



Investing in rural people

Lebanon

Country strategy note

Main report and appendices

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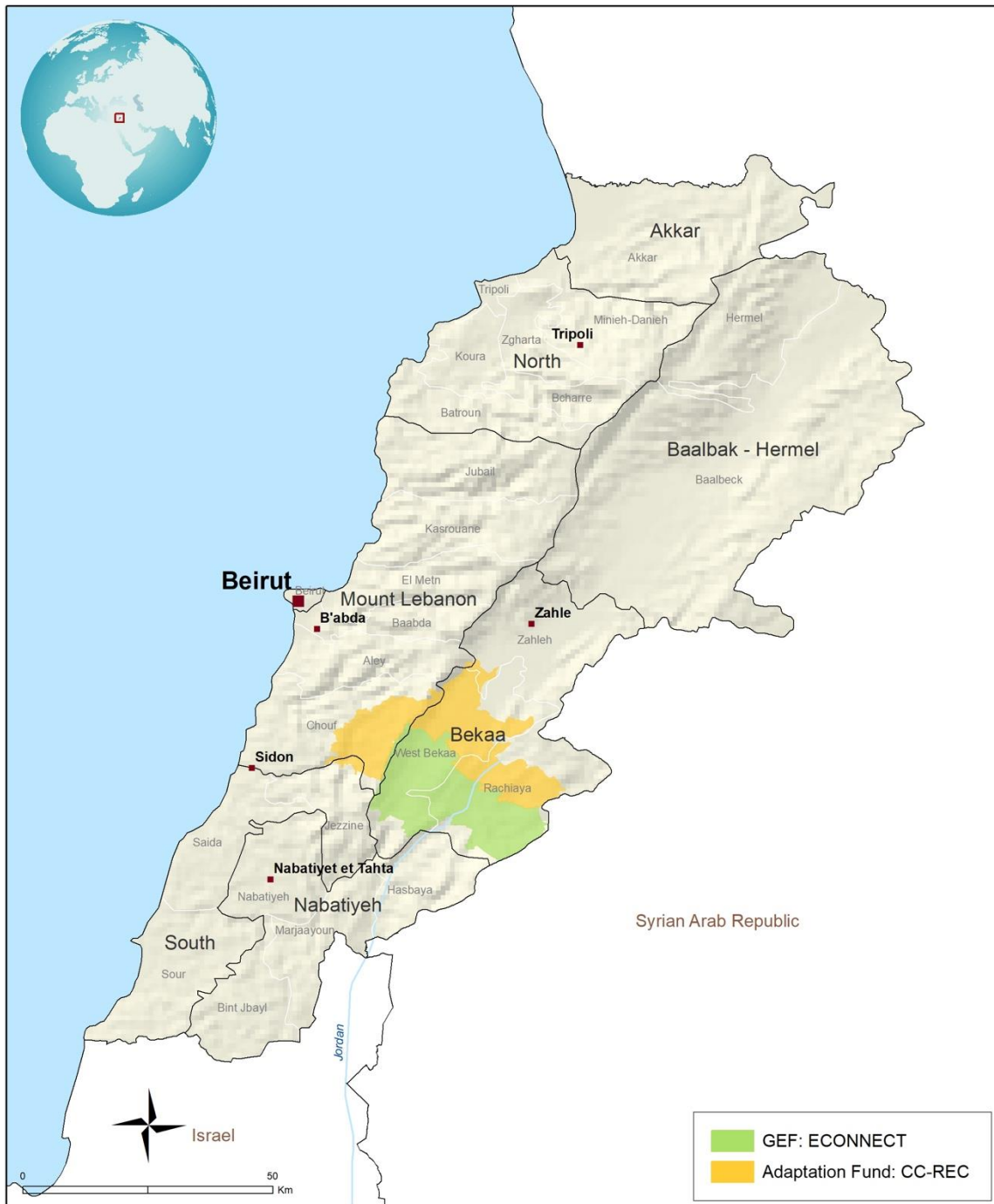
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Abbreviations and acronyms

3RF	Reform, Recovery and Reconstruction Framework
ACS	Al-Shouf Cedar Society
AF	Adaptation Fund
AgriCAL	Enhancing Adaptive Capacity of the Rural Communities in Lebanon
ASAP+	Enhanced Adaptation for Smallholder Agriculture Programme
BdL	Banque Du Liban
BRAM	Borrowed Resource Access Mechanism
CC-REC	Climate Change Resilience and Ecosystem Connectivity
COSOP	Strategic Opportunity Programme
CSN	Country Strategy Note
ECONNECT	Restoring Ecosystem Connectivity for Biodiversity and Sustainable Livelihoods in the Litani Watershed Project
EIU	Economist Intelligence Unit
EU	European Union
FAO	Food and Agriculture Organization and United Nations
FY	Fiscal Year
GDP	Gross Domestic Product
GEF	Global Environment Facility
HALEPP	Harmonised Actions for Livestock-Enhanced Production & Processing
HASAD	Hilly Areas Sustainable Agricultural Development Project
HDI	Lebanon's Human Development Index
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMF	International Monetary Fund
IPC	Integrated Food Security Phase Classification
LBP	Lebanese Pound
MoA	Ministry of Agriculture
MoE	The Ministry of Environment
MoEW	Ministry of Energy and Water
MoF	Ministry of Finance
MPI	Global Multidimensional Poverty Index

NDC	Nationally Determined Contributions
NAS	Lebanon National Agriculture Strategy 2020-2025
NBSAP	National Biodiversity Strategy and Action Plan adopted in 2016
OFID	OPEC Fund for International Development
PBAS	Performance-based Allocation System
SBR	Shouf-West Beqaa Biosphere Reserve
SDG	Sustainable Development Goals
SECAP	Social, Environmental and Climate Assessment Procedures
UN	United Nations
UNCCD	United Nations Convention to Combat Desertification
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNSDCF	United Nations Sustainable Development Cooperation Framework
UNDSS	United Nations Department of Safety and Security
UNFCCC	United Nations Framework Convention on Climate Change
US\$	United States Dollar
WB	World Bank
WBG	World Bank Group
WFP	World Food Programme

Map of IFAD-funded operations in the country



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 04-04-2024

I. Country diagnosis

1. **Introduction.** Lebanon faces significant challenges stemming from political divisions, economic collapse, and social unrest. Political dysfunction has hindered policy formation and key appointments, exacerbating economic issues amid regional violence. The economy has plummeted due to a severe financial crisis, aggravated by the COVID-19 pandemic and the explosion at the Beirut port in August 2020. Rising poverty and food insecurity, worsened by the influx of refugees, underscore Lebanon's fragile situation. Agriculture suffers from inadequate infrastructure, effects of climate change, and reduced productivity. Lebanon's road to recovery remains steep amidst the ongoing crises.
2. **Political Context:** Sectarianism characterise Lebanon's politics, obstructing policy formation, major appointments, and reform of institutions. Societal rifts are widened by the failings of the country's political system, by the protracted economic crisis and by exposure to heightened regional violence following the outbreak of the Israel-Hamas war in Gaza, which is expected to feed political instability in 2024-2028. Najib Mikati was reappointed as prime minister in mid-2022 but has failed to appoint a cabinet acceptable to parliament. The presidency has also been vacant since October 2022, and the term of the army chief is due to end in 2024.¹
3. **Economic context.** Lebanon suffers from an economic crisis that started in October 2019 and was further exacerbated by the dual economic impact of the COVID-19 outbreak, and the Port of Beirut explosion. GDP plummeted from close to US\$55 billion in 2019 to US\$22 billion in 2022,² inflation soared to triple digits with 221% for 2023³ and the currency has lost about 99% of its value on the parallel market since the crisis began. The crisis has devastated Lebanon's service-based economy, leaving it struggling to afford imports that its economy and agricultural sector rely on, and calling for a restructuration of the economy. It is expected that the economy will expand in 2024-2028 as reforms inch forward, but real GDP will remain well below 2019 levels, given the damage wrought by the country's financial crisis, hyperinflation, political instability, and delays to international financial disbursements.⁴

Economic forecast⁵

	2023 ^a	2024 ^b	2025 ^b	2026 ^b	2027 ^b	2028 ^b
Real GDP growth (%)	-1.8	-0.3	3.4	4.0	4.3	3.8
Consumer price inflation (av; %)	221.3 ^c	74.8	55.4	33.2	21.9	21.1
Government balance (% of GDP)	-1.6	-2.3	-4.0	-4.6	-4.4	-3.7
Current-account balance (% of GDP)	-17.1	-9.5	-7.8	-9.4	-7.4	-6.9
Short-term interest rate (av; %)	3.5	5.5	6.8	6.9	6.9	6.5
Exchange rate L.E.:US\$ (av)	87,250 ^c	88,988	79,150	71,525	64,253	58,685

^a EIU estimates. ^b EIU forecasts. ^c Actual.

4. **Agriculture.** Lebanon's agricultural land occupies around 66 percent of total land area⁶ – high for the region – while its moderate climate provides it with good conditions for agricultural production for a wide variety of crops.⁷ In 2021 the agricultural sector comprised 3.8% of total employment.⁸

¹ Economist Intelligence Unit Viewpoint, One-click-report: Lebanon 19th April 2024.

² Expressed in current US\$. <https://www.imf.org/external/datamapper/NGDPD@WEO/LBN?zoom=LBN&highlight=LBN> last seen 19th Apr 2024.

³ Economist Intelligence Unit Viewpoint, One-click-report: Lebanon 19th April 2024.

⁴ Economist Intelligence Unit Viewpoint, One-click-report: Lebanon 19th April 2024.

⁵ Economist Intelligence Unit Viewpoint, One-click-report: Lebanon 19th April 2024.

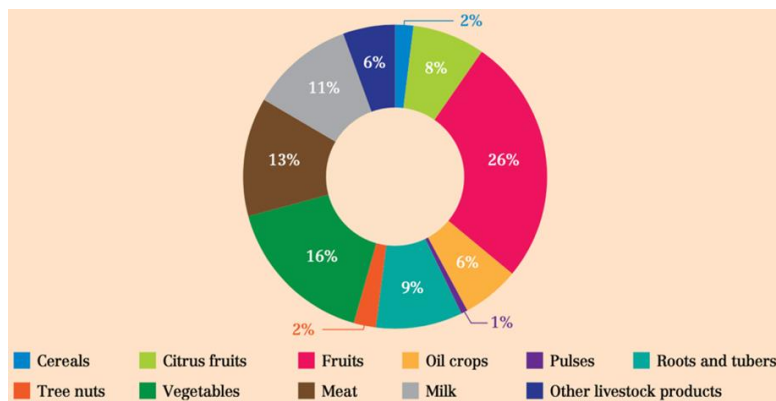
⁶ FAOSTAT

⁷ Investment Development Authority of Lebanon. Agriculture sector: 2017 factsheet.

⁸ Share of employment in agriculture, forestry and fishing in total employment - ILO Modelled Estimates, FAOSTAT.

5. About 26.5% of Lebanon’s lands are cultivated, of which 50% are irrigated. Almost 31% of the exploitable agricultural land is located in the Beqaa Valley. Fruit trees occupy 31% of the total agricultural land used, followed by cereals (22%), olive trees (22%) and vegetables (16%). The remaining 9% of agricultural land is occupied by industrial crops, like tobacco (5%) and other small crops (4%).⁹ Lebanon’s forests cover 13.4 percent of the territory.¹⁰ Pastureland occupies 14%. Lebanon maintains a comparative advantage in fruits and vegetables, also reflected in shares of gross production values and exports:

Agricultural output by subsector (% share of gross production value)¹¹



6. The efficiency of the agricultural sector is challenged by how agricultural holdings are fragmented with 70% of farms operating on less than a hectare, rendering technology transfer and value chain integration difficult.¹² With exceptions – such as the profitable greenhouse farms surrounding large cities – small farms are typically operating in semi-subsistence and a notable challenge is to increase their sustainability, profitability and productivity. Further barriers comprise i) poor organisation of the supply chain where farmers possess limited bargaining power and cooperatives are inefficient; ii) the difficulties in instituting effective food quality and safety systems; iii) limited access to credit; iv) poor management of natural resources (including quarrying); v) limited access to water due to inefficient irrigation systems and effects of climate change; and vi) an inefficient extension system. Lebanon dedicated less than 1% of the state budget to agriculture already before the crisis, and investments have only decreased since.
7. The poly crisis propelled a drop in the real value added of the agricultural sector between 2019-2021 from US\$ 1.9bn to US\$ 1.8bn.¹³ This is mainly due to: i) a blockage of banking facilities for purchasing inputs from abroad, limiting the availability of inputs in quantity and on time; ii) a drastic decrease in the financial means of agricultural input importers, limiting their imports and reducing their credit to retailers/farmers to almost nothing, and the non-availability of credit from traditional sources, depriving most farmers of their working capital; iii) high cost of imported inputs (especially seeds, fertilizers, and pesticides) which the country struggles to afford after the devaluation of the Lebanese Pound (LBP).
8. Commensurately, land productivity decreased by 7% between 2016 and 2021 due to the reasons highlighted in paragraph 17 below,¹⁴ and agriculture’s appeal to labor has significantly diminished (reduction of 20% between 2016 and 2021).¹⁵ These factors will impact all aspects

⁹ NBSAP 2016.

