementation. Finally, the disseminating and promoting the results (farmer field days) has been allocated USD 10,000, to be implement from start of 2024.

*Subcomponent 2.4: Guidelines and Recommendations on Agricultural Adaptation Techniques for Vulnerable Areas Developed*

41. *Status:* All but one of core research and documentation activities have been completed as shown in the table below. However, dissemination using multimedia presentations has not taken place and this is the major issue.

Technical Guidelines	Status
Guidelines on rainfed agriculture adaptation to climate change, adapted crops and fruit varieties to climate change	Completed
Guidelines for Integrated Pest Management of Grape	Completed
Guidelines on IPM for peach and apricot diseases caused by viruses and phytoplasmas	Completed
Illustrated calendar for the fodder species grown in natural range lands located within the project area	Completed
Technical guidelines on soil borne diseases	Completed
Technical guidelines on crop rotation importance	Consultant selected
Field compilation of data at farm level to highlight on existing mis-agricultural practices at farm level	Completed
Assessment of the existing agriculture machinery at farm level	Completed

42. *Activities still to be implemented:* The technical guidelines on the crop rotation principles still need to be developed and ToR and a shortlist/consultant has been made which the implementing agency can use if so desired. The guidelines should be ready by the end of 2023.

43. To disseminate appropriately, a consultant will be hired by the implementing agency to visualise the results using multimedia and other means: on each relevant subject, related to the project objectives (8 subjects). The consultant will also do dissemination of the fodder assessment (see section 2.5 below). These activities will be implemented in 2024. There is no ToR for this activity.

44. *Budget overview:* USD 10,000 has been allocated for the crop rotation guidelines. USD 30,053 has been allocated for the implementing agency for dissemination (incl. fodder assessment, 2.5) and will be

done within the 1½ year of the implementing agency's authority.

#### *Subcomponent 2.5: National Fodder Resource Assessment*

45. Status: This activity focuses on two different demo plots in Nabetieh and Bekaa. These demo plots have been selected as they house many shepherds and as they are representative for the grazing lands all over Lebanon. The assessment consists of a qualitative assessment (through interactions with shepherds), visiting and monitoring the sites and a laboratory assessment of the vegetation present in the different areas. Part of the chemicals needed for the latter have been received by the research team. Results will be presented in a final report including the different analysis and manual including forage species, morphology (including flower colour, leaves, plant height), flowering times, nutritional value and geographical distribution. In addition, an illustrated calendar will be produced for shepherds in the area.

46. Rough estimates indicate that some 200 farmers are grazing on the sites selected and thus will benefit directly from the fodder assessment. Yet information gathered through the fodder assessment and the calendar developed through it, can benefit farmers nationwide.

47. Since the last mission, there has been limited progress on sub-component. Only small lab equipment purchase has been done and LARI has identified a work around that allow for access to computing power, thus cancelling the need for the procurement and configuration of a computer server (activity 2.5.3) implying a cost-saving of app. USD 40,000. However, there is still a significant procurement process outstanding, that is suggested that the implementing agency implement, as detailed below.

- First of all there is a need to procure *laboratory equipment* for e.g. soil and plant analysis. ToR are available with a budget of USD 8,000 and should be done within ½ year of the implementing agency's implementation as specifications are also detailed in the ToR (budget line 2.5.4).
- Moreover, *chemicals* for the testing and analysis is also needed to make proper use of the above lab equipment. USD 30,000 has been allocated for the implementing agency to procure. Specifications are available and hence should be purchased within the first ½ year of the implementing agency's implementation (budget line 2.5.5).
- The assessment is also critically dependent on engaging *experts* with the appropriate competencies from LARI who will be offered incentives up to USD 20,000 to be paid by the implementing agency throughout the period of activities (budget line 2.5.6).
- Due to severe shortages of vehicles and fuel, UDD 15,000 has been allocated for *transportation*, to and from the field sites. LARI has vehicles but not fuel allowances. The USD 15,000 will cover this cost during implementation, 1 ½ years starting from mid-2023 (budget line 2.5.7).
- Finally field equipment, including GPS, fencing, tools for land protection, etc. will be needed for in-site installation. LARI has developed the specifications, and hence a short procurement process is foreseen of ½ year. The implementing agency will be allocated USD 72,000 for this budget line 2.5.8.

48. There is thus a substantial list of activities and outputs to be completed with several procurement and incentive activities to be undertaken. Critical will be to get the equipment procurement processes started as well as ensuring that the LARI experts are confident of their incentives being provided. The implementing agency will engage with LARI re-visit the rationale for the assessment and the selected demo areas to determine the appropriate modality and way forward.

### **Component 3: Rangeland Management**

#### *Subcomponent 3.1: Community-Based Sustainable Rangeland Management Plans*

49. Status: The main outputs of this activity are fully implemented Community-Based Sustainable Rangeland Management Development Plans for Baalback and Nabatieh. A consultant was hired to develop the plans but resigned without finalising the plan and the vacancy has not yet been filled. The remaining budget will only be enough to build on what the previous consultant started. Accordingly, assuming that what the previous consultant developed is usable and of good quality, it is recommended that the implementing agency continue this activity considering its strategic long term importance. Keeping this in mind, the decision on continuing will be completely up to the implementing agency upon their evaluation of the existing incomplete document.

50. The PMU has completed the purchase of fodders for shepherds in Nabatia and the hiring of a GIS



expert as part of the activities planned this year.

51. *Activities still to be implemented:* In addition to the rangeland management plan explained above, The implementing agency will take over the procurement and installation of equipment for farmers in pilot areas to apply sustainable rangeland management practices. In addition, the purchase of equipment for dairy processing, for beekeepers and procurement and installation of fences for the protection of rangeland as well as purchase of medicinal and aromatic plants. Finally, the implementing agency will also execute a series of workshops on sustainable management practices, sustainable fodder production, dairy processing, beekeeping and husbandry.

52. *Budget:* The table below shows the financial details of the remaining activities to be executed by the implementing agency.

