Comprehensive Market System Assessments for **Improved Employment**

Lebanon

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Beirut, Lebanon
December, 2020

This document has been produced with the financial assistance of the European Regional Development and Protection Programme (RDPP II) for Lebanon, Jordan, and Iraq, which is supported by the Czech Republic, Denmark, the European Union, Ireland, and Switzerland. The contents of this document are the sole responsibility of Relief International and can under no circumstances be regarded as reflecting the position of the RDPP or its donors.

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TABLE OF CONTENTS

EXECUTIVE SUMMARY

Within the framework of the Regional Development and Protection Programme (RDPP II) for Lebanon, Jordan, and Iraq, Relief International has launched its project, "New Beginnings: Holistic Protection and Livelihoods Solutions to Reduce Child Labour in North Lebanon" (New Beginnings), with an overall goal to reduce child labour amongst vulnerable Lebanese and Syrian refugee households in three areas of North Lebanon (Al-Mina, Kfarmelki, and Mhamara).

This market systems assessment was developed in view of supporting the project's objectives, by identifying potential value chains that can contribute to adult job creation and retention, in view of eliminating child labour in the North region. The assessment utilized a mix of quantitative and qualitative methodologies consisting of different tools, including in-depth interviews with project staff, partners, and major stakeholders operating in the targeted geographic areas.

Value chains were selected based on initial meetings with key stakeholders in the North of Lebanon, as well as a desk review looking into previous value chain assessments, market systems analysis, and assessments of the current situation and developments affecting Lebanon in recent years and months. Combining discussions from interviews, calls, and literature findings, a long list of six sectors were identified as having some potential in the North of Lebanon: These are 1) horticulture (open field crops such as potatoes, citrus, and other fruits, as well as greenhouse produce); 2) dairy (from small ruminants); 3) animal feed; 4) poultry (at household level); 5) tourism (in Al-Mina); and 6) fisheries (in Al-Mina).

From the initial research, three value chains among those – horticulture, dairy, and tourism, were shortlisted because they offer the highest potential in the three geographic locations of the program: Kfarmelki, Mhamara, and Al-Mina. The shortlisting was carried out based on an assessment against a set of criteria including potential for employment creation, relevance to Syrian refugees, the potential for import substitution with focus on food security, relevance to the geographic target areas, potential to sell more either locally or abroad, and identified gaps and needs, and feasibility.

For all three value chains, a market systems assessment was done, including an in-depth assessment of the current situation, challenges, and opportunities; and an analysis of all key market systems' players to ultimately provide recommendations for interventions to expand jobs and incomes for adults to reduce child labour.

Following an in-depth analysis of the different value chains based on an overview of demand, key challenges, opportunities, and needs, and profiling of all market system players, recommendations are provided for each value chain along with each key player in that value chain. Recommendations mainly look into addressing the current crisis, while considering national strategies for the sector that takes into consideration findings from new studies, and the shifting environment in Lebanon across sectors and industries. A summary of recommendations is given below:

DAIRY

Immediate investment: provide immediate assistance to farmers, milk handlers, and all key players in the value chain through the provision of animal feed, coverage of veterinary costs, and any rising costs caused by the crisis and monetary situation; provision of high-quality steel containers to milk handlers. Ultimately help introduce a sharing system for milk handlers for trucks, drivers, etc.
Capacity building: provide training and skills development in hygiene, lactation, quality control, new products, better milk farming practices, livestock healthcare, licensing, regulations, marketing and communication, and other administrative aspects of farming including innovative methodologies in production and technology integration.
In-depth sector assessments for new national strategy: re-evaluate the sector in-depth to better understand prospects and potential based on current challenges and shifting environment – leading to the development of a new national strategy by relevant authorities.
Quality control and export: work with the Lebanese Standards Institution (LIBNOR) on quality standards and improvements to support better sales and higher exports.
Access to finance: tackle access to finance by working with existing loan providers or launching specialized micro-loans if need be, to fill the gap left by banks, Kafalat, and other loan providers who are no longer active. Explore the possibility of introducing crowdfunding or other alternative financing models for the sector.
Animal feed: assess the potential for local production of animal feed ultimately reducing costs for farmers and adding a new product sector in the value chain.