¹⁰ FAO Agricultural Sector Review 2021.

¹¹ FAO – Lebanon’s agrifood system in times of turbulence, obstacles and opportunities, 2022 based on FAOSTAT 2021. Measured pursuant to constant 2014–2016 in LBP.

¹² FAO – Lebanon’s agrifood system in times of turbulence, obstacles and opportunities, 2022.

¹³ Measured in US\$ 2015 constant prices. Measured in current US\$ the drop is from US\$ 1.6bn to US\$ 0.3bn between 2019-2021. Source WB DataBank.

¹⁴ Constant 2014-2016 US\$/ha of agricultural land US\$ 5400 in 2016 to US\$ 5029 in 2021, FAOSTAT. Last seen 10th April 2024.

¹⁵ Employment in agriculture, forestry and fishing - ILO modelled estimates, from 77,030 in 2016 to 61,960 in 2021 FAOSTAT. Last seen 10th April 2024.

of agricultural value chains, including area planted, yield, quality, and farmer income.¹⁶ Yet the sector remains important: in real terms its share of GDP grew from 4.7% in 2019 to 6% in 2022, and is expected to remain at this level in the mid-term.¹⁷ Also the devaluation has helped boost the competitiveness of agricultural exports, which increased 25% between 2019-2022.¹⁸

9. **Fragility Analysis.** According to the World Bank List of Fragile and conflict-affected Situations for FY2024, Lebanon is in the category for “Institutional and Social Fragility”.¹⁹ Key drivers of fragility include political instability, weak governance, dysfunctional economy, rising poverty and food insecurity, influx of refugees and environmental factors, such as water stress and increasing temperatures. Lebanon is particularly exposed to a broadening of the intense conflict between Hamas²⁰ and Israel that erupted on October 7th 2023. There have been frequent attacks from southern Lebanon into northern Israel by Hizbullah and retaliation by Israel, leading to 94,000 internally displaced people by May 2024.²¹
10. The Government estimates that there are of 1.5 million Syrian refugees and some 11,600 refugees of other nationalities, meaning that Lebanon remains the country hosting the largest number of refugees per capita and per square kilometre in the world. Ninety per cent of Syrian refugees require humanitarian assistance to survive, according to the 2022 Vulnerability Assessment of Syrian Refugees in Lebanon.²² A more comprehensive fragility assessment is presented in Appendix 4.
11. **Poverty and food security.** The multidimensional poverty rate in Lebanon doubled from 39 per cent in 2019 to 81 per cent of the total population in 2021, leaving nearly 3.9 million people living in multidimensional poverty.²³ In the period October 2023 and March 2024, about 1.05 million Lebanese and Syrian refugees are expected to face acute food insecurity and have an Integrated Food Security Phase Classification (IPC) Phase 3 or above (crisis or worse). The situation is expected to further deteriorate throughout 2024.²⁴
12. Lebanon depends heavily on food imports, which amounted to US\$ 2.7bn in 2022,²⁵ particularly cereals, live animals and dairy products. It recorded 208% nominal and 15% real food inflation between December 2022 – 2023, second highest and third highest in the world, respectively.²⁶
13. **Nutrition.** The economic crisis in Lebanon has worsened food and nutrition security. The combined impact of higher production costs, heavy dependence on imported inputs, and insufficient food safety practices along the value chain has intensified these challenges, limiting access to sufficient, safe, and nutritious food for all.
14. According to the Global Nutrition Report’s Country Nutrition Profile last updated in February 2023, no progress has been made towards achieving the maternal, infant and young child nutrition target of reducing anaemia among women of reproductive age, with 28.3% of women aged 15 to 49 years now affected. Meanwhile, there has also been no progress towards achieving the low birth-weight target, with 9.2% of infants having a low weight at birth. There is

¹⁶ FAO Agricultural Sector Review 2021.

¹⁷ WB Lebanon Economic Monitor: in the grip of a crisis.

<https://documents1.worldbank.org/curated/en/099518112202340074/pdf/IDU1cbb9a9271d02b14f6a18d8c1cd99718adaaf.pdf>. In nominal terms, share of GDP dropped from 3.2% to 1.4% between 2019 and 2021.

¹⁸ FAOSTAT, seen on 10th April 2024.

¹⁹ World Bank, FY2024 List of Fragile and Conflict-affected Situations. Link:

<https://thedocs.worldbank.org/en/doc/608a53dd83f21ef6712b5dfef050b00b-0090082023/original/FCSListFY24-final.pdf>

²⁰ Palestinian Islamist group that controls Gaza.

²¹ <https://dtm.iom.int/lebanon>, last seen 28th June 2024.

²² <https://www.unhcr.org/lb/at-a-glance>, last seen 10th April 2024.

²³ Multidimensional poverty in Lebanon A proposed measurement framework, and an assessment of the socioeconomic crisis, 2021. <https://www.unescwa.org/sites/default/files/pubs/pdf/multidimensional-poverty-lebanon-english.pdf>

²⁴ IPC food security analysis for Lebanon: <https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1156728/?iso3=LBN>

²⁵ FAOSTAT, seen on 10th April 2024.

²⁶ <https://thedocs.worldbank.org/en/doc/40ebbf38f5a6b68bfc11e5273e1405d4-0090012022/related/Food-Security-Update-XCIX-February-01-24.pdf>

- insufficient data to assess the progress that Lebanon has made towards achieving the exclusive breastfeeding target, nor is there adequate prevalence data. Lebanon has made some progress towards achieving the target for stunting, but 16.5% of children under 5 years of age are still affected, which is lower than the average for the Asia region (21.8%).²⁷
15. Lebanon has shown limited progress towards achieving the diet-related to non-communicable disease targets. 39.9% of adult (aged 18 years and over) women and 30.5% of adult men are living with obesity. Lebanon's obesity prevalence is higher than the regional average of 10.3% for women and 7.5% for men.²⁸ The National Pathway sets a target to reduce obesity rates to 0% by 2030.²⁹
 16. **Environment and climate change.** Lebanon encompasses four climate-geographical zones: (i) a flat, narrow coastal plain that runs parallel to the Mediterranean Sea; (ii) the Lebanon Mountains; (iii) the Beqaa Valley; and (iv) the Anti-Lebanon mountain range. The climate is characterized by hot, dry summers with low precipitation levels (June–September) and cool, rainy winters (December – mid-March). All rivers in Lebanon including the important Litani river, rising in a low divide west of Baalbek and flowing southwestward through the Beqaa Valley, are replenished annually by local precipitation events, and through snowmelt.
 17. The loss of soil fertility, due to chronic malpractice, is a major problem for Lebanon. Farmers tend to use monocropping instead of appropriate crop rotation, and to favour the overuse of fertilizers, especially nitrates, coupled with improper irrigation management, which lead to soil salinity.
 18. Water resources are under increasing pressure because of climate change and population growth. The agricultural sector is the single largest consumer of water in Lebanon, with a water withdrawal share of 61%. Moreover, the water transmission and distribution networks are quite old, with more than 50% of them surpassing their useful life span irrigating about 40% of agricultural lands.³⁰ Water stress is only expected to get worse, with mountain snow cover projected to decrease by 40–70% by 2050, which will impact vital water sources and lead to further water scarcity.
 19. By 2040, maximum temperatures are predicted to increase by up to 1°C along the coast and up to 2°C in the mountainous inland. The anticipated climate changes are expected to reduce the exploitable water supplies by about 1% by 2020, 8% by 2040, and 29% by 2080 and accelerate the depletion of groundwater supplies that are already under pressure from extraction for agriculture.³¹ The deterioration of soil conditions and the loss of biodiversity and water scarcity are expected to accelerate. Lebanese agriculture will likely face higher production costs for fuel, fertilizers, irrigation, and other actions that will be required to adapt to such challenges. Shepherds are highly vulnerable, especially to rangeland degradation, which may reduce the carrying capacity of grazing lands severely. A lack of access to financial resources and limited capacities will make it difficult for farmers to address the challenges posed by drier soils and higher water demand.
 20. Rainfed crops, such as cereals, are particularly vulnerable, as are crops that rely on water for irrigation such as summer vegetables and fruit. Other crops, such as potato, tomato and cherry, might be affected by an increase in temperature. A growing number of pest outbreaks are likely

²⁷ <https://globalnutritionreport.org/resources/nutrition-profiles/asia/western-asia/lebanon/>

²⁸ Global Nutrition Report Country Nutrition Profiles, Lebanon. <https://globalnutritionreport.org/resources/nutrition-profiles/asia/western-asia/lebanon/#:~:text=Lebanon%20has%20shown%20limited%20progress,women%20and%207.5%25%20for%20men> last seen 26 June 2024.

²⁹ https://www.unfoodsystemshub.org/docs/unfoodsystemslibraries/national-pathways/lebanon/2024-03-01-national-pathway-lebanon-eng.pdf?sfvrsn=b3a6dad2_3

³⁰ NAS 2020-2025.

³¹ Review Of Recent Events In Lebanon And Their Effect On Land Degradation, UNOHABITAT, 2022.

to affect olives, apples, peaches, apricots, tomatoes and other fruit. Honey production, fisheries and small ruminants are also vulnerable to climate change.

21. **Lebanon Nationally Determined Contributions.** Lebanon submitted its updated NDC in 2021, increasing its unconditional emissions reduction target to 20% and conditional target to 31% as compared to the business-as-usual scenario. Both the updated NDC and the Lebanon-Fourth National Communication on Climate Change have a strong adaptation focus with priorities for strengthening agricultural sector's resilience, sustainable use of natural resources, sustainable water services, management of terrestrial and marine biodiversity, reducing vulnerability of coastal zones, ensuring public health, reducing disaster risk, addressing vulnerability and adaptation, and enhancing mitigation policies and measures.
22. **Gender.** Lebanon's 2022 gender inequality index stands at 0.365, ranked 86th in the world.³² Lebanon ranked 132nd on the global gender gap index in 2023.³³ In rural communities, there are often clear-cut divisions of labour based on gender. Female agricultural workers in Lebanon are less likely to own land; they tend to manage smaller parcels than male farmers and they generally have less access to productive resources and markets. Women, especially in the most disadvantaged areas, face disproportionately high levels of unemployment and vulnerability.³⁴
23. Since 2000, female employment in agriculture has constantly increased. Lebanese women working in agriculture were identified as a vulnerable group in the Lebanon National Agriculture Strategy 2020-2025 (NAS). The NAS aims to achieve equality between women and men in sustainable agricultural production and rural development.³⁵
24. **Youth** unemployment (aged 15-24) increased from 23 per cent in 2019 to 48 per cent in 2022; almost twice the adult unemployment rate which is at 25.6 per cent. It is estimated that around 50,000 Lebanese youth are new entrants to the labour market each year, yet many are not able to find a job with local firms.³⁶ Economic and educational participation among youth needs improvement, with 27 percent of female youth and 16 percent of male youth in Lebanon neither employed nor in school.³⁷ Agriculture does not interest the youth as a way of life,³⁸ while pursuant to the NAS mainstreaming youth is critical. Key barriers for youth to enter the sector comprise limited access to finance, land ownership and technical training.³⁹

II. Rationale and time frame

25. IFAD continues to play a pivotal role in the development of rural areas and in support of smallholders to eradicate poverty in Lebanon. Based on past and current engagement and in view of the above critical economic, agriculture and rural poverty context, the rationale for IFAD's engagement in Lebanon is compelling. IFAD would provide valuable support to the Government's intentions to increase climate resilience, support ecosystem restoration, improve the management of natural resources, and increase the competitiveness and inclusiveness of agri-food value chains.
26. In the time of the previous CSN 2021-2023, IFAD's regular portfolio had already completed. The last project, the Hilly Areas Sustainable Agricultural Development Project financed by IFAD

³² UNDP Human Development Report, 2023/2024. <https://hdr.undp.org/system/files/documents/global-report-document/hdr2023-24reporten.pdf>

³³ World Economic Forum, The Global Gender Gap Report, 2023. https://www3.weforum.org/docs/WEF_GGGR_2023.pdf

³⁴ FAO Agricultural Sector Review 2021.

³⁵ NAS 2020-2025.

³⁶ [https://www.unicef.org/lebanon/adolescent-and-youth-programme#:~:text=Youth%20unemployment%20\(aged%2015%2D24,a%20job%20with%20local%20firms](https://www.unicef.org/lebanon/adolescent-and-youth-programme#:~:text=Youth%20unemployment%20(aged%2015%2D24,a%20job%20with%20local%20firms). Last seen 10th April 2024.