Activity	Available Budget	Implementation Status
3.1.1 Expert in Rangeland management plan	US\$ 20,000	Incomplete
3.1.4 Procurement & Installation of equipment for farmers within the selected pilot area in order to apply the sustainable rangeland management practices (drinking troughs)	US\$ 25,000	ToRs Available
3.1.5 Purchase of equipment for dairy processing	US\$ 35,000	Not initiated
3.1.8. Purchase & Installation of equipment for beekeepers -support income diversification	US\$ 90,000	Not initiated.
3.1.9 Procurement & Installation of fences for the protection of rangeland from degradation	US\$ 65,000	ToRs & Short List Available
3.1.15 Purchase of aromatic and medicinal plants	US\$ 55,000	Not initiated
3.1.16 Workshops for sustainable management plan practices (Room, bus, meal & logistic)	US\$ 2,000	Not initiated
3.1.17 Workshops for fodder activity (Room, bus, meal & logistic)	US\$ 2,000	Not initiated
3.1.18 Workshops for dairy processing (Room, bus, meal & logistic)	US\$ 2,000	Not initiated
3.1.19 Workshops for beekeeping activity (Room, bus, meal & logistic)	US\$ 2,000	Not initiated
3.1.20 Workshops for animal husbandry activity (Room, bus, meal & logistic)	US\$ 2,000	Not initiated

53. *Timeframe:* The table below shows the expected timeframe of the remaining activities to be executed by the implementing agency assuming a start *date* of June 2023.

Activity	Expected Start Date	Expected Completion Date
3.1.1 Expert in Rangeland management plan	June 2023	July 2023
3.1.4 Procurement & Installation of equipment for farmers within the selected pilot area in order to apply the sustainable rangeland management practices (drinking toughs)	June 2023	September 2023
3.1.5 Purchase of equipment for dairy processing	June 2023	September 2023
3.1.9 Procurement & Installation of fences for the protection of	June 2023	September 2023

rangeland from degradation		
3.1.16 Workshops for sustainable management plan practices (Room, bus, meal & logistic)	October 2023	November 2023
3.1.17 Workshops for fodder activity (Room, bus, meal & logistic)	November 2023	December 2023
3.1.18 Workshops for dairy processing (Room, bus, meal & logistic)	December 2023	January 2024
3.1.19 Workshops for beekeeping activity (Room, bus, meal & logistic)	December 2023	January 2024
3.1.20 Workshops for animal husbandry activity (Room, bus, meal & logistic)	December 2023	January 2024

*Subcomponent 3.2: Restored Degraded Rangeland Areas and Reduced Flood Risks*

54. *Status:* The only activity that has been implemented under this sub-component is the rehabilitation of the Ministry of Agriculture's Abdeh nursery. The total allocated budget was US\$ 138,788 which was fully committed with an outstanding payment of \$4,000 to be paid by the PMU. The rest of the activities under this sub-component will be transferred to the implementing agency.

55. The implementing agency will take over elaborating site specific implementation plans and can benefit from the ToRs and short list already prepared by the PMU. The implementing agency should then proceed with the construction of gabions, hafeers and dams while complying with the EIA process according to the national law with support from the MoE. The contractor of these construction works should be responsible for their maintenance for 5 years and afterwards municipalities will hold this responsibility. In addition, the implementing agency should carry out the construction of a fence for the Abdeh nursery that was already rehabilitated through the project.

56. *Budget:* The table below shows the financial details of the remaining activities to be executed by the implementing agency.

Activity	Available Budget	Implementation Status
3.2.1 Elaborating site specific implementation plans	US\$ 100,000	ToRs & Short List Available
3.2.2 Construction of hafeers, dams and gabions in site A	US\$ 1,084,056	Not Initiated
3.2.3 Construction of hafeers, dams and gabions in site B	US\$ 1,208,156	Not Initiated
3.2.4 Supervision of construction of hafeers, dams and gabions	US\$ 100,000	ToRs & Short List Available
3.2.6 Construction of a fence for MoA Nursery	US\$ \$60,000	Not Initiated

57. *Timeframe:* The table below shows the expected timeframe of the remaining activities to be executed by the implementing agency assuming a start date of June 2023.

Activity	Expected Start Date	Expected Completion Date
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3.2.1 Elaborating site specific implementation plans	June 2023	December 2023
3.2.2 Construction of hafeers, dams and gabions in site A	April 2024	November 2024
3.2.3 Construction of hafeers, dams and gabions in site B	April 2024	November 2024
3.2.4 Supervision of construction of hafeers, dams and gabions	April 2024	November 2024
3.2.6 Construction of a fence for MoA Nursery	June 2023	February 2024

#### Component 4: M&E Policy and Knowledge Management

##### Subcomponent 4.1: Policy and advocacy activities implemented

58. All the activities under this sub-component component will be transferred to the implementing agency taking into consideration that the implementation is still at its very initial stages. The consultant for the national forum has been identified and was in the final stages of signing the contract. The implementing agency can consider hiring the same consultant and using the available ToRs prepared by PMU, or they can choose to restart the whole process. That being said, it is recommended that at least the ToRs are utilised by the implementing agency to save time and effort, in the event that the ToRs are up to the implementing agency's operational standards.

59. Upon contract signature, the consultant will start organising for the forum starting with a concept note (CN) that will detail the overall purpose of the national dialogue, the structure of the various sessions (i.e. plenaries, open dialogues/debates, presentations, etc.), the detailed agenda of each session (including the proposed speakers, topics, and time slots), and the list of key stakeholders to be invited. In consultation with MoE, MoA (incl. Green Plan), and IFAD the CN will also outline the expected outcomes of the forum in regards to the envisaged final products such as policy briefs, enhancements to current strategies, action plans, and/or new project proposals that will enhance smallholder resilience and adaptation to climate change. IFAD no objection should be sought for the final draft of the CN. Upon the completion of all preliminary preparations, the national forum is expected to take place between August and September 2023.