TOURISM

Domestic tourism: focus on boosting domestic tourism among the Lebanese until the situation allows for the return of international tourists (from security, political instability, and public health point of view) while boosting responsible COVID-19 tourism practices. Leverage rural, ecotourism, cultural, and adventure tourism as lucrative niches.
Rural tourism strategy: build on the existing Ministry of Tourism rural tourism strategy to further develop it based on emerging needs, shifting conditions, and future potential. Support various players in the value chain in implementing this strategy.
Campaigns: create and launch nationwide campaigns promoting Akkar and Tripoli, each with their specificities.
Partnerships: work with large, Beirut based travel agencies and tour operators to market attractive destinations, activities and accommodation in Akkar and Tripoli.
Capacity building: provide training and skills development to tour operators in adventure tourism, cultural tourism, ecotourism, rural tourism; to guesthouses and accommodation in marketing, communication, quality standards, hygiene (especially in light of COVID-19), COVID-19 response and safety measures, hospitality, cooking, and food safety; to restaurants on safety, hygiene and security measures related to COVID-19.
Tourist resources: create website/tourism information platform for tourism in the North of Lebanon including tourism 'maps' highlighting tourist sites and things to do in the area, listing restaurants, accommodation, and other services available.

Tourism center: create an integrated tourism center in Al-Mina where all main services are made available including tour operators, transportation, bus or boat tours, etc. the center can become a hub for tourism in the North region, promoting combined tours to Tripoli and Akkar.

Sector-wide cooperation: Create linkages between tour operators, retailers, travel accommodation outlets, public institutes, NGOs, and other key players, through a quarterly or annual event.

HORTICULTURE

Immediate investment: immediate assistance including distribution of seeds, fertilizers, pesticides, and other inputs of which the price has risen considerably and which is causing many to go bankrupt.

Import/export strategy: this is a three-layered effort to 1) lobby for better enforcement of laws to reduce and eventually eliminate illegal imports 2) work towards more stringent regulations around legal imports, to reduce competitive pressure on Lebanese produce, and 3) support local farmers in quality standards adoption to support better access to international markets.

Capacity building: provide training and skills development to vulnerable communities to support better access to improved horticulture jobs. Provide training to existing farmers and key players on reducing and optimizing the use of pesticides and fertilizers, introducing modern farming techniques, greenhouse technology, irrigation methods, quality standards, and quality control. Training for processers on new products, marketing strategy, quality control, entrepreneurship, business development, marketing, and product development, product diversification and strategy to Micro, Small, and Medium Enterprises (MSMEs) and smaller processers.

Boost national distribution: work through wholesalers to increase the distribution of Akkar produce nationwide.

Access to finance: provide alternative solutions to financing for MSMEs through innovative methods such as crowdfunding, or by working more efficiently with existing loan providers, or creating specialized loans for this value chain.

INTRODUCTION

STUDY BACKGROUND

Nine years after the start of the Syrian crisis, Lebanon faces the most threatening crisis of its modern history. An economic and financial collapse, coupled with the economic repercussions of COVID-19, and the Beirut explosion have brought the country to its knees. This time, all sectors of the economy are affected. The World Bank estimated that the poverty rate would increase to 50% by the end of 2020, in addition to the unemployment rate among youth which was expected to reach up to 40% in 2020[1]. As Lebanon entered 2021, these figures were likely higher, due to a deterioration of the situation and reduced economic activity. The International Monetary Fund (IMF) also expected Lebanon's economy to contract by 12% in 2020,[2] driven by soaring food prices, a collapsing currency and COVID-19. The World Bank estimates the contraction to have reached closer to 20% in 2020, based on recent developments.

Lebanon’s service-oriented economy is falling apart. The August 4th Beirut blast pushed sectors like tourism and hospitality over the edge. The largest employing sectors for Lebanese including business services, hotels and restaurants, health and education services as well as financial services are all at a breaking point. The service and banking sectors accounted for more than 76.67% of GNP in 2016, industrial sector 20.13% and agriculture 3.2%. Lebanon was then classified as an upper-income country by the World Bank.[3] This composition is likely to change dramatically as Lebanon enters a new era.