³⁷ Productive Sectors Development Program 2020. <https://lebanon.un.org/en/111295-productive-sectors-development-program-psdp>

³⁸ Skills Development for Inclusive Growth in the Lebanese Agriculture Sector Policy Brief. ILO & FAO 2020.

³⁹ FAO (2020). Technical briefing note; UNDP (2015). Spotlight on Youth in Lebanon.

and OPEC closed in 2017, and the subsequent “Harmonized Actions for Livestock Enhanced Production and Processing” (HALEPP) that was signed in July 2019, was cancelled in 2022 before starting. However, IFAD’s involvement in the country carried on with the “Climate Smart Agriculture: Enhancing Adaptive Capacity of the Rural Communities in Lebanon” (AgriCAL) funded by the Adaptation Fund (AF) that closed in April 2024. Furthermore, in April 2020, IFAD launched the Rural Poor Stimulus Facility as a rapid response financing window to address the key immediate challenges faced by small-scale farmers as a consequence of COVID-19. Under this window the “Improve Greenhouses Productive Capacity of Small-Scale Farmers in Lebanon” (IGPC) was implemented in 2022.

27. The contemplated pipeline comprises two project proposals with supplementary financing from the climate and environmental funds (CER): a) the Climate Change Resilience and Ecosystem Connectivity (CC-REC) to the Adaptation Fund (AF) and b) the Restoring Ecosystem Connectivity for Biodiversity and Sustainable Livelihoods in the Litani Watershed Project (ECONNECT) to the Global Environment Facility (GEF). Both proposals are pending review and approval by the donor. The tentative amounts are US\$ 3.3mln from GEF with co-financing from the NGO Arz el Shouf in the amount of US\$ 4.7mln for ECONNECT; and US\$ 4.3mln from AF for CC-REC.
28. Lebanon has no IFAD lending allocation for the current cycle (2022-2024) due to arrears that have led to suspension, and the above-mentioned financing strategy involves the use of supplementary standalone funds of concessional nature. Therefore, a transitional Country Strategy Note (CSN) is deemed appropriate instead of a COSOP. This CSN would be valid for the period 2025-2026.

III. Strategic objectives

29. **Lessons learned:** IFAD’s strategic objectives in Lebanon are rooted in the platform of knowledge generated by past and ongoing IFAD engagements, as well as consultations with both local and international counterparts to identify the immediate needs and main impediments facing the agricultural sector.⁴⁰ Key lessons comprise: a) future projects implementation arrangements should be simplified based on a strong partnership with relevant line ministries, notably the Ministry of Environment for environmental considerations and the Ministry of Agriculture; b) women, youth, and smallholders are often excluded, and a gender-inclusive approach is critical; c) establishing and adhering to eligibility criteria for site selection, with local leadership involvement, is critical; d) effective stakeholder coordination and information sharing are crucial for improving agricultural practices; e) there is high potential for modernizing irrigation, land terracing, and water harvesting to increase agricultural productivity and reduce rural poverty; f) ensuring clear funds flow arrangements to avoid delays is important; g) focus on community-based interventions for better sustainability in fragile contexts has high potential; and h) since government ownership can be limited, strong inbuilt sustainability and work with local partners is important.
30. The Strategic Objectives are aligned with the NAS, notably its Pillar 1: Restoring the livelihoods and productive capacities of farmers and producers; Pillar 2: Increasing agricultural production and productivity; Pillar 4: Improving climate change adaptation/sustainable management of agrifood systems/natural resources; and Pillar 5: Strengthening the enabling institutional environment.
31. **Strategic alignment:** The Strategic Objectives feed into selected priorities of Lebanon’s National Biodiversity Strategy and Action Plan adopted in 2016 (NBSAP) such as a) sustainable management and use of natural ecosystems, b) genetic diversity, c) ecosystem restoration, d) mainstreaming biodiversity into national and sub- national policies, plans and programs, e)

⁴⁰ Consulted stakeholders include: MOA, MOE, FAO, UNDP, WFP, Lebanon Reforestation Initiative, and Al-Shouf Cedar Reserve.

protecting vulnerable ecosystems from climate change. Moreover, they also support the UN and development partners Reform, Recovery and Reconstruction Framework (3RF), the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2023-2025 and Sustainable Development Goals (SDGs).⁴¹

32. **Strategic Objective 1: Promoting small farmers' climate resilience through ecosystem restoration, protection and preservation of biodiversity, water and land resources.** The main expected short and medium-term outcomes⁴² comprise.
- a) *"Strengthened enabling environment"* to support community driven-development processes; and address weaknesses in local institutions, poor management of natural resources and key ecosystems, and land tenure policies.
 - b) *"Restoration of ecosystem resilience and improved ecological connectivity"* to address degradation and biodiversity loss driven e.g. by anthropogenic pressure, and climate change.
 - c) *"Investments and technical assistance for the promotion of nature-based solutions and diversification of livelihoods, including water infrastructure"* to address the impact of economic and environmental shocks including costlier imported farm inputs (seeds, fertilizers, and pesticides); reduced access to finance; and reduced access to water.
33. **Strategic objective 2: Promoting sustainable livelihoods and integration of rural poor into equitable value chains.** The main expected short and medium-term outcomes comprise.
- a) *"Strengthened sustainable productive capacity, and resilience to shocks"* to mitigate impacts from economic crisis and conflict. Adaptive responses are crucial in supporting the rural poor in the highly volatile and conflict prone political and economic context.
 - b) *"Higher value captured by small farmers from produce, including from climate adaptive agriculture"* to mitigate the adverse effects of the economic crisis, climate change and degradation of ecosystems on economic and environmental sustainability of small farmers.
 - c) *"Forging of productive partnerships with actors along value chains"* to address the poor organisation of farmers, which undermines their bargaining power vis a vis counterparts and complicates achieving adequate food safety and quality standards.
34. The CSN also addresses the following priorities:
- a) **Gender** will be mainstreamed across the portfolio, addressing key transformative priorities and women's participation. IFAD projects will prioritize targeting of women for productive assets, vocational and technical skills, and access to finance. IFAD will also strengthen women's organizations and groups, empowering women to hold managerial positions and participate in decision-making affecting their lives.
 - b) **Youth.** The CSN gives priority to youth in overcoming barriers to enter the agricultural sector and promotes youth employment and non-farm opportunities by providing prioritized vocational and technical training and access to finance.
 - c) **Food security and nutrition.** Increased incomes from interventions (improved agricultural productivity and value chain development), enhanced local food production, better food safety and quality, reduction of food loss, and better nutrition knowledge and sustainable consumption patterns through capacity-building activities.
 - d) **Climate change** resilience and adaptation, and coping strategies for climate change-induced impact in agriculture and the rural economy will be mainstreamed in project

⁴¹ See the Appendix 1 Results Management Framework for how the Strategic Objectives 1 and 2 link with the specific aims of the NAS 2020-2025, NBSAP 2016, UNSDCF, SDGs as well as IFAD's strategic framework 2016 – 2025.

⁴² In view of the closing of AgriCAL in April 2024 there are no short-term outcomes to meaningfully report.

planning, interventions, crop selection, capacity-building activities, rural infrastructure development and project monitoring and evaluation (M&E) systems.

- e) **Private sector engagement.** The CSN endorses and operationalizes the principles of private sector engagement by pro-poor value chain development with pro-poor platforms, private sector companies, farmer organizations and agri-companies as effective partners.

IV. Indicative IFAD engagement

35. So far, IFAD has financed 5 projects for a total cost of US\$ 178 million, of which IFAD contributed US\$ 47 million, benefitting more than 57 000 households. Overall IFAD's performance in the period of the CSN can be deemed satisfactory, consisting of implementation support to AgriCAL, and engagement with government and donors to promote the design and financing of new projects with additional funds.⁴³ After the completion of the Enhancing Adaptive Capacity of the Rural Communities in Lebanon (AgriCAL) in 2023 the next projects comprise two project proposals: a) CC-REC to the AF and b) the ECONNECT to the GEF. Both proposals are pending review and approval by the donors in 2025. In-country work will also comprise policy engagement, including dialogue in the area of sustainable aquaculture. The tentative amounts are US\$ 3.3mln from GEF with co-financing from Arz el Shouf in the amount of US\$ 4.7mln for ECONNECT; and US\$ 4.3mln from AF for CC-REC.
36. The ECONNECT and CC-REC, if secured, are expected to contribute towards small farmers' climate resilience, ecosystem restoration, protection and preservation of biodiversity, water and land resources, as well as integration of rural poor into climate-smart value chains. At the same time, they will mainstream gender equality through a gender-responsive approach, where women and girls have equal opportunity and capacity recognizing their equal rights and access to land and natural resources and equitable, meaningful and informed participation and leadership, as well as policy and decision-making related to natural resource management and aquaculture.

⁴³ In the course of the previous CSN, IFAD has been fielding regular supervision and implementation support missions in support of AgriCAL twice a year, and actively supported project management as well as M&E. IFAD also helped to restructure the project in 2021. While all stakeholders praised both the supervision mission support and IFAD's offices for having highly competent staff, they also deplored the lack of country presence as well as the frequent change in country directors (i.e. the key IFAD liaison), the absence of which is a drawback for IFAD's effectiveness in the country. During the period of the previous CSN IFAD has actively engaged to establish strategic partnerships and solicit additional financing.

Appendix 1: Results management framework

Country strategy alignment	Related UNSDCF/SDG outcomes	IFAD SOs	CSN SOs	Investments and non-financial activities for the CSN period	Outcome indicators	Output indicators
Lebanon National Agriculture Strategy (NAS) 2020 – 2025 Lebanon's National Biodiversity Strategy and Action Plan (NBSAP)	UNSDCF Goal 2: Improved resilient and competitive productive sectors for enhanced and inclusive income-generating and livelihood opportunities	Overarching goal: Invest in rural people to enable them to overcome poverty and achieve food security through remunerative, sustainable, and resilient livelihoods		Investment activities		
				Ongoing: NA Indicative: - Climate Change Resilience and Ecosystem Connectivity (CC-REC), proposed AF financing - Restoring Ecosystem Connectivity for Biodiversity and Sustainable Livelihoods in the Litani Watershed Project (ECONNECT), proposed GEF financing	Ongoing: NA Indicative*: - Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment - Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices - Individuals demonstrating an improvement in empowerment - CI 3.2.1: Tons of greenhouse gas emissions (tCO ₂ e) avoided and/or sequestered	Ongoing: NA Indicative*: - Policy-relevant knowledge products completed - Groups supported to sustainably manage natural resources and climate-related risks - Persons provided with climate information services - Persons accessing technologies that sequester carbon or reduce greenhouse gas emissions - Land brought under climate-resilient management
NAS Pillar 1. Restoring the livelihoods and productive capacities of farmers and producers; Pillar 2. Increasing agricultural production and productivity; Pillar 4. Improving climate change adaptation/sustainable management of agrifood systems/natural resources; Pillar 5. Strengthening the enabling institutional environment NBSAP priority a)	UNSDCF Outcome 2: Strengthened diversified income opportunities to promote social and economic inclusion SDG 1, SDG 2, SDG 5, SDG 10, SDG 13	SO1: Increase poor rural people's productive capacities; SO3: Strengthen the environmental sustainability and climate resilience of poor rural people's economic activities.	SO1: Promoting small farmers' climate resilience through ecosystem restoration, protection and preservation of biodiversity, water, and land resources. The main medium-term outcomes expected are strengthened enabling environment, restoration of ecosystem resilience and connectivity, and	Non-financial activities		
				KM - Guidelines and standard operating procedures (SOPs) will be developed based on technical and local knowledge and innovation	Ongoing: NA Indicative*: - Climate-smart policies/plans endorsed at relevant stakeholder levels	Ongoing: NA Indicative*: - Policy recommendations, plans and guidelines disseminated