60. The consultant is also expected to manage the forum from the logistical perspective. In other words, the first decision would be to hold the forum virtually, physically, or in hybrid mode. At this stage, it is expected that the forum will take place virtually since the project has no allocated budget for a physical or a hybrid event. However, in the spirit of collaboration, MoE suggested that they will explore the possibility of holding the event physically, although it remains a very slim possibility. In either case, logistical details must be planned very carefully by the consultant such as who will do the hosting (assuming it's a virtual event); will breakout rooms be needed (and if so, who will moderate each breakout room); who will be the sessions rapporteurs; and so on and so forth. Finally, such an event will require local media coverage to further strengthen its outcomes and support dissemination of its results. To this end, the support of MoE and MoA will be required to ensure that prominent local media outlets are invited to cover the event, in addition to social media coverage and dissemination. Any additional budget required for knowledge products and dissemination of the national forum can be sourced from subcomponent 4.2. The table below illustrates the activities and available budgets under sub component 4.1 that could be completed by the implementing agency.

Sub Component 4.1 Activities for the implementing agency.

Activity	Available Budget	Implementation Status	Time Frame
4.2.1 Consultant to conduct regular policy advocacy activities & organise a national forum	USD 27,500	ToRs & Consultants Shortlist available	August/October 2023

*Subcomponent 4.2: Knowledge management system established & implemented*

61. This sub component is dedicated to developing various knowledge specific products that could be disseminated to the various stakeholders. The PMU has contracted one videographer who produced two high quality for activities under sub component 3.1. Considering that the project has already produced a number of technical knowledge products, such as the guidelines that were produced by LARI, the continuation of the activities under sub component 4.2 by the implementing agency will be crucial. The project visibility, including IFAD's and the AF visibility, is completely tied to this sub component. Accordingly, it is highly recommended that this sub component be transferred to the implementing agency for complete implementation. The table below highlights the remaining activities that could be implemented by the implementing agency.

62. IFAD will consider inhousing communication materials, so only the expert consultant will be left with the implementing agency.

Sub Component 4.2 Activities for the implementing agency

Activity	Available Budget	Implementation Status	Time Frame
4.3.1 Expert to developing appropriate knowledge products for all project Components	USD 17,000	ToRs & Consultants Shortlist available	August 2023 /September 2024 (Ongoing)
4.3.2 Printing the knowledge products	USD 10,000	Not Initiated	August 2023 /September 2024 (Ongoing)
4.3.3 Designing and disseminating of knowledge products	USD 26,850	Not Initiated	August 2023 /September 2024 (Ongoing)
4.3.4 Printing brochures, pens, etc.	USD 7,000	Not Initiated	August 2023 /September 2024 (Ongoing)

**Component 5: Rural Poor Stimulus Facility**

63. This activity has been financed outside the grant from the Adaptation Fund, but used the AgriCal as a vehicle for delivering IFAD's global covid-19 response called the Rural Poor Stimulus Facility. All activities are completed. There is an outstanding amount of USD 45,508 in the designated account, but actual expenditure is only USD 39,580. PMU has managed to unlock the amount and will pay its creditors, returning USD 5,928 to IFAD. **There will be no activities or budget for the implementing agency to implement.**

**Project management**

64. The current status is that the PMU is dysfunctional due to vastly devalued salaries, increased cost of living and lack of supportive infrastructure (e.g. transportation, office supplies, electricity and internet). In addition the court of audit has blocked access to funding from the project's designated bank account, *de facto* blocking the initiation and completion of most activities. Moreover, AgriCAL staff also participate in the public sector strike which has reduced the presence at their workplace to the bare minimum (one day per two weeks). Only very few activities can be implemented in this severely compromised context and a status quo scenario would imply progress of perhaps 5 to 10% against expected outputs and budgets. Hence the need for a fundamental break in project implementation modalities, if the project is to have any realistic prospects of delivering on original the adaptation ambitions.

#### *PMU transition*

65. The main scenario is that the current set-up will remain in place to implement the limited number of activities that are feasible and fundable as well as to continue to put pressure on the court of audit to release the funding blocked in the designated account. IFAD will pay staff based on verifiable performance against outputs and work days.

66. However, the overriding priority should be to establish the implementing agency as the implementing authority as a matter of urgency, with a realistic effectiveness date around mid-2023. At that point the PMU be both formally and de facto abolished and overall implementation responsibility will be bestowed to the implementing agency.

67. The implementing agency will subsequently utilise the individual PMU and partner capacities on a consultancy / incentive basis as has already been budgeted in the annex. Thus to ensure that valuable knowledge of implementation processes and technical expertise is not lost in the transition.

#### *The M&E system*

68. The project outreach increased slightly since the May Implementation Support Mission reaching 538 households compared Zero in May, excluding the RPSF beneficiaries (**Note:** RPSF beneficiaries were 580 households in May 2022). Persons receiving services from the project increased from 37 to 575. Women and youth participation in the implemented activities so far is extremely low where they represent only 15% and 8% respectively, while men represent the vast majority of beneficiaries (i.e. men 85% of beneficiaries). The youth representation might be slightly higher due to the fact that the M&E database is missing quite a bit of data fields such as the dates of birth of some of the beneficiaries of the training conducted by LARI and all the beneficiaries who received the fodder support and rangeland management training. To enable the system to read all results, it is assumed that all of these beneficiaries are not youth.

69. Furthermore, beneficiaries of the LARI training as well as the rangeland management support are all missing the governorates and almost all of them are missing the ID numbers. The data quality of the M&E system did not improve since the last mission where no action was taken to complete the missing data highlighted in the May Adie Memoire. The data quality of component 1 beneficiaries is much better comparatively, where almost all data fields are available for the beneficiaries who benefited from the primary irrigation network, with only few missing dates of birth and governorates. Nonetheless, two major issues can be seen here i) only 446 entries are on the system out of 698 although the project has reached all 698 households; and ii) the GPS coordinates of these entries have at least two different formats including Degrees, Minutes, And Seconds (DMS) and Decimal Degrees (DD). Using two or more formats for Longitude and Latitude makes it very confusing and renders the value of this data significantly.

70. Finally, the project logfarem will need to be updated once the implementing agency is on board to reflect the target modifications introduced during the redesign that was approved by the AF in April 2022. These modifications include the new end target of the EWS under component 2 and the additional indirect beneficiaries of the flood reduction infrastructure under component 3. Results by outcome and output can be found in Appendix 1.