A recently published study by Lebanon Opportunities estimates that around 200,000 jobs have been lost from April to June 2020[4], whilst 10% of the companies have reduced, or suspended their operations. More and more people are unemployed, while nearly all Lebanese have limited purchasing power. All regions have been afflicted by the crisis, with some such as the Northern region experiencing it more intensely.

Amidst the growing uncertainty and deteriorating situation, vulnerable communities including impoverished Lebanese households, Syrian and Palestinian refugees are all increasingly at risk of total deprivation and of engaging in negative coping mechanisms to support their livelihoods. This includes child labour, which is already a concern in many Lebanese rural and urban areas.

The New Beginnings program will include sensitization and training on business planning and approaches for relevant municipal staff to constructively engage private sector employers and the affected communities on Job Creation Plans. In order to inform the design and creation of these plans, this study provides a comprehensive market system assessment of priority sectors to identify areas of potential job creation or additional employment within each municipality of Al-Mina, Kfarmelki, and Mhamara. The assessment will also serve as a reference for municipalities to support planning for local economic development beyond the scope and duration of this program.

[1] World Bank Lebanon: Lebanon is amid Economic, Financial and Social Hardship, Situation Could Get Worse, November 2019: https://www.worldbank.org/en/news/press-release/2019/11/06/world-bank-lebanon-is-in-the-midst-of-economic-financial-and-social-hardship-situation-could-get-worse

[2] https://www.reuters.com/article/lebanon-crisis-imf-idUSL5N2C361P

[3] Unemployment in Lebanon, http://www.databank.com.lb/docs/Unemployment%20in%20Lebanon%20Findings%20and%20Recommendations%202019%20ECOSOC.pdf

[4] Lebanon Opportunities: 550,000 unemployed Info pro Survey Shows, Lebanon, June 26, 2020: http://www.businessnews.com.lb/cms/Story/StoryDetails/8681/550,000-unemployed-InfoPro-survey-shows

METHODOLOGY

The assessment utilized a mix of quantitative and qualitative methodologies, including in-depth interviews with project staff, partners, and major stakeholders operating in the targeted geographic areas.

Methodology	Units	Details / Rationale
Focus Groups	Canceled because of COVID-19	Focus groups were planned to take place with the target population including adult job seekers and employees to assess their preferences in terms of employment, challenges faced when trying to find jobs, and future employment aspirations; especially related to the shortlisted sectors. The prevailing COVID-19 situation hindered the possibility to resume these, and they were replaced by a larger number of key informant interviews and more in-depth desk reviews.
Desk Review	Over 100 reports	Various reports, studies, and publications produced by national and international organizations relative to the sectors existing in the regions and economic assessments that make up the foundation of the shortlisting process. Based on the thorough review of such studies, further details on the market systems of the three selected sectors on the overview, analysis, and opportunities for upgrading to create more job opportunities for both host and Syrian refugee communities. The following studies among others were reviewed: Danish Refugee's Council Labour Market Assessment in Beqaa and Northern Lebanon in 2020, Lebanon Crisis Response Plan - LCRP 2020 Updates, Care Dairy Value Chain 2019, World Bank's Jobs in Northern Lebanon in 2017, CBI's Export value chain of fresh fruits and vegetables conducted in 2018, Wageningen University's greenhouse value chain analysis conducted in 2017, among others.
Key Informant Interviews	50	50 key informant interviews were carried out for all sectors combined and covering all phases of the study, with experts from different sectors as well as public institutes, syndicates, NGOs and CSOs, SMEs, and other relevant stakeholders. Key informant interviews helped to gain an in-depth understanding of the larger economy, evaluate the enabling and challenging factors, identify further challenges hindering the integration of vulnerable communities in the identified market systems, and identify opportunities for upgrading and creating job opportunities for both host and refugee communities in the different regions -- be it employment or self-employment opportunities.