<p>sustainable management and use of natural ecosystems, b) genetic diversity, c) ecosystem restoration, d) mainstreaming biodiversity into national and sub-national policies, plans and programs, e) protecting vulnerable ecosystems from climate change</p>			<p>investments and technical assistance for the promotion of nature-based solutions and diversification of livelihoods, including water infrastructure.</p>	<p>Capacity-building - Guiding policy makers, farmers, and relevant stakeholders in implementing different types of production systems well as supporting the environmental management of these systems</p> <p>CLPE - Policy engagement, including dialogue in the area of sustainable aquaculture</p> <p>SSTC - Knowledge exchange activities through regional partnerships including learning visits to regional nodes of excellence on climate smart nature-based solutions, and dissemination through existing cross-Mediterranean networks</p>		
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				<p>Partnerships</p> <ul style="list-style-type: none"> - GEF ECONNECT - AF CC-REC - UNDP (Land Degradation in Mountain Landscape in Lebanon is investing in strengthening legal frameworks and capacities for land use planning and management) - WB (e.g. in the context of the project Green Agri-food transformation for economic recovery) - EU (e.g. in the context of the BioConnect EU-funded project and Saving Water Growing Crops Project) - Italian cooperation (e.g. in the context of the Resiland project supporting sustainable forest and grassland management) - AFD (e.g. in the context of the BASATINE - Bolstering Agriculture Systems' Ability to Invest, Nourish and Employ project for enhancing climate resilience and economic crises and regulating land tenure) - ICARDA (e.g. in the context of seed health testing, seed multiplication, and preparation of international nurseries). 	<p>Effective coordination, synergies and joint initiatives from coordination with strategic partners</p>	<p>Coordination mechanisms developed by project for relevant partners</p>
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<p>NAS Pillar 2. Increasing agricultural production and productivity; Pillar 3. Enhancing efficiency and competitiveness of agrifood value chains; Pillar 5. Strengthening the enabling institutional environment.</p>	<p>UNSDCF Outcome 1: Enhanced competitiveness and business environment of MSMEs and high potential productive sectors' value chains</p> <p>UNSDCF Outcome 2: Strengthened diversified income opportunities to promote social and economic inclusion</p> <p>SDG 1, SDG 2, SDG 5, SDG 10</p>	<p>SO2: Increase poor rural people's benefits from market participation</p>	<p>SO2: Promoting sustainable livelihoods and integration of rural poor into equitable value chains. The main outcomes expected comprise higher productive capacity and resilience of the rural poor in the face of conflict, economic crisis and shocks, higher value captured for small farmers' produce including from climate adaptive agriculture and forging of partnerships with actors along value chains.</p>	<p>Investment activities</p>		
				<p>Ongoing: NA Indicative: - Climate Change Resilience and Ecosystem Connectivity (CC-REC), proposed AF financing - Restoring Ecosystem Connectivity for Biodiversity and Sustainable Livelihoods in the Litani Watershed Project (ECONNECT), proposed GEF financing</p>	<p>Ongoing: NA Indicative: - Improved production methods adopted through capacity building - Supported rural enterprises reporting an increase in profit - Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities - Rural producers' organizations reporting an increase in sales - CI 2.1.3: Rural producers' organizations supported</p>	<p>Ongoing: NA Indicative: - Rural enterprises accessing business development services - Persons trained in income-generating activities or business management</p>
				<p>Non-financial activities</p>		
				<p>KM - Guidelines and standard operating procedures (SOPs) will be developed based on technical and local knowledge and innovation</p>	<p>Ongoing: NA Indicative*: - Guidelines and standard operating procedures endorsed at relevant stakeholder levels</p>	<p>Ongoing: NA Indicative*: - Guidelines and standard operating procedures disseminated</p>
<p>Capacity-building - Guiding policy makers, farmers and relevant stakeholders in implementing different types of production systems well as supporting the environmental management of these systems</p>						
<p>CLPE - Policy engagement, including dialogue in the area of sustainable aquaculture</p>						

				<p>SSTC - Knowledge exchange activities through regional partnerships including learning visits to regional nodes of excellence on climate smart nature-based solutions, and dissemination through existing cross-Mediterranean networks</p>		
				<p>Partnerships - GEF ECONNECT - AF CC-REC - UNDP (Land Degradation in Mountain Landscape in Lebanon is investing in strengthening legal frameworks and capacities for land use planning and management) - WB (e.g. in the context of the project Green Agri-food transformation for economic recovery) - EU (e.g. in the context of the BioConnect EU-funded project and Saving Water Growing Crops Project) - Italian cooperation (e.g. in the context of the Resiland project supporting sustainable forest and grassland management) - AFD (e.g. in the context of the BASATINE - Bolstering Agriculture Systems' Ability to Invest, Nourish and Employ project for enhancing climate resilience and economic crises and regulating land tenure)</p>	<p>Effective coordination, synergies, and joint initiatives from coordination with strategic partners</p>	<p>Effective coordination mechanisms put in place between relevant partners</p>

*Outcome and output results for indicative targets are not expected to be materialising in the timeframe of the CSN. The contemplated CC-REC and ECONNECT are in the review and approval stage. Quantitative targets are still to be defined for the proposals; start-up and first results are expected to materialise only in the period after the duration of the CSN. Thus, indicators are here for general reference only, drawing on the information available.

Appendix 2: SECAP Background Study

Introduction

1. The main objective of the background study of the Social Environment and Climate Assessment Procedures (SECAP) is to inform and strategically orient the CSN on social, environmental and climate change issues. It includes: (i) a synthesis of the key climate, environmental and social challenges identified as mainstreaming priorities for IFAD, (ii) an institutional analysis, and (iii) key recommendations to address the challenges to targeting vulnerable groups including women, youth, indigenous peoples, people with disabilities and undernourished individuals in the face of climate change, land degradation and other environmental challenges.

Part 1 - Situational analysis and main challenges

1.1 Socio-economic situation and underlying causes

2. **Socioeconomic context.** The Lebanese population amounted to 5.5 million in 2022. Main languages include Arabic (official), French, English, Armenian, Kurdish.
3. The economic, political, and social crises affecting Lebanon since October 2019 has caused the country to experience a significant deterioration in the welfare of its population. The lifting of state subsidies on medicine, fuel and input costs, the depreciation of the LBP, prolonged inflation and soaring international prices continue to threaten the ability of Lebanese households to meet their basic needs. By December 2021, 53% of the Lebanese resident population needed social assistance. Since then, 400,000 more people have fallen into poverty because of rising food insecurity (affecting 57% of Lebanese families by December 2021), high unemployment, decimated salaries, stagnating household incomes, and poor access to public services.
4. The multidimensional poverty rate in Lebanon doubled from 39 per cent in 2019 to 81 per cent of the total population in 2021, leaving nearly 3.9 million people living in multidimensional poverty.¹ The extreme poor amount to 16.2% of the population.² Lebanon hosts the highest number of displaced persons per capita and per square kilometre in the world, with an estimated 1.5 million Syrians who have fled the conflict in Syria, along with 180,000 Palestinian Refugees in Lebanon. In the period October 2023 and March 2024, about 1.05 million Lebanese, in addition to the Syrian refugees are expected to face acute food insecurity and are classified in IPC Phase 3 or above (crisis or worse). The situation is expected to only deteriorate throughout 2024.³
5. The largest contributors to national poverty pursuant to the Global Multidimensional Poverty Index (MPI) are deprivations in health insurance (24.8%), followed by school attainment (18.3%) and by low-security work (9.7%). When aggregating by dimensions, the largest contributor to deprivation is the health dimension (30.2%), followed by employment (25.8%) and

¹ Multidimensional poverty in Lebanon A proposed measurement /framework, and an assessment of the socioeconomic crisis, 2021. <https://www.unescwa.org/sites/default/files/pubs/pdf/multidimensional-poverty-lebanon-english.pdf>

² <https://blogs.worldbank.org/arabvoices/lebanon-multi-dimension-poverty-index-shows-53-residents-were-poor-crisis>

³ IPC food security analysis for Lebanon: <https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1156728/?iso3=LBN>

- education (25.3%). The living standards and basic infrastructure dimensions contributed 13% and 6% respectively.
6. Across the eight governorates, Akkar and Beqaa are the poorest, while the greatest intensity of poverty among the MPI-poor is experienced in Beirut. Approximately a third of Lebanon's MPI-poor reside in Mount Lebanon where about 41% of the population reside. The composition of the multidimensional poverty is fairly similar across the governorates.⁴
 7. In 2021, households' main income source was wage employment, followed by temporary employment and daily labour. Remittances from abroad were the main income source for 3% of the Lebanese⁵. Households primarily engaged in agriculture were 3% in Mount Lebanon and exceeded 5% in the Beqaa region. Nearly 17% of the population reported to have received social assistance, a number that reached 24% in the case of households headed by women. The unemployment rate was 18% among men, and 43% among women (70% for women aged 18 to 24).
 8. **Gender.** Lebanon's 2022 gender inequality index stands at 0.365, ranked 86th in the world.⁵ Lebanon ranked 132nd on the global gender gap index in 2023.⁶ In rural communities, there are often clear-cut divisions of labour based on gender. Female agricultural workers in Lebanon are less likely to own land; they tend to manage smaller parcels than male farmers and they generally have less access to productive resources and markets. Women, especially in the most disadvantaged areas, face disproportionately high levels of unemployment and vulnerability.⁷
 9. Since 2000, female employment in agriculture has constantly increased. Lebanese women working in agriculture were identified as a vulnerable group in the NAS, which aims to achieve equality between women and men in sustainable agricultural production and rural development.⁸
 10. Female-headed households were also found to be relatively poorer in multidimensional terms (at 56.7%) relative to their male counterparts (at 52.6%). Approximately 11.6% of individuals live in female-headed households while the rest (88.4%) reside in male-headed households.⁹
 11. Most policies and strategies related to climate change do not thoroughly address gender dimensions. Gender integration seems more advanced in the agriculture and forestry sectors, while the biodiversity, energy and water sectors' policies do not have gender considerations at all. Men and women, households, and communities face differentiated impacts from climate change based on their level of vulnerability, preparation, and resilience to climate hazards.³⁹ In agriculture systems, women undertake a significant proportion of agricultural work, heavily involved in harvesting, weeding and post-harvesting tasks and decisions, whereas men are responsible for pest control and fertilization.
 12. According to the Gender Analysis on Climate Change included in the NDC Support Program, the main challenges in mainstreaming gender into climate change policies and actions are: (i) cultural barriers to gender equality and women's participation in decision-making; (ii) difficulties in understanding the linkages between gender and climate change; (iii) lack of capacity-building on climate change in institutions; (iv) no dedicated budget for gender-related activities; and (v) lack of adequate data to perform informed policy-making on gender integration.

⁴ <https://blogs.worldbank.org/arabvoices/lebanon-multi-dimension-poverty-index-shows-53-residents-were-poor-crisis>

⁵ UNDP Human Development Report, 2023/2024. <https://hdr.undp.org/system/files/documents/global-report-document/hdr2023-24reporten.pdf>

⁶ World Economic Forum, The Global Gender Gap Report, 2023.

https://www3.weforum.org/docs/WEF_GGGR_2023.pdf

⁷ FAO Agricultural Sector Review 2021.

⁸ NAS 2020-2025.

⁹ <https://blogs.worldbank.org/arabvoices/lebanon-multi-dimension-poverty-index-shows-53-residents-were-poor-crisis>

13. **Youth** in Lebanon are the category of people aged between 15 and 29 as defined by the Lebanese Ministry of Youth and Sport.¹⁰ While total unemployment rate in Lebanon was 6 percent in 2019, youth unemployment rate was nearly 17.1 percent and 9.8 percent of economically active women were unemployed compared to only 4.8 percent of men.¹¹
14. According to the Lebanese Code of Labour, the minimum working age is 14 years for safe work and 16–18 years for jobs that are considered less safe, provided the children are offered full protection. Decree No. 8987 specifically stipulates that minors should not be employed in agricultural activities that require operating farming machines, handling pesticides, fertilizers, or poisonous plants, climbing trees or ladders, using sharp tools, or working more than four hours per day. Despite these laws, it is estimated about 60 percent of child laborers work in the agricultural sector, especially in the Akkar, Hermel and Baalbek districts.¹²
15. Economic and educational participation among youth needs improvement, with 27 percent of female youth and 16 percent of male youth in Lebanon neither employed nor in school.¹³ Agriculture does not interest the youth as a way of life,¹⁴ while pursuant to the NAS, mainstreaming youth is critical. Barriers for youth to enter the sector comprise limited access to finance as well as land ownership and technical training.¹⁵
16. **Marginalized groups.** Syrian migrant farmworkers are among the most marginalized populations in Lebanon, living in poverty, lacking basic legal protections and frequent targets of discrimination. They face numerous obstacles including the lack of legal documentation, inadequate access to healthcare and shelter, and extremely vulnerable economic conditions. About 69% of Syrian refugees are below the poverty line and almost 9 out of 10 of them are indebted. Yet, their access to livelihoods and sustainable income is extremely limited, due to multiple legal limbos, social and political pressures, and a structurally challenged labor market.¹⁶ Other marginalized groups comprise women and youth as described above. There are no distinct groups of indigenous people in Lebanon.
17. **Nutrition.** According to the Global Nutrition Report's Country Nutrition Profile last updated in February 2023, Lebanon is 'on course' to meet one target for maternal, infant and young child nutrition. No progress has been made towards achieving the target of reducing anaemia among women of reproductive age, with 28.3% of women aged 15 to 49 years now affected. Meanwhile, there has also been no progress towards achieving the low-birth-weight target, with 9.2% of infants having a low weight at birth. There is insufficient data to assess the progress that Lebanon has made towards achieving the exclusive breastfeeding target, nor is there adequate prevalence data.¹⁷
18. According to the WHO Global Health Observatory, the prevalence of stunting in children under five in Lebanon has decreased from 16.0% in 2000 to 10.4% in 2020, remaining at a significantly lower level than the regional average throughout the past two decades. During the same period, the prevalence of overweight children under five has increased from 17.6% to 19.7%, which is among the highest prevalence rates in the region.¹⁸
19. According to the Lebanon National Nutrition SMART Survey, the prevalence of wasting was 1.8%, the prevalence of stunting was 7.0% and the prevalence of overweight was 3.7% in

¹⁰ [http://www.minijes.gov.lb/getattachment/Ministry/YouthPolicy/Youth-Politics-in-Lebanon/Youth-Policy-in-Lebanon\(English\).pdf](http://www.minijes.gov.lb/getattachment/Ministry/YouthPolicy/Youth-Politics-in-Lebanon/Youth-Policy-in-Lebanon(English).pdf)

¹¹ FAO Agricultural Sector Review 2021, youth defined ages 15 to 24.