AgrICAL supervision mission, October 2022

Component/Output/Activity	Ref No.	Calculation Use	Average Cost per Unit	No. of Units	Total Allocated Budget	Cost Category	IP	Total Beneficiaries	Males	Females	Youth	Implementation Schedule
<b>Component B - Ecological Management</b>												
<b>Output B.1 Community Based sustainable rangeland management plan approved</b>												
Total Allocated Budget: \$2,032,232												
3.1.1.1	ACT 3.1.1.1	Lump Sum	\$20,000	1	\$20,000	Technical Assistance	UNGP					
3.1.1.1.1 Procurement and installation of equipment for farmers with the objective of increasing their productivity and income (equipment includes: plough, harrow, etc.)												
3.1.1.2	ACT 3.1.1.2	Lump Sum	\$21,000	1	\$21,000	Goods (Equipment, Supplies, Vehicles)	UNGP					
3.1.1.2.1 Purchase of equipment for dairy processing												
3.1.1.3	ACT 3.1.1.3	Lump Sum	\$41,000	1	\$41,000	Goods (Equipment, Supplies, Vehicles)	UNGP					
3.1.1.3.1 Procurement and installation of equipment for beekeeping, support income diversification												
3.1.1.4	ACT 3.1.1.4	Lump Sum	\$90,000	1	\$90,000	Goods (Equipment, Supplies, Vehicles)	UNGP					
3.1.1.4.1 Procurement and installation of tools for the production of rangeland type identification												
3.1.1.5	ACT 3.1.1.5	Lump Sum	\$60,000	1	\$60,000	Goods (Equipment, Supplies, Vehicles)	UNGP					
3.1.1.5.1 Purchase of animals and medicine plants												
3.1.1.6	ACT 3.1.1.6	Lump Sum	\$50,000	1	\$50,000	Goods (Equipment, Supplies, Vehicles)	UNGP					
3.1.1.6.1 Workshops for sustainable management plan for actors (Boys, BAs, and Agents)												
3.1.1.7	ACT 3.1.1.7	Workshop	\$1,000	1	\$1,000	Meetings & Workshops	UNGP					
3.1.1.7.1 Workshops for leader activity (Boys, BAs, men and agents)												
3.1.1.8	ACT 3.1.1.8	Workshop	\$1,000	1	\$1,000	Meetings & Workshops	UNGP					
3.1.1.8.1 Workshops for dairy processing (Boys, BAs, men and agents)												
3.1.1.9	ACT 3.1.1.9	Workshop	\$1,000	1	\$1,000	Meetings & Workshops	UNGP					
3.1.1.9.1 Workshops for beekeeping activity (Boys, BAs, men and agents)												
3.1.1.10	ACT 3.1.1.10	Workshop	\$1,000	1	\$1,000	Meetings & Workshops	UNGP					
3.1.1.10.1 Workshops for animal husbandry activity (Boys, BAs, men and agents)												
3.1.1.11	ACT 3.1.1.11	Workshop	\$1,000	1	\$1,000	Meetings & Workshops	UNGP					
3.1.1.11.1 Workshops for animal husbandry activity (Boys, BAs, men and agents)												
<b>Output B.2 Rangeland degraded (rangeland areas) and rangeland forest/riparian</b>												
Total Allocated Budget: \$2,032,232												
3.2.1	ACT 3.2.1	Lump Sum	\$500,000	1	\$500,000	Technical Assistance	UNGP					
3.2.1.1 Laboring and specific implementation BAs												
3.2.2	ACT 3.2.2	Lump Sum	\$1,084,056	1	\$1,084,056	Goods (Equipment, Supplies, Vehicles)	UNGP	12,200	8,140	1,660	1,660	
3.2.2.1 Construction of fences, dams and gabions in site A												
3.2.3	ACT 3.2.3	Lump Sum	\$1,208,156	1	\$1,208,156	Goods (Equipment, Supplies, Vehicles)	UNGP					
3.2.3.1 Construction of fences, dams and gabions in site B												
3.2.4	ACT 3.2.4	Lump Sum	\$500,000	1	\$500,000	Technical Assistance	UNGP					
3.2.4.1 Supervision of construction of fences, dams and gabions												
3.2.5	ACT 3.2.5	Lump Sum	\$60,000	1	\$60,000	Goods (Equipment, Supplies, Vehicles)	UNGP					
3.2.5.1 Construction of a fence for MUA Nursery												
<b>Component C - Climate Resilient Incomes, Policy and Knowledge</b>												
Total Allocated Budget: \$189,269												
<b>Output C.1 Policy guidance activities implementation</b>												
Total Allocated Budget: \$77,000												
4.2.1	ACT 4.2.1	Lump Sum	\$27,000	1	\$27,000	Technical Assistance	UNGP					
4.2.1.1 Consultation to conduct regular policy advisory activities and organize a national forum												
<b>Output C.2 Knowledge management system established</b>												
Total Allocated Budget: \$66,720												
4.3.1	ACT 4.3.1	Lump Sum	\$17,000	1	\$17,000	Technical Assistance	UNGP					
4.3.1.1 Expert to develop appropriate knowledge products for all project components												
4.3.2	ACT 4.3.2	Lump Sum	\$50,000	1	\$50,000	Goods (Equipment, Supplies, Vehicles)	UNGP					
4.3.2.1 Printing the knowledge products												
4.3.3	ACT 4.3.3	Lump Sum	\$26,800	1	\$26,800	Meetings & Workshops	UNGP					
4.3.3.1 Developing and disseminating of knowledge products												
4.3.4	ACT 4.3.4	Lump Sum	\$17,000	1	\$17,000	Goods (Equipment, Supplies, Vehicles)	UNGP					
4.3.4.1 Printing brochures, etc...												
4.3.5	ACT 4.3.5	Lump Sum	\$50,000	1	\$50,000	Technical Assistance	UNGP					
4.3.5.1 Collaboration												
<b>Grand Total</b>												
Total Allocated Budget: \$3,221,498												

### Status of Current Expenditure

71. During the mission many shortcomings in FM arrangements were noted, mainly bottlenecks in flow of funds arrangements and the resignation of two Finance Officers during the year 2022.