A total of 50 interviews were carried out with different stakeholders, covering both the macro-level or environment, and the market system level, at each region, using the snowball effect: Interviewing actor who then refers to the actor at the other level he deals with, who in turn refer to others, and so on, until all levels of the value chain are covered.

Some of the guiding research questions were:

- What sectors or value chains provide opportunities to reduce vulnerability and maintain/create jobs within the region for the vulnerable host and refugee communities?
- What should be done to integrate the vulnerable within the value chains and prevent further child labour?
- How can existing market systems be supported and improved to include vulnerable households? What kind of interventions can help in the further development of the existing markets systems?

VALUE CHAIN SHORTLISTING

Few main sectors were identified as having a potential for growth based on an initial assessment carried out during the inception phase of this study, which included a combination of literature review and desk research, group discussions, and interviews. The first phase included referring to published reports and studies including labour market assessments and economic studies identifying sectors with high potential for growth and development. The second phase involved interviewing key stakeholders in the North of Lebanon and targeted municipalities to assess findings from desk research against the new realities of the market due to the changing situation in Lebanon. This led to the identification of six sectors namely horticulture (e.g. open field such as potatoes, citrus, and other fruits as well as greenhouse produce); dairy (e.g. small ruminants); animal feed; poultry (at household level); tourism (Al-Mina); and fisheries (Al-Mina).

These were finally scored against several criteria that take into consideration the potential for job creation, the inclusion of Syrian refugees, import substitution potential, relevance to the targeted areas, potential to increase sales, and identified gaps and needs as well as the feasibility of interventions in those sectors.

A deeper analysis along these criteria led to the prioritization of three value chains: dairy (cows), tourism, and horticulture. The rationale for choosing these can be summarized as follows:

Horticulture

Greenhouse vegetables and open fields including potatoes and citrus to some extent can create jobs in the North of Lebanon. Potato for example is a large-scale sector with an estimated 650 farms; and 3,600 jobs in Lebanon. This could grow even further. Potato is already a major export product for Lebanon, although export volumes remain low when compared to production and import numbers. Egyptian potatoes have taken the Lebanese market by storm, although they can easily be replaced by local products since there is a surplus in local production. The price of Egyptian potatoes is lower than Lebanese produce and with no regulation limiting imports, it became difficult for local products to compete. While this requires regulation and lobbying with the government, technically and operationally, Lebanese production can suffice for the market's consumption. Moreover, potatoes can be processed into different products, potato chips, French fries, potato flakes, etc. That said, according to an International Labour Organization (ILO) value chain assessment, it is difficult to introduce new varieties of potato seeds although the existing variety is already strong. The import of seeds may become a further challenge with the lifting of government subsidies on grains, and this should be looked into by donors. In citrus, small scale production dominates but can be boosted. Citrus farmers are turning to the avocado plantations, especially in the South. In the North region, avocado and banana plantation is challenging or impossible, and it can thus become the main hub for citrus plantations. Processing into fruit juices (orange juice, lemonade) is also an interesting avenue to explore.

Dairy

The sector is another important sector that accounts for 60% of the agriculture economic activities in Akkar, spread over the coastal and mountainous regions in Akkar as well[5], engaging at least 2,000 families providing their main source of income. Primarily the idea was to cover the animal feed sector, as means of a strategy of import substitution, but as the demand for dairy products has increased and so are the prices, this study has explored the whole system for the dairy sector by identifying its challenges and opportunities and providing relevant recommendations. The value chain study conducted by Concern Worldwide indicates that 30% of the national dairy farmers are located in Akkar, mostly small-scale farmers, with a total number of 15,000 cattle heads in the region.[6] It is also a sector that provides income opportunities not just for the host but also refugee communities, and for women as they can be engaged in artisanal processing of milk into cheese, Labneh, and butter. The dairy sector is vital to the regions of Kfarmelki (more common) and a lesser extent in Mhamara, yet the market for Dairy is all around.