¹² FAO Agricultural Sector Review 2021.

¹³ Productive Sectors Development Program 2020. <https://lebanon.un.org/en/111295-productive-sectors-development-program-psdp>

¹⁴ Skills Development for Inclusive Growth in the Lebanese Agriculture Sector Policy Brief. ILO & FAO 2020.

¹⁵ FAO (2020). Technical briefing note; UNDP (2015). Spotlight on Youth in Lebanon.

¹⁶ Dynamics of Syrian Refugees in Lebanon's Agriculture Sector, 2020.

¹⁷ <https://globalnutritionreport.org/resources/nutrition-profiles/asia/western-asia/lebanon/>

¹⁸ Nutrition Country Profile, WHO, 2020.

2021. Lebanon is meeting the regional target of reducing wasting to less than 3% and maintaining this level. In respect of micronutrient status, the iodine intake in Lebanon is insufficient (defined as < 100 µg/L) as the estimated median urinary iodine concentration among school children was 66 µg/L in 2013.¹⁹

1.2 Environment and climate context, trends and implications

20. **Land use.** About 26.5% of Lebanon's lands are cultivated of which 50% are irrigated. Almost 31% of the exploitable agricultural land is located in the Beqaa. Fruit trees occupy 31% of the total agricultural land used, followed by cereals (22%), olive trees (22%) and vegetables (16%). The remaining 9% of agricultural land is occupied by industrial crops, like tobacco (5%) and other small crops (4%). Lebanon's forests cover 13.4% of the territory.²⁰ Pastureland occupies 14%, from which 61.5% are high mountain grasslands located in the core zone, and 38.5% are low mountain pastures where livestock grazing is allowed.
21. Land tenure problems are associated with the agricultural land degradation in Lebanon. The Lebanese land market is inefficient, with large registration and transaction costs and unclear roles and responsibilities for managing common lands. This leads to over-exploitation of lands for grazing, quarrying and agriculture.²¹
22. **Agro-ecological zones.** Lebanon encompasses four climate-geographical zones: (i) a flat, narrow coastal plain that runs parallel to the Mediterranean Sea; (ii) the Lebanon Mountains; (iii) the Beqaa Valley; and (iv) the Anti-Lebanon mountain range. The climate is characterized by hot, dry summers with low precipitation levels (June–September) and cool, rainy winters (December – mid-March). All rivers in Lebanon including the important Litani river are replenished annually by local precipitation events, which tend to be restricted to around 90 to 100 days between October and April, and to snowmelt.
23. The wide variety of agroclimatic zones, ranging from subtropical areas to temperate zones, greatly expands the spectrum of production and cultivation techniques, allowing for the cultivation of a wide variety of crops that normally grow in both cold and tropical countries. Lebanon is also characterized by its rich forests, especially cedars, pines and oaks.²²
24. **Soil resources.** The loss of soil fertility, due to chronic malpractice, is a major problem for Lebanon. Farmers tend to use monocropping, instead of appropriate crop rotation, and to favour the overuse of fertilizers, especially nitrates, coupled with improper irrigation management, which lead to soil salinity. Excessive ploughing in dry areas also leads to soil compaction and erosion. Composting organic residues whether from plant or animal origin is very rare; the direct application of manure and burning of agriculture residues are favoured instead. Planting green cover or green mulch is very limited.²³ According to the 2019 National Action Programme (NAP) report, the main drivers of land degradation include changes in the human population, policy and political changes, deep societal changes, climatic factors, land tenure and poor management of key natural resources and ecosystems. Poorly managed policies have led to over-exploitation for grazing, quarrying and agriculture. Due to climate change, the deterioration of soil conditions and the loss of biodiversity and water scarcity are expected to accelerate.
25. **Water resources.** Water resources are under increasing pressure because of climate change and population growth. The agricultural sector is the single largest consumer of water in Lebanon, with a water withdrawal share of 61%. The water transmission and distribution networks are quite old, with more than 50% of them beyond their useful life span irrigating about 40 % of agricultural lands.²⁴ Most distribution channels need rehabilitation and are not

¹⁹ Nutrition Country Profile, WHO, 2020.

²⁰ FAO Agricultural Sector Review 2021.

²¹ FAO Agricultural Sector Review 2021.

²² FAO Agricultural Sector Review 2021.

²³ FAO Agricultural Sector Review 2021.

²⁴ NAS 2020-2025.

- pressurized, leading to large losses through evaporation and leakages.²⁵ While Lebanon is ranked as having extremely high baseline water stress, individual farmers access water from groundwater resources,²⁶ albeit only at high pumping cost. Private wells (mostly illegal) that serve only a portion of the population are used for potable water and agriculture.
26. Water control and conservation are necessary to ensure the long-term sustainability of agriculture. This hinders any initiative to regulate and automate irrigation according to the crop-climate demand. Governmental wells supply water establishments throughout the target landscapes with drinking water. Strict policies for groundwater abstractions have been initiated since 2015 and private groundwater extractions are meant to be reduced by 6% per year until 2024, with increasing reliance on public wells.
 27. Surface water is highly polluted in both the Akkar and Beqaa plains, which causes land and soil degradation and reduces the quality of agriculture products.²⁷ Water pollution is rendering many areas unsuitable for aquaculture.²⁸ A new Fisheries and Aquaculture Law is expected to set out guidance for improving the productivity and sustainability of the freshwater aquaculture sector, as well as indicating measures for pollution mitigation in the lakes and rivers of the Litani basin.
 28. The Litani River Basin is the most significant freshwater system in Lebanon, but its role in water supply is compromised by poor water management and high pollution levels. While the main sources of pollution are largely common - domestic wastewater and solid waste; point sources from industrial, healthcare, touristic establishments, quarries; and non-point agricultural runoff -, their relative contribution is river-specific and tightly associated with the dominant land uses within the watershed.
 29. Water stress is only expected to get worse, with mountain snow cover projected to decrease with 40–70% by 2050, which will impact vital water sources and lead to further water scarcity.
 30. **Biodiversity.** There are 9,116 known species in Lebanon, including both fauna (4,486 species) and flora (around 4,630 species).²⁹ For the purpose of protecting natural habitats, and endemic and endangered species, the NBSAP has established several marine and terrestrial protected areas. Lebanon has declared fifteen nature reserves of which six have management plans. These occupy around 2.7% of the country's area and incorporate a rich biodiversity, some sites recognized by international entities and conventions, i.e. World Heritage Sites by UNESCO, Ramsar sites under the Ramsar Convention, Important Bird Areas (IBAs) by BirdLife International, and Specially Protected Areas of Mediterranean Importance (SPAMI) under the SPA and Biodiversity Protocol. Several laws are being implemented to enhance biodiversity conservation and regulate the exploitation of biological resources.
 31. Lebanon's agrobiodiversity, together with its climate and soil diversity, allows the production of more than 60 types of crops and more than ten livestock products.³⁰ The variety of agroclimatic zones, ranging from subtropical areas to temperate zones, greatly expands the spectrum of production and cultivation techniques, allowing for the cultivation of a wide variety of crops that normally grow in both cold and tropical countries. Lebanon is also characterized by its rich forests, especially cedars, pines and oaks. Lebanon's forests cover 13.4 percent of the territory.³¹
 32. **Climate change.** By 2040, maximum temperatures are predicted to increase by up to 1°C along the coast and up to 2°C in the mountainous inland. This upward trend is expected to continue throughout the century reaching 3°C and 5°C respectively. Minimum temperatures will

²⁵ Revitalization of the agriculture sector in Iraq, Jordan, and Lebanon. Bahn et al 2019.

²⁶ Revitalization of the agriculture sector in Iraq, Jordan, and Lebanon. Bahn et al 2019.

²⁷ FAO Agricultural Sector Review 2021.

²⁸ NAS 2020-2025.

²⁹ NBSAP 2016.

³⁰ McKinsey & Company. 2019. Lebanon economic vision: full report. (also available at www.economy.gov.lb/media/11893/20181022-1228full-report-en.pdf).

³¹ FAO Agricultural Sector Review 2021.

evolve similarly. Significant reductions are projected for rainfall, with a drop of 10% to 20% in yearly precipitation for coastal and inland areas respectively by 2040 and 25% to 45% by 2090. The annual average relative humidity is not expected to change much by 2040, but it is foreseen to drop by 10% in the eastern parts of the country by 2080. Wind speed and cloud fraction are not projected to change significantly in the two future periods. The cloud cover over Lebanon is expected to decrease by about 5%.³²

33. The anticipated climate changes are expected to reduce the exploitable water supplies by about 1% by 2020, 8% by 2040, and 29% by 2080 and accelerate the depletion of groundwater supplies that are already under pressure from extraction for agriculture. Deterioration of soil conditions, the loss of biodiversity and water scarcity are expected to accelerate. Lebanese agriculture will likely face higher production costs for fuel, fertilizers, irrigation, and other actions that will be required to adapt to such challenges. Shepherds are highly vulnerable, especially to desertification, which may reduce the carrying capacity of grazing lands severely. A lack of access to financial resources and limited capacities will make it difficult for Lebanon to address the challenges posed by drier soils and higher water demand.³³
34. Rainfed crops, such as cereals, are also particularly vulnerable, as are crops that rely on water for irrigation such as summer vegetables and fruit. Other crops, such as potato, tomato and cherry, might be affected by an increase in temperature. A growing number of pest outbreaks are likely to affect olives, apples, peaches, apricots, tomatoes and other fruit. Honey production, fisheries and small ruminants are also vulnerable to climate change.
35. Lebanon submitted its updated NDC in 2021, increasing its unconditional emissions reduction target to 20% and conditional target to 31% as compared to the business-as-usual scenario. The updated NDC has a strong adaptation focus with priorities for strengthening agricultural resilience, sustainable use of natural resources, sustainable water services, management of terrestrial and marine biodiversity, reducing vulnerability of coastal zones, ensuring public health, and reducing disaster risk.

Part 2. Institutions and legal framework

2.1 Institutions

36. Lebanon is a highly centralised country, where the municipalities possess only limited power and funds. The country has four administrative levels:
 - a) The central government controls most aspects of the planning and monitoring of local authorities, exercising both administrative and financial control over the municipalities through various ministries and bodies.
 - b) The 6 governorates (Beirut, Mount Lebanon, North Lebanon, Beqaa, South Lebanon and Nabatieh),
 - c) The 26 kaza or districts into which the governorates are divided. The governorates and districts act as administrative subdivisions of the State and have no independent authority.
 - d) The 945 municipalities into which the districts are divided. About 660 municipalities have together set up 48 federations or unions, bringing together different municipalities with the aim of pooling their resources and fund inter-municipal development projects in their respective regions.
37. The **Ministry of Agriculture (MoA)** has the mandate to improve the performance of the agricultural sector and contribute to economic, social, environmental, and sustainable rural development. The Department of Forest and Natural Resources at the MoA is responsible for forestry legislation and enforcement. It also manages rangelands and agricultural activities, designates protected forests, and regulates grazing permits and agreements on municipal lands. The MoA is also the United Nations Convention to Combat Desertification (UNCCD)

³² USAID Lebanon Climate Risk Analysis 2019. https://pdf.usaid.gov/pdf_docs/PA00WZTT.pdf

³³ Revitalization of the agriculture sector in Iraq, Jordan, and Lebanon. Bahn et al. 2019