72. As of September 2022, AgriCAL PMU had two vacant positions: the Administrative Assistant and the Finance Officer (FO). Two FO resigned during 2022. The Procurement Officer took in charge the responsibilities of both the Finance Officer and the Administrative Assistant, which led to an overlapping in functional responsibilities and the lack of segregation of duties.

73. The Project designated account is maintained in the state treasury of the government. Funds are not disbursed in a timely manner from GoL to the Project. Two withdrawal applications for a total amount of US\$771,764 transferred by IFAD are blocked under the scrutiny of the Lebanese Court of Accounts, and funds are still pending to be credited to the project Designated Account. The activities of the project were significantly interrupted since the beginning of the year due to the project's inability to access funds.

74. Four direct payments requests, with aggregate invoices per beneficiary exceeding the current threshold of USD 100,000, for an approximate total amount of USD 995,000 were paid by IFAD since November 2021.

75. Disbursement rate is 41% (USD2.94m) and the actual realisation at the project level is 30% (USD 2.17m) as seen in the table below.

#### Current financial performance: Budget, revised budget and actual realisation (30 September 2022):

Component	Original budget	Revised	Actual	%
Component 1: Water Management	1.627	2.093	1070	51
Component 2: Adaptation Techniques Roll-out	1.800	1.556	196	13
Component 3: Rangeland Management	2.550	2.564	346	13
Component 4: Climate Policy & Knowledge management	580	254	42	17
Component 5: Execution costs	688	778	513	66
Total	7.245	7.25	2.17	30

76. It should be noted that there is a risk that the government may not return any unspent amount held in the designated account at project end due to the extreme shortages of hard currency in Lebanon, which might result in unjustified balances with the amount of USD 173 000. For more details see Appendix 2: AgriCal financial performance update.

77. Allow for the payment of salaries from the DA, only for PMU core staff, i.e. project director, procurement and finance. Salaries should be paid against proved performance (e.g. time sheets with detailed tasks and time allocated to each task) and staff should ensure the disbursement of RPSF fund, communication with the Court of Account, prepare WAs and deal with day-to-day project's activities.

### Current procurement situation

78. Despite the extension of the project's completion date to 21st October 2023, the project has not prepared the current year AWPB/PP, for the reasons that the team responsible for compiling the AWPB (GP, LARI, and MoA), are not given the envisaged incentives for the services they offer to the project. In effect therefore, the project is still implementing the previous financial year PP.

79. For PMU, the implication in procurement terms is; (a) the PMU will update the existing PP to exclude all the activities that have been transferred to the implementing agency, (b) the updated PP will be for the period ending with the PMU outphasing and by the latest on 21st October 2023, and will include goods/services/works, that were not fully delivered as of 21st April 2022, and (c) a PP will be prepared for the activities proposed to be implemented by the new implementing agency.

80. Given the uncertainties in both the national context and in the project transition period, the mission



proposes that a Project Risk Matrix (PRM); specifically, Pillar B (Project Institutional Risk Assessment) is undertaken by IFAD – in partnership with the implementing agency to ascertain if there are risks that would hinder timely and transparent procurement processes.

**Appendix 1: Logframe** (Spreadsheet available [here](#))

**Climate Smart Agriculture: Enhancing Adaptive Capacity of Rural Communities in Lebanon (AgriCAL)**

*Logical Framework*

Results Hierarchy	Indicators	Annual Results (2022)	Cumulative Results (2022)	Cumulative Results % (2022)	
	Name				End Target
Outreach AgriCAL	<b>Persons receiving services promoted or supported by the project</b>				
	Females - Number	6359	60	87	1%
	Males - Number	14839	478	488	3%
	Young - Number	6359	42	46	1%
	Not Young - Number	14839	496	529	4%
	Total number of persons receiving services - Number of people	21198	538	575	3%
	<b>Corresponding number of households reached</b>				
	Households - Number	21198	538	538	3%
	<b>Estimated corresponding total number of households members</b>				
	Household members - Number of people	105990	2690	2690	3%
<b>Project Goal</b> Increased resiliency at the community, national, and regional levels to climate variability and change	<b>Increased resiliency to climate variability and change</b>				
	Increase - Percentage (%)	NA			
<b>Development Objective</b> Support the implementation of climate change adaptation measures in the agriculture sector in three highly vulnerable focus areas	<b>Number of climate change adaptation measures in the agriculture sector</b>				
	Climate change adaptation measures - Number	4	0	0	0%
<b>Outcome</b> Outcome 1. Increased water availability and efficient use through water harvesting and irrigation technologies	<b>1.0 Quantity (m3) of supplementary water available for agriculture as a result of water harvesting and the use of efficient irrigation systems</b>				
	Quantity - Number (m3)	479800	479800	479800	100%
<b>Output</b> Output 1.1 Rainwater harvested from greenhouse roof tops	<b>1.1.1 Number of hectares of SSG</b>				
	Hectares of land - Area (ha)	0,5	0	0	40%
	<b>1.1.2 Number of farms using the SSG</b>				
	Total number of farmers - Number	2	2	2	100%
	<b>1.1.3 Quantity of stored water for supplementary irrigation</b>				
	Quantity - Number (m3)	800	1080	1080	135%

Results Hierarchy	Indicators		Annual Results (2022)	Cumulative Results (2022)	Cumulative Results % (2022)
	Name	End Target			
<b>Output</b> Output 1.2 Rainwater harvested from roads	<b>1.2.1 Number of hectares used for the water supply for supplementary irrigation</b>				
	Hectares of land - Area (ha)	10	10	10	100%
	<b>1.2.2 Number of farms using the water supply for supplementary irrigation</b>				
	Total number of farmers - Number	120	0	0	0%
	<b>1.2.3 Quantity of stored water</b>				
	Quantity - Number (m3)	50000	0	0	0%
	<b>1.3.1 Number of hectares served by efficient irrigation systems</b>				
<b>Output</b> Output 1.3 Water efficient irrigation systems deployed	Hectares of land - Area (ha)	262	0	0	0%
	<b>1.3.2 Water efficient irrigation systems deployed</b>				
	Irrigation systems deployed - Number	12	0	0	0%
	<b>1.3.3 Number of farmers served by efficient irrigation systems</b>				
Total number of farmers - Number	698	446	446	64%	
<b>Outcome</b> Outcome 2. Increased adaptation to climate change for crop production	<b>2.0 % Change in food security in the programme area as a result of climate resilient agricultural and livestock production methods, measured as increase in quantity of local production</b>				
	Increase in crop and livestock production or in income in the focus areas - Percentage (%)	25	0	0	0%
<b>Output</b> Output 2.1 Enhanced early warning system to farmers through improved existing system	<b>2.1.1 Number of meteorological stations installed</b>				
	Meteorological Stations - Number	2	0	0	0%
	<b>2.1.2 Number of staff trained on meteorological observation and analysis</b>				
	Staff trained - Number	15	0	0	0%
	<b>2.1.3 Frequency of production of improved climate risk information (for pest outbreak prediction, water demand, etc)</b>				
	Days (ongoing) - Number	365	0	0	0%