Tourism

Rural tourism offers increasing opportunities in Lebanon's Northern governorate. While the current situation makes it difficult to think of tourism as a sector that will grow in the short term, there are opportunities in the domestic market, until international tourism recovers. The Beirut Blast dimmed any potential for international tourism for the foreseeable future, at least in urban areas. That said, rural areas can benefit, and very much so from domestic tourists. A country's tourism industry largely hinges on its population, and if Lebanon cannot boost international tourism immediately, it can work on the fundamentals and enabling environment, and continue to benefit from its local customer base until it becomes easier to lure international tourists. Lebanese tourists have turned to local vacations more than ever in recent years, because of their lower disposable incomes, the proliferation of guesthouses, and hospitality and food and beverage outlets in rural areas that have been putting Lebanese villages on the map for domestic tourists. More recently, the onset of COVID-19 and deepening economic crisis has left the Lebanese with no other choice than to turn to their own country for holidays. Some projects like the Lebanon Mountain Trail (LMT) have also strongly contributed to this trend, and are benefiting remote regions like the Akkar area. The sector offers the possibility for the employment of unskilled, low skilled, and high skilled individuals. Cleaning staff, bartenders and restauranteurs, mountain guides and tour guides, and many more jobs depend on this type of tourism. Moreover, rural communities' benefit through the sales of local products, mouneh, etc.

[5] Concern Worldwide, Dairy Value Chain Analysis in Akkar, Alaa Awwad, 2019.
[6] Ibid

DAIRY (CATTLE)

SUMMARY OF CHALLENGES AND OPPORTUNITIES

Following an in-depth assessment of the sector and its status based on the shifting conditions in Lebanon, new findings have emerged that highlight several challenges affecting this sector. The most influencing factor according to a Dairy Cooperative in the North is the US dollar exchange rate's fluctuation which is causing a rise in the price of inputs and material such as packaging, machinery, animal feed, and anything that is imported and leading to higher consumer prices. The implications are many: on one hand, producers and growers are finding it harder to purchase foreign products, material and/or equipment needed for the production and sales of dairy; and on the other hand, consumers are unable to purchase the same products or same quantity of products than they did before the crisis. This is causing farmers, producers, or retailers to throw away some of their products because of declining sales. Other challenges include the lack of investment, competitive pressure from foreign products, inadequate quality standards, and low integration of technology in production methods.

CHALLENGES			OPPORTUNITIES		
Lack of investments, fear of investment and tendency to sell cows	Competitive pressure, including illegal imports from Syria	Lack of or limited know-how and expertise	Strong national demand for dairy and sales growth prior to crisis	Strong potential for expansion in the region and beyond Akkar area	Potential for better exports promotion
Low integration of technology and use of mostly very traditional methods	Limited local market size	Economic and financial collaspse monetary situation, including rising exchange rate	Potential to improve quality through better training, equipment	Crack-down on illegal imports would boost local ecosystem	Capacity building can improve the sector
Dwindling consumer spending power	Rising cost of animal feed, packaging, veterinary visits, medication, etc.	Inadequate quality standards hindering exports	High popularity of Laban, Labneh and diversity of Lebanese dairy products	Big Lebanese dairy brands and operations exist, and are successful	Demand starting to exceed supply in Kfarmelki

Figure 1: Summary of Challenges & Opportunities in Dairy

The following provides an in-depth analysis along with demand factors and key trends, followed by the analysis of all key actors in the market system.

DEMAND

It is important to mention that the demand for the local dairy production is considered high, around 114 liters per capita (FAO, 2013) with demand increasing in the years following the influx of refugees from Syria where dairy consumption is part of the daily consumption patterns as well[7]. Before the crisis, dairy had been noted as a promising subsector with more than 1,000 companies operating, formally or informally, in the sector. Lebanon is also experiencing significant growth in the ready to eat sector. Around 80% of the milk production is further processed and marketed through informal and artisanal small-scale processors in Beqaa and Akkar[8]. The main challenge is that currently the small-scale dairy producers are not integrated into the market and unable to penetrate it due to a bundle of hurdles: High costs of animal feed that have further increased due to the devaluation of the Lebanese pound amidst the crisis, low productivity per head of cattle due to improper nutrition (inadequate feeding) and health (high occurrence of diseases resulting in reduced revenues), and low quality of the processed dairy products (inadequate hygiene practices): cheese, labneh, and yogurt.