- focal point for Lebanon. The Lebanese Agricultural Research Institute (LARI), with 12 research centres, undertakes research on agriculture and provides extension services to farmers.
38. The **Ministry of Environment (MoE)** is the main entity in charge of environmental planning, the laws and their application. The MoE is the United Nations Framework Convention on Climate Change (UNFCCC) focal point for Lebanon; it oversees all climate change related activities, coordinating, compiling, and submitting National Communications, Biennial Update Reports, and related greenhouse gas inventories. The National Council for Environment, (NCE) chaired by the MoE leads the implementation of the NBSAP, being responsible for providing environmental policy and planning, and developing criteria and guidelines for the management of protected areas and the implementation of environmental projects.
 39. The **Ministry of Energy and Water (MoEW)** is responsible for energy, water, mines and quarries. MoEW developed a national plan to protect water resources from pollution, regulate water bodies, provide water use permits, and increase water stocks across the country. MoEW supports the development of renewable energy and energy efficiency in Lebanon. It also provides advice on the licensing of mines and quarries that could have an impact on water resources.
 40. The **MoEW Regional Water Establishments** are responsible for: (i) the implementation, operation, maintenance and renovation of potable water supply, irrigation and wastewater; setting water tariffs for potable water supply and irrigation, taking into account socio-economic conditions; and quality control of potable water and water for irrigation.
 41. Two of the most important government bodies dedicated to disaster risk reduction and management in the agricultural sector are the Disaster Risk Management Unit and the High Relief Committee. The former aims to help the Lebanese Government strengthen its capacity to develop disaster risk reduction and disaster risk management strategies, while the HRC is a key actor in times of crisis, accepting donations, determining procedures for receiving, storing, and distributing necessary goods, and managing all tasks related to disasters relief.
 42. **Non-governmental Organizations:** the Lebanese NGOs played a prominent role in the past 30 years on key environmental and development issues and projects with support from local and international donors.
 - a) **Al-Shouf Cedar Society (ACS)** plays a major role in the management of the Shouf/West Beqaa Biosphere Reserve (SBR), through the development of multi-year plans for the conservation of biodiversity, the management and restoration of natural resources, and sustainable local development. ACS has raised substantial funding.
 - b) **Lebanon Reforestation Initiative** is a not-for-profit nongovernmental organization established in 2014. It aims to expand, manage and protect Lebanon's forests and landscapes through a community-based approach, building communities resilient to environmental threats, increasing environmental awareness and education, advocating for forest conservation, and advancing research in the forestry field.
 - c) **Emkan** is a local NGO established in 2008. Associated with Bank Med, Emkan aims to support Lebanon's economic development and to strengthen the agricultural sector by supporting rural communities and farmers with microloans.
 - d) The **René Moawad Foundation** was founded in 1991 in the memory of the former Lebanese president. The RMF started as a grassroots organization and grew to become a nationally recognized NGO. The RMF's aim is to promote economic, social, and rural development in Lebanon in collaboration with national and international institutions.
 - e) **SOILS** Permaculture Association Lebanon disseminates sustainable agricultural practices that preserve the environment. SOILS developed an internationally known permaculture design certificate course between 2014 and 2016 for farmers, engineers, consultants and social workers.

43. **Agricultural cooperatives** in Lebanon are largely weak.³⁴ There is a high concentration in the South and Nabatieh (30 percent) and a relatively low concentration in Beqaa (7 percent in Zahleh) and West Beqaa, which are regions of intensive agricultural production where medium and large agricultural estates prevail. It is estimated that only 10 to 20 percent of the approximately 1,250 cooperatives registered in Lebanon are active and functioning.³⁵
44. Women's cooperatives have been active in advocating for rural social change, economic empowerment, political and economic rights, and access to financial and productive resources. These groups face gender-based challenges and are unable to explore markets, meet and negotiate with clients and suppliers, and deliver and buy merchandise. Since the Syrian crisis in 2011, women's cooperatives have played a key role in making peace between refugees and host communities in rural areas through the development of Syrian Lebanese community kitchens, training Syrian women's groups to produce homebased products and providing training on food safety.³⁶
45. **Private organizations** that are potential partners for development include Fair Trade Lebanon; the social enterprise Souk El Tayeb; MORES consultancy firm; local producer organizations, cooperatives and enterprises; Khaled Sleem Tree Nursery; Samaha Tree Nursery; Nestle Waters; etc. This will include also the Shouf Destination Management Organisation, an independent company set up in early 2023 and registered at the Ministry of Justice supporting quality production and control, facilitating on-line sales, and connecting the producers to the customers and buyers through a network of selling points and local markets.

2.2 Policy and regulatory frameworks

46. Lebanon has been an active participant in the process around the **SDGs**. The Lebanese Government recognized the 2030 Agenda for Sustainable Development and the SDGs in September 2015 and, in July 2018, submitted its Voluntary National Review at the High-Level Political Forum.
47. Lebanon contributes to the **UNFCCC**. In 2015, Lebanon submitted its new climate action plan to the UNFCCC. Through national and sectoral planning, Lebanon has developed low-carbon, climate-resilient adaptation strategies for the long term (e.g., a full restructuring of the power sector between 2011 and 2030).
48. **Lebanon's National Agriculture Strategy 2020 – 2025** is structured around five pillars, Pillar 1. Restoring the livelihoods and productive capacities of farmers and producers; Pillar 2. Increasing agricultural production and productivity; Pillar 3. Enhancing efficiency and competitiveness of agrifood value chains; Pillar 4. Improving climate change adaptation/sustainable management of agrifood systems/natural resources; Pillar 5. Strengthening the enabling institutional environment.
49. **The NAS** priorities include a) sustainable management and use of natural ecosystems, b) genetic diversity, c) ecosystem restoration, d) mainstreaming biodiversity into national and sub-national policies, plans and programs, e) protecting vulnerable ecosystems from climate change.
50. **Environmental Protection Law No. 444 of 2002** is a comprehensive law covering various aspects of environmental protection, including pollution control, natural resource management, and environmental impact assessments.

³⁴ FAO Agriculture Sector Review 2021.

³⁵ Skills Development for Inclusive Growth in the Lebanese Agriculture Sector Policy Brief, ILO&FAO 2020.

³⁶ The cooperative sector in Lebanon: What role? What future?. ILO. 2018.

51. **Environmental Impact Assessment (EIA) Decree No. 8633 of 2012**, is a decree mandating that any project likely to have significant environmental impacts must undergo an EIA. It outlines the procedures for screening, preparing, and supervising environmental assessments.
52. **Strategic Environmental Assessment (SEA) Decree No. 8213 of 2012** requires strategic environmental assessments for policies, plans, and programs that may have significant environmental effects.
53. **The Environmental Compliance for Establishments Decree No. 8471 of 2012** sets the standards for environmental compliance for various establishments, ensuring they adhere to environmental regulations.
54. **UNCCD**. Lebanon signed and ratified the UNCCD and has set targets on combatting land degradation and dealing with its root causes. In 2003, the government developed a National Action Program (NAP) to guide long-term implementation of efforts towards its UNCCD commitments. The document sets out actions plans to address the lack of technical know-how of farmers and authorities alike in supporting sustainable agriculture, while seeking to resolve and address property rights issues. It also proposes action plans for rangeland management and for leveraging the economic potential of sustainable land management and crop diversity to alleviate poverty.
55. **Free trade agreements** have been signed with Lebanon's major trading partners: the European Union, the European Free Trade Association States (Switzerland, Lichtenstein, Norway, Iceland) and the Gulf Cooperation Countries. The Greater Arab Free Trade Area was established in January 2005.
56. **Subsidy programmes**. The Government of Lebanon supports the cultivation of wheat and tobacco through price support programmes. The government is involved in all elements of the value chain, from the procurement of commodities to setting production quotas and procurement prices and selling and/or exporting both commodities. The level of procurement prices exceeds international market prices, thus guaranteeing comparatively high selling prices for farmers.³⁷

2.3 Programmes and partnerships

57. Relevant programmes for coordination and exploring synergies in partnerships include the following:
 - a) The GEF-UNDP Land Degradation in Mountain Landscape in Lebanon is investing in strengthening legal frameworks and capacities at institutional and individual levels for land use planning and management in areas covered by the project.
 - b) WB Project – Lebanon: Green Agri-food transformation for economic recovery.
 - c) The BioConnect EU-funded project led by ACS and supporting biodiversity conservation in the SBR and Mount Hermon Nature Reserve, among other protected areas.
 - d) The Resiland project, funded by the Italian Cooperation, through which ACS and its partner NGO Istituto Oikos are supporting sustainable forest and grassland management interventions in the SBR and Mount Hermon.
 - e) The Saving Water Growing Crops Project, funded by the EU, through which ACS and its /partner NGO Istituto Oikos are piloting a remote-controlled efficient irrigation system 'Blue Tentacles', as an innovative technology to address the climate change-induced growing water scarcity for agriculture production.
 - f) The BASATINE - Bolstering Agriculture Systems' Ability to Invest, Nourish and Employ project, led by the French government, which is currently investing \$17 million in supporting

³⁷ FAO Agriculture Sector Review 2021.

local farms in Akkar and the Beqaa by funding inputs, enhancing resilience to the climate and economic crises while regulating land tenure.

Part 3 - Strategic recommendations

3.1 Lessons learned

58. IFAD's interventions have been closely aligned with the strategic directions of the country's efforts, as have the objectives of the preceding CSN. These strategies have pioneered approaches tailoring actions to the needs of the most vulnerable population groups within an agroecologically and socio-economically heterogeneous country. Lessons learned include the following:
- a) Lebanon's agricultural sector has high potential, despite the country's complex economic, social and political circumstances. The current governance of the sector, however, presents challenges to achieving this potential, requiring IFAD to build close partnerships with actors in the field, NGOs, private sector, municipalities, to push for its operational results and policy goals.
 - b) The management structure for future projects should be simple involving few implementing partners. Projects involving different implementing partners have suffered from the lack of cooperation and coordination. At the same time, it is important to build close partnerships to ensure ownership of activities and sustainability of results. Among others, the inclusion of the MoE as a stakeholder in the implementation of activities is crucial to considering the environmental and climate aspects as well as for influencing environmental policy processes at the national level.
 - c) Evidence shows that women and other vulnerable people (e.g. the youth, landless farmers, smallholders) are least benefitting from the economic opportunities in the agriculture sector. Mainstreaming a gender and inclusive approach is critical to ensure a people-oriented strategy.
 - d) Coordination between stakeholders is critical to success. Exchanging information and expertise between universities, research centres, NGOs and government entities could improve the effectiveness of agricultural extension programmes and help farmers to develop more sustainable practices for agricultural production to meet the requirements of domestic and external markets. Likewise, coordination and greater cooperation with donors and international organizations is key to increasing the success of aid programmes.
 - e) A high potential exists for modernized on-farm irrigation networks, land terracing, runoff water harvesting and rainwater harvesting through hill lakes, making such interventions a high priority for rural poverty reduction.
 - f) IFAD's experience in fragile contexts indicate that community-based interventions are more effective and sustainable as opposed to large scale interventions that require high degree of government involvement. Future projects should focus on household level and community-based interventions.
 - g) Government ownership tends to be lower when implementation is outsourced, potentially compromising sustainability. Thus, it is key to ensure economic sustainability of activities and/or firm and credible assurance from local authorities.

3.2 Strategic orientation

59. IFAD's strategic objectives in Lebanon are rooted in the platform of knowledge generated by past and ongoing IFAD engagements in Lebanon, as well as consultations with both local and

international counterparts to identify the immediate needs and main impediments facing the agricultural sector.

60. The strategic objectives are aligned with the NAS notably its Pillars 1) Restoring the livelihoods and productive capacities of farmers and producers; Pillar 2) Increasing agricultural production and productivity; Pillar 4) Improving climate change adaptation/sustainable management of agrifood systems/natural resources; and Pillar 5) Strengthening the enabling institutional environment.
61. They also feed into selected priorities of Lebanon's National Biodiversity Strategy and Action Plan adopted in 2016 (NBSAP) such as a) sustainable management and use of natural ecosystems, b) genetic diversity, c) ecosystem restoration, d) mainstreaming biodiversity into national and sub-national policies, plans and programs, e) protecting vulnerable ecosystems from climate change. Moreover, they also support the UN and development partners Reform, Recovery and Reconstruction Framework (3RF), the UNSDCF 2023-2025 and SDGs.³⁸
62. The CSNs Strategic Objectives are:
 - a) SO1: Promoting small farmers' climate resilience through ecosystem restoration, protection and preservation of biodiversity, water and land resources.
 - b) SO2: Promoting sustainable livelihoods and integration of rural poor into equitable value chains.
63. The CSN also addresses the following priorities:
 - a) **Gender.** Gender will be mainstreamed across the portfolio, addressing key transformative priorities and women's participation. IFAD projects will prioritize targeting of women for productive assets, vocational and technical skills, and access to finance. IFAD will also partner with others as part of the community-driven approach to strengthen women's organizations and groups, empowering women to hold managerial positions and participate in decision-making affecting their lives.
 - b) **Youth.** The CSN gives priority to youth in overcoming barriers to enter the agricultural sector and promotes youth employment and non-farm opportunities by providing prioritized vocational and technical training and access to finance.
 - c) **Food security and nutrition.** Increased incomes from interventions (improved agricultural productivity and value chain development), enhanced local food production, better food safety and quality, reduction of food loss, and better nutrition knowledge and sustainable consumption patterns through capacity-building activities.
 - d) **Climate change.** Climate change resilience and mitigation, and coping strategies for climate change-induced impact in agriculture and the rural economy will be mainstreamed in project planning, interventions, crop selection, capacity-building activities, rural infrastructure development and project monitoring and evaluation (M&E) systems.
 - e) **Private sector engagement.** The CSN endorses and operationalizes the principles of private sector engagement by pro-poor value chain development with pro-poor platforms, private sector companies, farmer organizations and agri-companies as effective partners.