Results Hierarchy	Indicators		Annual Results (2022)	Cumulative Results (2022)	Cumulative Results % (2022)
	Name	End Target			
Output Output 2.2 Expanded farmer outreach and ensured financial and management sustainability of the warning system	<b>2.2.1 Number of farmers receiving climate risk information</b>				
	Total number of farmers - Number	20000	0	0	0%
	<b>2.2.2 Financial flow to sustain the system</b>				
	System's cost covered by non-core budget - Percentage (%)	50	0	0	0%
Output Output 2.3 Capacity building on adaptation techniques for vulnerable field crops enhanced	<b>2.3.1 Number of project beneficiaries trained on agricultural adaptation measures</b>				
	Total number of persons trained by the project - Number	300	0	0	0%
	Women trained in agricultural adaptation measures - Number	90	0	0	0%
	Men trained in agricultural adaptation measures - Number	210	0	0	0%
	Young People trained in agricultural adaptation measures - Number	90	0	0	0%
	<b>2.3.2 Number of professionals trained to enable rolling out of climate-resilient agricultural production technologies and methods</b>				
	Professionals trained - Number	20	0	37	185%
Output Output 2.4 Guidelines and recommendations on agricultural adaptation techniques for vulnerable areas developed	<b>2.4.1 Agricultural adaptation techniques for vulnerable areas identified</b>				
	Booklet - Number	5000	0	0	0%
Output Output 2.5 National fodder resource assessment prepared	<b>2.5.1 List of fodder species, their distribution and nutritional value prepared</b>				
	Nationwide assessment - Number	1	0	0	0%
	<b>2.5.2 Carrying capacity of the rangelands in the sampled areas calculated</b>				
	Nationwide assessment - Number	1	0	0	0%
Outcome Outcome 3. Increased resilience of shepherds and small ruminants to climate change through sustainable rangeland management	<b>3.0 Increased productivity of the rangelands in the focus areas measured by increase in quantity of locally produced meat and dairy products</b>				
	Increase in income and milk productivity - Percentage (%)	25	0	0	0%
Output Output 3.1 Community-based sustainable rangeland management plan prepared	<b>3.1.1 Management plan prepared and adopted</b>				
	Plan prepared and adopted - Number	1	0	0	0%
	<b>3.1.2 National guidelines prepared and adopted</b>				
	Guidelines prepared and adopted - Number	1	0	0	0%
	<b>3.1.3 Number of professionals trained on sustainable rangeland management</b>				
	Professionals trained - Number	20	0	0	0%
	<b>3.1.4 Number of households trained and participating in rangeland management and dairy product processing</b>				
	Total number of households trained and participating in rangeland management and dairy product processing - Number	200	92	92	46%
Women trained and participating in rangeland management and dairy product processing - Number	60	3	3	5%	
Men trained and participating in rangeland management and dairy product processing - Number	140	89	89	64%	
Young People trained and participating in rangeland management and dairy product processing - Number	60	0	0	0%	

Results Hierarchy	Indicators		Annual Results (2022)	Cumulative Results (2022)	Cumulative Results % (2022)
	Name	End Target			
<b>Output</b> Output 3.2 Restored degraded rangeland areas and reduced flood risks	<b>3.2.1 Number of nurseries rehabilitated</b>				
	Nurseries rehabilitated - Number	1	0	0	0%
	<b>3.2.2 Number of seedlings produced per year</b>				
	Seedlings produced - Number	425000	0	0	0%
	<b>3.2.3 Area covered by flood risk reduction measures</b>				
	Hectares of land - Area (ha)	2300	0	0	0%
	Watersheds - Number	2	0	0	0%
<b>Outcome</b> Outcome 4. Climate index insurance initiated, policy influenced and lessons learned and shared through a knowledge management system	<b>4.0a Amount of compensation funds disbursed to affected farmers</b>				
	Compensation funds disbursed - Percentage (%)	50	0	0	0%
	<b>4.0b Level of increase in awareness about climate change among decision makers and farmers</b>				
	Increase in awareness - Percentage (%)	60	0	0	0%
<b>Output</b> Output 4.1 Climate index based insurance initiated	<b>4.1.1 Climate index adopted</b>				
	Quantity - Number	1	0	0	0%
	<b>4.1.2 One index piloted</b>				
	One focus area or crop - Number	1	0	0	0%
<b>Output</b> Output 4.2 Policy and advocacy activities implemented	<b>4.2.1 Number of policies/plans/ strategies revised or developed as a result of policy advocacy activities</b>				
	Policies/plans/strategies - Number	3	0	0	0%
<b>Output</b> Output 4.3 Knowledge management system established and knowledge management activities implemented	<b>4.3.1 Number of knowledge products developed for use in policy advocacy activities</b>				
	Policy Briefs - Number	4	0	0	0%
	<b>4.3.2 Number of lessons learned and best practices up taken in the project outreach strategy per year</b>				
	Lessons learned and best practices up taken - Number	8	0	0	0%
	<b>4.3.3 Number of relevant networks or communities through which lessons learned are disseminated</b>				
	Relevant networks or communities - Number	2	0	0	0%

## Appendix 2: AgriCal financial performance update

81. During the mission many shortcomings in FM arrangements were noted, mainly bottlenecks in flow of funds arrangements and the resignation of two Finance Officers during the year 2022.
82. As of September 2022, AgriCAL PMU had two vacant positions: the Administrative Assistant and the Finance Officer (FO). Two FO resigned during 2022. The Procurement Officer took in charge the responsibilities of both the Finance Officer and the Administrative Assistant, which led to an overlapping in functional responsibilities and the lack of segregation of duties.
83. The Project designated account is maintained in the State Treasury of the GoL. Funds are not disbursed in a timely manner from GoL to the Project. Two withdrawal applications for a total amount of US\$771,764.34 transferred by IFAD are blocked under the scrutiny of the Lebanese Court of Accounts, and funds are still pending to be credited to the project Designated Account. The activities of the project were significantly interrupted since the beginning of the year due to the project's inability to access funds.
84. Four direct payments requests, with aggregate invoices per beneficiary exceeding the current threshold of USD 100,000, for an approximate total amount of USD 995,000 were paid by IFAD since November 2021.
85. Disbursement rate is 41% (2.94 MUSD) and the actual realisation at the project level is 30% (2.17 MUSD).
86. The project has not submitted a WA for justification since last WA (WA-6), which was submitted in November 21 due to absence of finance manager. Preparation of WA is in process and expenditures will be covered up to September 2022 in this WA. The project needs to submit the WA to IFAD for justification soonest possible.
87. The mission sampled 5 transactions amounting to USD 0.48 million, which represent 48% of total expenditures that were submitted since the last supervision mission. Supporting documentation was found adequate. The review did not detect any ineligible expenditures and noted that incentives are being paid based on decisions signed by the minister.
88. The mission noticed a lack of timely payment of incurred expenditure, salaries and other expenses are not being paid on time. Salaries from the month of October 2021 have not been paid.
89. Expenses of USD 1,500 (fuel expenses) and USD 970 (printing fees) were paid from AgriCal DA to cover expenses incurred under RSPF. Once the transfer of USD 45,508 pertaining to RPSF is finalised, the amounts will be returned to the AgriCal account.
90. IFRs are not being submitted in accordance with IFAD requirements and guidelines due to the absence of a Financial Officer.
91. The procurement of the accounting software was finalised since the last mission; however, the software is not being used.
92. The fixed assets register was updated to include recent acquisitions.
93. The audited financial statements for the year 2021 were submitted within the stipulated submission deadline. The financial statements were prepared on the basis of IPSAS (cash basis). The audit was performed by Moore Stephens Tabbal, on the basis of International Standards on Auditing. The auditor expressed an Unqualified Opinion on Financial Statements
94. It has been proposed by PMD to transfer the project to a new implementing agency and taking into consideration all of the above mentioned on going issues, FMD agreed to transfer the project to the implementing agency on the condition of appropriate FM arrangements put in place by the implementing agency as per IFAD guidelines, in which case the timely submission of External audit report covering the period from 1 January 22- up to transfer of project to the implementing agency is required from the current PMU.

Recommended Action	Responsibility	Timeline
<b>Release of blocked funds</b>	PMU	Soonest possible
Release of all blocked funds under AF grant		
<b>Payment of overdue expenditures</b>	PMU	

Upon release of blocked funds, pay all overdue amounts to suppliers and staff		
<b>Refund of unspent funds:</b> Refunding the unspent balance to IFAD upon transfer of the project to the implementing agency.	PMU	
<b>Timely submission of WAs;</b> Timely submission of WA for the expenditure incurred since last WA to date	PMU	October 15, 2022

Financial performance as of 30 September 2022			
Financier	Appraisal (USD 000)	Disbursements (USD '000)	Percent disbursed
IFAD (AF) grant	7.245	2.167	30%

Financial Performance Table as of 30 September 2022

Performance Category	by	Allocated* (000 USD)	Expenditures as at Sep 22 (000 USD)	%	Balance (000 USD)
Technical Assistance		1 154.27	242.00	21%	912.27
Equipment		5 428.20	1 469.00	27%	3 959.20
Meetings & Workshops		46.85	4.00	9%	42.85
Training		8.50	0.00	0%	8.50
Project Management		607.18	452.00	74%	155.18
<b>Total</b>		<b>7 245.00</b>	<b>2 167.00</b>	<b>30%</b>	<b>5 078.00</b>

\*Allocated amounts have been updated as per the re-allocation request included in the Aide Memoire dated December 21, and approved by AF in May 2022.

### Appendix 3: Procurement overview and road ahead

95. Procurement Plan (PP). The last updated version of the PP is for the period; 22nd May 2021 to 21st April 2022, as per the original completion date. The PP is appropriately synchronized with the related annual workplan and budget (AWPB), and it is prepared in the applicable IFAD format. Despite the extension of the project's completion date to 21st October 2023, the project has not prepared the current year AWPB/PP, for the reasons that the team responsible for compiling the AWPB (GP, LARI, and MoA), are not given the envisaged incentives for the services they offer to the project. In effect therefore, the project is still implementing the previous financial year PP.

96. Implementation progress of the PP. Due to the current financial situation in the country, launched procurement processes have had no respondents, and thus implementation of the PP has stalled. The implementation progress of the PP has not changed much from that of the previous mission, were currently, of the planned 60 procurement processes, 17 (or 28%) cannot be launched, and 43 (72%) contracts have been signed.

Procurement Plan Implementation progress					
Procurement Plans	No of Procurement activities	Procurement stages			
		Not Launched		Contract signed	
		No.	%	No.	%
Goods	28	2	7%	26	93%
Works	15	5	33%	10	67%
Consultancies	17	10	59%	7	41%
<b>Total</b>	<b>60</b>	<b>17</b>	<b>28%</b>	<b>43</b>	<b>72%</b>

97. Owing to the above two explained factors; i.e where the project did not prepare an AWPB for the current financial year, and where launching of procurement processes has stalled due to factors beyond the control of the project, IFAD is proposing a partial restructure of the remaining part of the project, by introducing the implementing agency as the new implementing partner. If the proposed arrangement is adopted, the implication in procurement terms is; (a) the PMU will update the existing PP to exclude all the activities that have been transferred to the implementing agency, (b) the updated PP will be for the period under PMU implementation and ending at the latest 21st October 2023, and will include goods/services/works, that were not fully delivered as of 21st April 2022, and (c) a PP will be prepared for the activities proposed to be implemented by the implementing agency.