³⁸ See the Appendix 1 Results Management Framework for how the Strategic Objectives 1 and 2 link with the specific aims of the NAS 2020-2025, NBSAP 2016, UNSDCF, SDGs as well as IFAD's strategic framework 2016 – 2025.

3.3 Strategic actions and targeting

64. Opportunities to strengthen the CSN SOs 1 and 2 revolves around key SECAP and mainstreaming principles and the priorities. The following are recommended:
- a) Build the capacities of government institutions, national and subnational, to strengthen resilience to natural hazards, climate change and their impacts on communities recognizing the need to collate sectoral understandings and consider the interplay of hazards, exposure and vulnerability and related drivers and root causes, in order to assess current and future risks.
 - b) Promote policy dialogue amongst the government, civil society, private sector, for the inclusion of vulnerable groups like women, youth, and displaced peoples as regards land use and climate change adaptation planning and risk assessments.
 - c) Supporting the economic empowerment of women and youth through the promotion of an enabling environment for inclusive and good job creation; focusing on the most disadvantaged areas and vulnerable communities.
 - d) Promoting the engagement of target groups in the policy-making process. All members of society should be encouraged to participate in civic, social, economic and political activities, both at local and national levels.

3.4 Stakeholder Consultations

65. Anticipated stakeholder consultations include input from the Ministry of Agriculture, the Ministry of Environment; the Ministry of Energy and Water and its Regional Water Establishments; prominent and strategic NGOs; agricultural cooperatives and their roof organisations; private organizations such as trade labels and quality control organisations as well as representatives of the private sector and prominent companies with an orientation towards working in high value corps with smallholder farmers.
66. Furthermore, consultations and close coordination would be expected also with the key UN organisations such as WFP, UNDP, ILO and FAO, multilaterals including IFIs, and the EU, and last bilateral donors.

Appendix 3: Integrated Country Risk Matrix

Risk type	Integrated Country Risk Matrix		
	Inherent risk	Residual risk	Mitigation measures
Country context <i>The risks to the achievement of CSN strategic objectives stemming from a country's context.</i>	H	S	Closely monitor the situation through UNCT engagement. Apply a phased approach to ensure impactful interventions and mitigate risk.
Political commitment <i>The risk that a country's political developments (i.e. upcoming elections, impending changes in government, high political instability/turnover/uncertainty, changing political priorities) result in delays and/or in a reversal of key political decisions and commitments (including approval and implementation of laws and regulations, and timely counterpart funding) underpinning the success of IFAD's engagement in the country</i>	H	S	Closely engage with UNCT to monitor political developments and benefit from lessons learned by development partners operating within the country. Focus on community-based intervention to ensure sustainability.
Governance <i>The risk that the country can suffer from governance breakdowns (lack of/weak political checks and balances; lack of/weak public auditing systems; lack of/weak transparent information on government rules, regulations, and decisions; lack of/weak standards to prevent fraud and corruption; lack of/poor quality/transparency of allocation of resources for rural development) which can negatively affect the achievement of CSN's strategic objectives.</i>	H	S	Engage with NGOs and known implementers for operational efficiency, and invest in building community-based organizations', capacity building, and enabling environment.
Macroeconomic <i>The risk that macroeconomic policies (monetary, fiscal, debt management/sustainability, trade) are overall fragile, unsustainable, and/or vulnerable to domestic or external shocks thus resulting in high inflation, low foreign exchange reserves, large fiscal deficits and debt distress. This could lead to government inability to mobilize counterpart funding, and to an overall adverse impact on market dynamics of value chains, (market prices and profit margins for IFAD's target groups).</i>	H	S	Incorporate significant financial contingencies in all future programmes costs and financials to offset further currency devaluation and spikes of inflation.
Fragility and security <i>The risk that the country is vulnerable to natural and man-made shocks, including civil unrest, conflict, and/or weak governance structures and institutions.</i>	H	S	Closely monitor the situation through UNDSS reports and UNCT engagement.

Risk type	Integrated Country Risk Matrix		
	Inherent risk	Residual risk	Mitigation measures
Sector strategies and policies <i>The risks to the achievement of CSN strategic objectives stemming from a country's sector-level strategies and policies.</i>	M	L	Maintain a dialogue with the government directly and through UNCT to ensure alignment of policies and strategies with international commitments and best practice.
Policy alignment <i>The risk that a country's strategies and policies governing the rural and agricultural sector are not sufficiently pro-poor and/or aligned to IFAD's priorities (e.g. on land, environment, climate, gender, indigenous peoples, nutrition, youth, private sector engagement), undermining IFAD CSN strategic objectives.</i>	H	M	Closely engage with the UNCT to monitor political developments and build partnerships with the support of which to engage with the government.
Policy development and implementation <i>The risk that the country's strategies and policies governing the rural and agricultural sector lack a sound evidence base, are not representative of rural peoples' organization's views, are not adequately resourced or supported by legal/regulatory frameworks, and/or are unsustainable, thus undermining the achievement of CSN strategic objectives.</i>	H	M	Closely engage with relevant NGO's as well as UNCT to monitor political developments and build partnerships with the support of which to engage with the government.
Environmental, social and climate context <i>The risk that existing or possible future social, environmental and/or climate conditions and events may have adverse effects on food and nutrition security, agricultural productivity, access to markets, and/or the incidence of pests and diseases, resulting in increased vulnerability or deterioration of IFAD's target populations' livelihoods and ecosystems. And/or the risk that activities aimed to the achievement of CSN strategic objectives may cause threats to biodiversity, cultural heritage, indigenous peoples, labour standards and working conditions, community health and safety, and/or lead to increased pollution, inefficient use of resources, and/or physical and economic resettlement.</i>	H	M	Invest in natural resource management, institutional improvements, and technical applications such as for water and soil management to mainstream climate change adaptation and mitigation in policies and regulations.
Financial management	H	M	Use of a reliable, integrated standalone accounting software. Effective internal audit arrangements with adequate scope and quality.

Integrated Country Risk Matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
<i>The risk that CSN activities are not carried out in accordance to the provisions of IFAD's financial regulations and that funding is not used for the intended purpose with due regard to economy, efficiency and effectiveness.</i>			Consider hiring a field proxy to improve fiduciary compliance and overall project management.
Organization and staffing <i>The risk that the level of development of the accountancy profession in the country is low and so causing a short supply of professionally qualified and well-trained personnel that can be engaged during project implementation</i>	M	L	Selection of suitable implementing agency and partners Recruitment of qualified and motivated staff working exclusively for the project and provide training, capacity building and implementation support.
Budgeting <i>The risk that national budget approval cycle is inefficient, affecting prompt availability of resources to externally funded projects</i>	H	M	Effective communication within IFAD, Project, MoF, MoA and the BdL. Ensure clear agreements with BdL and MoF to overcome banking restrictions and implementation delays.
Funds flow/disbursement arrangements <i>The risk that funds from multiple financiers disburse with delay due to cumbersome treasury arrangements or are diverted to finance fiscal deficit or economic shocks</i>	H	M	Timely and effective follow up on delayed disbursements from the MoF.
Country internal controls <i>The risk that country systems, such as internal audit, are not adequate and may not provide appropriate control over IFAD resources leading to the inefficient or inappropriate use of project resources</i>	H	M	Conduct risk assessments to identify key areas of vulnerability and prioritize audit activities accordingly. Implement regular monitoring and reporting mechanisms to track the performance of internal audit systems. Select suitable implementation partners to mitigate risks.
Accounting and financial reporting <i>The risk that country accounting and reporting systems are not adequate, leading to inaccurate or non-timely submission of financial information for decision-making</i>	M	L	Select implementation partners that have verified credentials in the area of accounting and financial reporting, also providing training and support to improve accounting practices and financial reporting capabilities as needed
External audit <i>The risk that the supreme audit institution is not independent, capacitated or able to perform and submit the audit of IFAD-financed operations in a timely manner, leading to possible misrepresentation of the financial results or lack of proper oversight.</i>	M	L	Establish clear timelines and expectations for audit submissions and engage proactively to facilitate timely completion. Develop contingency plans to address potential delays or issues in audit submissions, ensuring timely oversight and corrective action.

Risk type	Integrated Country Risk Matrix		
	Inherent risk	Residual risk	Mitigation measures
<p>Procurement issues</p> <p><i>The risk that procurement activities, including the procurement of goods, works and services financed from IFAD's resource, are not carried out in accordance to the provisions of the borrower/recipient's procurement regulations, to the extent that they are not consistent with IFAD's procurement guidelines.</i></p>	H	M	Capacity training and oversight to ensure compliance of the project with the main principles of the IFAD procurement guidelines.
<p>Legal, regulatory and policy framework</p> <p><i>This pillar assesses the existing legal, regulatory and policy framework for public procurement. It identifies the formal rules and procedures governing public procurement and evaluates how they compare to international standards. The practical implementation and operation of this framework is the subject of pillars II and III. The indicators within this pillar embrace recent developments and innovations that have been increasingly employed to make public procurement more efficient. Pillar I also considers international obligations and national policy objectives to ensure that public procurement lives up to its important strategic role and contributes to sustainability.</i></p>	H	M	<p>Select implementation partners that procure using guidelines compatible with IFAD.</p> <p>In case of using government systems, Lebanon has legislation that addresses public procurement (PPL244/2021) that adheres to the key principles of procurement of the WBG and IFAD. While in theory the PPL provides a solid framework, there are reports of inefficiencies that significantly hamper operations under the law. Mitigation measures will include regular TA and supervision during missions and remotely to ensure that the procurement framework and its digitized applications are followed by the project as applicable.</p>
<p>Institutional framework and management capacity</p> <p><i>This pillar assesses how the procurement system defined by the legal and regulatory framework in a country is operating in practice, through the institutions and management systems that make up overall governance in its public sector. This pillar evaluates how effective the procurement system is in discharging the obligations prescribed in the law, without gaps or overlaps. It assesses: i) whether it is adequately linked to the country's public finance management system; ii) whether institutions are in place in charge of necessary functions; and iii) whether the managerial and technical capacities can adequately to undertake efficient and transparent public procurement processes.</i></p>	H	M	<p>Select implementation partners that procure using guidelines compatible with IFAD and necessary experience and track record in implementation.</p> <p>In case of using government systems, the new procurement law 244/2021 (PPL) laid the foundation for a gradual transformation of public procurement into a digitized process. Article 66 of the law creates the central electronic platform that should host all public procurement activities, and which will be managed and owned by the Public Procurement Authority (PPA). While in theory the PPL provides a solid framework, there are reports of inefficiencies that significantly hamper operations under the law. Close assessment and analysis</p>

Risk type	Integrated Country Risk Matrix		
	Inherent risk	Residual risk	Mitigation measures
			in connection with selection of suitable procurement framework is of primordial importance.
<p>Public procurement operations and market practices</p> <p><i>This pillar looks at the operational efficiency, transparency and effectiveness of the procurement system at the level of the implementing entity responsible for managing individual procurements (procuring entity). In addition, it looks at the market as one means of judging the quality and effectiveness of the system in putting procurement procedures into practice. This pillar focuses on how the procurement system in a country operates and performs in practice.</i></p>	H	M	<p>Mitigation measures will include regular TA and supervision during missions and remotely to ensure that the procurement framework and its digitized applications are followed by the project as applicable.</p> <p>Selection of implementation partners that procure using guidelines compatible with IFAD and necessary experience and track record in implementation is a key mitigation measure.</p> <p>In case of using government systems, the PPL of 2021 provides a framework. However, dedicated funding was not allocated sufficiently to accelerate the wide dissemination of learning and knowledge, to implement e-procurement, to establish the two institutions: the Public Procurement Authority and the Complaints Authority, and other related basic requirements.</p>
<p>Accountability, integrity and transparency of the public procurement system.</p> <p><i>Pillar IV includes four indicators that are considered necessary for a system to operate with integrity that has appropriate controls that support the implementation of the system in accordance with the legal and regulatory framework, and that has appropriate measures in place to address the potential for corruption in the system. It also covers important aspects of the procurement system, which include stakeholders, including civil society, as part of the control system. This pillar takes account of the procurement system and governance environment to ensure they are defined and structured to contribute to integrity and transparency.</i></p>	H	M	<p>Mitigation measures will include provision of technical assistance and supervision to promote transparent processes. It is worthwhile to consider facilitating the involvement of civil society in public procurement processes which for mitigation of risks.</p> <p>Selection of implementation partners that procure using guidelines compatible with IFAD and necessary experience and track record in implementation is</p>