98. Prequalification to Bidding/Evaluation/Contract award. In view of the proposed implementation arrangements, and as it has been the case in instances where IFAD has partnered with the implementing agency, its procurement procedures are applied. However, due to the extraordinary circumstances that the proposed restructuring presents, the mission proposes that a Project Risk Matrix (PRM); specifically, Pillar B (Project Institutional Risk Assessment) is undertaken by IFAD – in partnership with the implementing agency to ascertain if there are risks that would hinder timely and transparent procurement processes.

99. Contract Administration and Management. As per the updated contract register, there are signed contracts with outstanding balances of approximately USD 431,832 (Goods and works), and USD 57,920 (Consultancies). According to the contract register, the end dates for all the contracts have expired. In the case of works (which form the bulk of outstanding payments), there are outstanding certificates against which these funds have been held. Therefore, it is imperative to conclude this payment once the amount is released from the court of account in order to ensure smooth closure of contracts.

#### Goods & Works: Contracts with outstanding balances, USD as of 30 September 2022

Contract #	Contract Title	Value	Actual End Date	Payment to Date	Balance
3228/3	Supply & installation irrigation network Beit Lif hill lake	42,373	Extended & finished in December 20,2021	36,019	6,354
3229/3	Supply & installation of irrigation network. Deir El	66,858	Extended & finished in December 20,2021	54,836	12,022



	Mokhaless				
3227/3	Supply & installation of irrigation network. Kfarchouba	83,757	Extended & finished in December 20,2021	73,264	10,492
3230/3	Supply & installation of irrigation network. Qornayel	34,039	Extended & finished in December 14,2021	28,519	5,521
3041/3	Supply & installation of irrigation network. Ehmej	111,980	Extended & finished in December 14,2021	100,782	11,198
3235/3	Irrigation network: Supply & installation. Ain El Bnayeh	84,947	Extended & finished in October 29,2021	80,700	4,247
3237/3	Procurement of Multifunctional Printers for LARI	19,314	Delivered in September 10, 2021	17,383	1,931
3564/3	Supply & installation of rainwater harvesting system. Rihane & Bentaël	88,585	December 03, 2021	79,726	8,858
5273/3	Procurement of miscellaneous irrigation parts, pesticides & fertilizers	74,116	Delivered in January 4, 2022	0	74,116
3236/3	Supply & installation of irrigation network. Barqa	116,594	Extended & finished in December 19,2021	110,764	5,830
5274/3	Procurement of Equipment for the training center	10,070	Delivered in November 9, 2021	9,063	1,007
3233/3	Supply & installation of irrigation network. Menjez	121,475	Extended & finished in December 14,2021	115,401	6,074
3232/3	Supply & installation of irrigation network. Kaikab	116,050	Extended & finished in December 19,2021	110,248	5,803
3234/3	Supply & installation of irrigation network. Zrazir	193,927	Extended & finished in December 20,2021	184,230	9,696
5755/3	Filtration room construction for irrigation networks - Mount Lebanon & Nabatieh	56,475	Extended & finished in December 20,2021	0	56,475
5753/3	Filtration room construction for irrigation networks - Ehmej	11,839	December 15, 2021	0	11,839
5754/3	Filtration room construction for irrigation networks. Baalback, Hermel & Menjez	49,752	December 20, 2021	47,264	2,488
3547/3	Abdeh Nursery, Rehabilitation	134,788	Extended & finished in January 12, 2022	128,049	6,739
146/3	Purchase of Miscellaneous products for laboratory use	10,549	April 17, 2022	0	10,549

6125/3	Purchase of Financial software	16,000	July 28, 2022	0	16,000
612/3	Construction of retaining wall. RWHS in Bentaël	1,771	March 01, 2025	0	1,771
787/3	Procurement of Insect Pheromone Traps	26,190	April 20, 2022	0	26,190
5998/3	Purchase of Three weather stations & an EWS for LARI	114,244	August 20, 2022	0	114,244
<b>Total AgriCAL</b>		<b>1,888,184</b>		<b>1,478,739</b>	<b>409,445</b>

100. For the implementing agency a separate [draft procurement plan has been made](https://docs.google.com/spreadsheets/d/1tGsATeLoneDnceaQdmJzKDTMZNiGafHb/edit?usp=sharing&ouid=111558151437184940374&rtopf=true&sd=true), which will have to be reviewed to ensure compatibility with its rules on e.g. method and the related thresholds. The procurement plan is available here: <https://docs.google.com/spreadsheets/d/1tGsATeLoneDnceaQdmJzKDTMZNiGafHb/edit?usp=sharing&ouid=111558151437184940374&rtopf=true&sd=true>

**Consultancies: Contracts with outstanding balances, USD as of 30 September 2022**


Contract #	Method	Contract Title	Value	End Date	Payment	Balance
3039/3	AM2	Supervisor engineer	23,370.00	January 13, 2022	\$11,700	\$11,670
5525/3	AM1	Videographer	24,700.00	April 10, 2022	\$0	\$24,700
4945/3 AM2	Ammended Contract	External Audit: AgriCal Project & RPSF	8,200.00	On going	\$0	\$8,200
<b>Total AgriCAL</b>			<b>56,270.00</b>		<b>\$11,700</b>	<b>\$44,570</b>

**Appendix 4: Complete budgeted scenario for the new implementing agency :**

See spreadsheet at: [AgriCAL new implementing agency Scenario\\_Final \(9.10.2022\).xlsx](#)

IFAD and the Government of Lebanon endorse the findings of the implementation supervision mission.

  
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**Vrej Jijyan, Country Director**  
 Near East, North Africa & Europe Division  
 International Fund for Agricultural Development

  
 \_\_\_\_\_  
 His excellency, Dr. Abbas Hajj Hassan  
 Minister of Agriculture  
 Government of the Lebanese Republic



\_\_\_\_\_ Date

\_\_\_\_\_ Date