Risk type	Integrated Country Risk Matrix		Mitigation measures
	Inherent risk	Residual risk	
			<p>a key mitigation measure.</p> <p>In case of using government systems, the e-platform is expected to mitigate risks in public procurement operations provided adequate funding and capacity building. It is expected to eventually strengthen the transparency and the integrity of the procurement system and will contribute to identify and mitigate cases of mismanagement, fraud and corruption and is therefore a key accountability mechanism for integrity. The public procurement cycle should involve other key stakeholders such as civil society organizations, the private sector, and the international community.</p>

Appendix 4: Fragility Assessment

A. Why does IFAD consider Lebanon fragile?

1. Fragility is defined as: “vulnerability to natural and man-made shocks, often associated with an elevated risk of violence and conflict. Weak governance structures along with low-capacity institutions are a common driver and consequence of fragile situations.”
2. Sectarianism characterises Lebanon's politics, obstructing policy formation, major appointments, and reform of institutions. Societal rifts are widened by the failings of the country's political system, by the protracted economic crisis and by exposure to heightened regional violence following the outbreak of the Israel-Hamas war in Gaza, which is expected to feed political instability in 2024-2028. Najib Mikati was reappointed as prime minister in mid-2022 but has failed to appoint a cabinet acceptable to parliament. The presidency has also been vacant since October 2022, and the term of the army chief is due to end in 2024.¹
3. Lebanon suffers from an economic crisis that started in October 2019 and that was further exacerbated by the dual economic impact of the COVID-19 outbreak, and the massive Port of Beirut explosion in August 2020. GDP plummeted from close to US\$52 billion in 2019 to US\$23.13 billion in 2021,² inflation soared to triple digits with 171% recorded for 2022³ and the currency has lost about 99% of its value on the parallel market since the crisis began. The crisis has devastated Lebanon's service-based economy, leaving it struggling to afford imports that it relies on, and calling for a restructuring of the economy.
4. Lebanon is on the World Bank's Harmonized List FY24 List of Fragile and Conflict-affected Situations classified as having Institutional and Social Fragility. ⁴ Thus, IFAD considers Lebanon fragile given its inclusion in the Harmonized list.

B. Drivers of fragility and impact on agricultural sector

5. Lebanon faces several drivers of fragility that contribute to its political, economic, and social challenges. These drivers include:
 - a) **Political Fragmentation:** Lebanon's political system is characterized by deep-seated sectarian divisions, where power is distributed among different religious communities. This often leads to political gridlock, as consensus is required among various factions to govern effectively. This fragmentation has weakened state institutions and hindered decision-making processes.
 - b) **Weak Governance and Corruption:** Lebanon has struggled with weak governance and widespread corruption for many years. The patronage system based on sectarian ties often undermines transparency and accountability. Corruption erodes trust in public institutions, distorts economic activities, and exacerbates social inequalities.
 - c) **Economic Instability and Debt Crisis:** Lebanon's economy has been marred by chronic fiscal mismanagement, unsustainable debt levels, and economic crises. The country's currency has depreciated significantly, leading to high inflation and eroding purchasing power. The lack of economic reforms and reliance on remittances and external aid have deepened economic fragility.
 - d) **External Influences and Regional Conflicts:** Lebanon's stability is affected by regional conflicts and interventions with spillover effects from conflicts in the region. Additionally,

¹ Economist Intelligence Unit Viewpoint, One-click-report: Lebanon 4th January 2024.

² Expressed in current US\$. <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=LB> as of 6th Feb 2024.

³ <https://www.imf.org/en/Countries/LBN> as of 6th Feb 2024.

⁴ <https://thedocs.worldbank.org/en/doc/608a53dd83f21ef6712b5dfef050b00b-0090082023/original/FCSListFY24-final.pdf>

Lebanon hosts a large number of refugees, putting strain on its resources and infrastructure.

- e) **Social and Sectarian Tensions:** Lebanon's diverse religious and ethnic makeup has contributed to social tensions and sectarian divisions. These divisions are exploited by political actors, perpetuating polarization and undermining national unity.
- f) **Inadequate Social Services and Infrastructure:** The provision of basic services such as healthcare, education, and electricity has been inadequate, contributing to public discontent and frustration. Infrastructure is outdated and insufficient to meet the needs of the population.
- g) **Environmental Degradation and Climate Change:** Lebanon faces environmental challenges such as deforestation, water scarcity, and pollution. Climate change impacts exacerbate these issues, further straining the country's resources and affecting livelihoods.

6. The drivers of fragility have contributed to a drop in the real value added of the agricultural sector from US\$ 1.9bn to US\$ 1.8bn between 2019-2021. The impact is compounded by characteristics of Lebanon's agricultural sector that include:

- a) Increasing pressure on water resources because of climate change and population growth. The agriculture sector is the single largest consumer of water in Lebanon, with a water withdrawal share of 61% and the water transmission and distribution networks are quite old, with more than 50% of them surpassing their useful life span irrigating about 40 % of agricultural lands.⁵ Water stress is only expected to get worse, with mountain snow cover projected to decrease by 40–70% by 2050, which will impact vital water sources and lead to further water scarcity.
- b) Agricultural holdings are scattered with 70% of farms operating on less than a hectare, suffering from limited access to credit and high cost of imported farm inputs; and rendering technology transfer and value chain integration difficult.
- c) A lack of mainstreaming of climate change adaptation priorities into cross-sectoral, and harmonized policies: Limited policy support and weak institutions with insufficient qualified personnel undermine the creation of effective incentives and regulations that support and guide landowners and users in the adoption of climate-smart land uses and practices.
- d) Lack of integrated landscape planning and lack of financing for technology transfer for the promotion of nature-based solutions and prevention of degradation as well as adaptation to climate change.
- e) A drastic decrease in the financial means of agricultural input importers, limiting their imports and reducing their credit to retailers/farmers to almost nothing.
- f) The non-availability of credit from traditional sources, depriving most farmers of their working capital.
- g) Organisation of the supply chain where farmers possess limited bargaining power and cooperatives are inefficient; and difficulties instituting effective food quality and safety systems.
- h) An inefficient extension system. Lebanon dedicates less than 1% of the state budget to agriculture. The economic base has severely shrunk since 2019, making addressing the key issues difficult.

7. The impact concerns all aspects of the agricultural value chain, including area planted, yield, quality, and farmer income. Production costs for fuel, fertilizers, irrigation are high and with climate change, these are expected to get worse. Shepherds are highly vulnerable, especially to desertification, which may reduce the carrying capacity of grazing lands severely. Rainfed crops, such

⁵ NAS 2020-2025.

as cereals, are particularly vulnerable, as are crops that rely on water for irrigation such as summer vegetables and fruit. Other high value crops, such as potato, tomato and cherry, might be affected by an increase in temperature. A growing number of pest outbreaks are likely to affect olives, apples, peaches, apricots, tomatoes and other fruit.

8. Yet the sector remains important: in real terms the agricultural sector's share of GDP grew from 4.7% in 2019 to 6% in 2022 and is expected to remain at this level in the mid-term.⁶

C. Fragility-induced risks to IFAD's Programme and mitigation measures

9. *Political Instability.* As described above, the country is rife with sectarianism and narrow self-interest that obstructs policy formation, major appointments and reform of institutions. This multiplies the risks from the economic and other crises, reducing resilience, protracting processes for finding solutions, and increasing the risk of violence and civil strife. The regional violence and cross border attacks following the outbreak of the Israel-Hamas war in Gaza, is further expected to feed political instability in 2024-2028. There have been frequent attacks from southern Lebanon into northern Israel by Hizbullah and retaliation by Israel, leading to 94,000 internally displaced people by May 2024.⁷

10. *Economic crisis.* GDP plummeted from close to US\$52 billion in 2019 to US\$23.13 billion in 2021,⁸ inflation soared to triple digits with 171% recorded for 2022⁹ and the currency has lost about 99% of its value on the parallel market since the crisis began. From these diminished resources there is less and less to invest in agricultural transformation.

11. *Limited resources for reform in agriculture and management of natural resources.* While the NAS provides a sound analysis of the country's issues and a balanced set of priorities to remedy them, there is limited financial resources and capacity to implement it.

12. IFAD has a crucial role to play in countries in fragile situations, as enunciated in its "Strategy for engagement in countries with fragile situations".¹⁰ Indeed, the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) have clearly recognized that addressing fragility is one of the "six essential elements" required for delivering the SDGs.

13. In line with IFAD's "Strategy for engagement in countries with fragile situations", fragility is defined as "*a condition of high vulnerability to natural and man-made shocks, often associated with an elevated risk of violence and conflict. Weak governance structures along with low-capacity institutions are a common driver and consequence of fragile situations*".¹¹ It has been established that fragile situations typically provide a weaker enabling environment for inclusive and sustainable rural transformation and are characterized by protracted and/or periodic crises, often with implications for smallholder agriculture and food security.

14. The Strategic Objectives (SOs) for IFAD's engagement, as stipulated in the contemplated CSN 2025-2026, are.

- a) SO1: Promoting small farmers' climate resilience through ecosystem restoration, protection and preservation of biodiversity, water and land resources.
- b) SO2: Promoting sustainable livelihoods and integration of rural poor into equitable value chains.

15. As part of its operational engagement, IFAD will seek to mitigate fragility in the following ways:

⁶ WB Lebanon Economic Monitor: in the grip of a crisis.

<https://documents1.worldbank.org/curated/en/099518112202340074/pdf/IDU1cbb9a9271d02b14f6a18d8c1cd99718aad.pdf>. In nominal terms, share of GDP dropped from 3.2% to 1.4% between 2019 and 2021.

⁷ <https://dtm.iom.int/lebanon>, last seen 28th June 2024.

⁸ Expressed in current US\$. <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=LB> as of 10th April 2024.

⁹ <https://www.imf.org/en/Countries/LBN> as of 10th April 2024.

¹⁰ IFAD strategy for engagement in countries with fragile situations, EB 2016/119/R.4, November 2016

¹¹ <http://extwprlegs1.fao.org/docs/pdf/ssd152288.pdf>

- a) **Addressing root causes within IFAD's mandate and comparative advantage:** Besides the economic crisis, there is an issue with technology transformation and financing of nature-based solutions that help restore ecosystem services on which climate-adaptive agriculture, forestry and pastoral production systems of the landscape depend. At the same time, for sustainable solutions to take hold there is a need to facilitate farmer access to lucrative markets through equitable value chains.
- b) **Risk management and resilience:** Building resilience to prevent environmental shocks and stress is crucial for sustainable agricultural development. Such activities could include promoting integrated farming systems under conservation agriculture; equitable and fair water governance systems; restoration of natural populations of crop wild relatives and useful wild plants and climate-adapted crops for diversification; enhancing the microclimate and hydrological regulation of agricultural areas e.g. through restoration of farmland habitats and terraces.
- c) **Crisis mitigation.** IFAD in its interventions will among others consider purchase and distribution of agricultural inputs and planting materials such as seeds and tools in the form of starter packs to help farmers affected by the food scarcity to re-engage in production, rebuilding of assets for postharvest handling and food storage, as well as training. A rigorous mobilization effort will engage traditional elders as agents of implementation, and include the entire community to raise awareness of food security needs and to ensure that those most affected, including female headed households, receive priority support under the project.
- d) **Building institutions, trust and social cohesion.** IFAD recognizes the central importance of legitimate, effective and accountable institutions in addressing fragility. IFAD's interventions will help build strong community and producer institutions such as farmers' organizations, women's associations, and other community-level and government institutions that will be able to produce much needed food and seed as well as engagement in competitive agriculture.
- e) **Gender mainstreaming and targeting.** People experience fragility differently and women are more exposed to the consequences of fragility. Fragility enhances the risk of gender-based violence, crime and abuse. To help ensure the inclusion of women, youth, and displaced populations, and given the contentious nature of land ownership and use, IFAD will work with local authorities in collaboration with the entire community to support land use rights awareness. The provision of small stock like goats and poultry farm inputs and tools and nutritious vegetable seeds are resilience building gender strategies that will be employed.
- f) **Strategic and complementary partnerships.** Partnerships help IFAD to manage risks and enable it to stay engaged in more challenging contexts because they provide the means to address root causes of fragility that lie outside IFAD's areas of comparative advantage. To this end, IFAD will collaborate and coordinate closely with other development agencies and partners such as the World Bank, FAO, WFP etc. to strengthen its impacts during design and implementation.
- h) **Streamlined and flexible implementation arrangements.** The management structure for future projects should be simple involving few implementing partners. Projects involving different implementing partners have suffered from the lack of cooperation and coordination. At the same time, it is important to build close partnerships to ensure ownership of activities and sustainability of results. Among others, the inclusion of the Ministry of Environment (MoE) as a stakeholder in the implementation of certain activities is crucial to considering the environmental and climate aspects as well as for influencing environmental policy processes at the national level.

Appendix 5: Previous CSN completion report

Separate document