Milk

Before the 2019 economic crisis and onset of the COVID-19 pandemic, there were growth trends on both ends of the market for drinking milk in Lebanon: powder milk for low and very low-income households, and specialty milk for the higher end of the market including oat, almond, coconut, soya, and rice milk. The former is being bolstered by the rising poverty and increasing price sensitivity of consumers. Meanwhile, thanks to the health and wellness trend, soy, rice, and almond milk were also becoming increasingly popular especially in Beirut and the surrounding areas and were characterized by a large number of brands and good shelf positioning in stores. While still only being embraced by small population groups, however, these groups are among the wealthier demographics and therefore able to spend more and shop with greater frequency for these higher-priced dairy products. In addition to these demographics, these products are also bought by people with lactose intolerance and those who are unable to consume regular milk for health reasons. The current situation may lead to a decrease in the demand for such products as their prices have increased three to fourfold over the past year, making it very expensive for Lebanese consumers.

Consumption of cow's milk is traditional in Lebanon, although shelf-stable milk is more popular than fresh milk. The main reason for this is the unreliable and irregular supply of electricity across the country, which means that fresh milk stored in refrigerators can easily spoil during periods of interruption to the electricity supply, especially due to the warm weather that is prevalent in the country. Furthermore, some people living outside of the country's major urban areas do not have access to any form of refrigeration, making shelf-stable milk the obvious option.

Laban, Labneh and Yoghurt

Laban and Labneh are the most popular types of dairy products in Lebanon regardless of social class or income level. They are consumed at any time of the day, used for the preparation of traditional dishes, and eaten as standalones for breakfast, dinner, or others.
As typical Lebanese products, Labneh and Laban are used for standalone consumption, or cooking and/or mixing with local specialty dishes. They are the most consumed dairy product in Lebanon and are almost entirely dominated by local brands which makes them more resilient during the current crisis, despite the many challenges that the local industry is facing. Flavored yogurts are less popular and consumed in a very different way than Laban

[7]Concern Worldwide, Dairy Value Chain Analysis in Akkar, Alaa Awwad, 2019.
[8]International Fund for Agriculture Development (IFAD), Harmonised Actions for Livestock Enhanced Production and Processing (HALEPP), Project Document, Lebanon, 2017.

in Lebanon. Given the prevalence of Lebanese style breakfasts that can include cheese, Labneh, and eggs, yogurts are not hugely popular and in the current climate, and are not gaining ground either. Lebanese brand Taanayel les fermes (Taanayel) have attempted to venture into the flavored yoghurt segment with little success as foreign brands remain the leaders for this category. Candia, Taanayel les fermes, Laiterie Massabki, Dairy Khoury, and Liban- Lait lead in the Laban and Labneh category. Goutblanc's goat products are increasingly present, and Dairy Khoury which is the other major player in goat dairy is more widely distributed. Go Baladi, a much smaller boutique producer offers organic goat Laban and Labneh. Its production and distribution have been hardly hit by COVID-19. Moreover, Go Baladi's organic nature means that it is also seasonal and not available all year round.

Cheese
Lebanese cheeses are also highly popular, including halloumi, akkaoui, double crème, shanklish, and kachkawan, among many others. More popular international cheese varieties such as cheddar and mozzarella are higher among urban dwellers, and not so much in the North of Lebanon. This trend is now shifting even in urban areas in light of the economic situation of the country and declining imports, rising cost of imported products, and decreasing disposable incomes. Traditional Middle Eastern cheese is popular among consumers of all income levels across the country and will gain more popularity as the situation worsens in Lebanon, replacing imported products. Some local cheeses, like Darfiyeh for example, are purchased fresh in markets and directly from small producers in rural areas.

While French and European cheeses have a good market in Lebanon and are sold at a variety of retailers, these will lose ground to their local competition amidst the import challenges, rising costs, and a collapsing economy.
Local brands should take advantage of the situation by trying to maintain prices instead of increasing them even if this means maintaining lower margins. That said, local brands face challenges in the import of packaging materials.

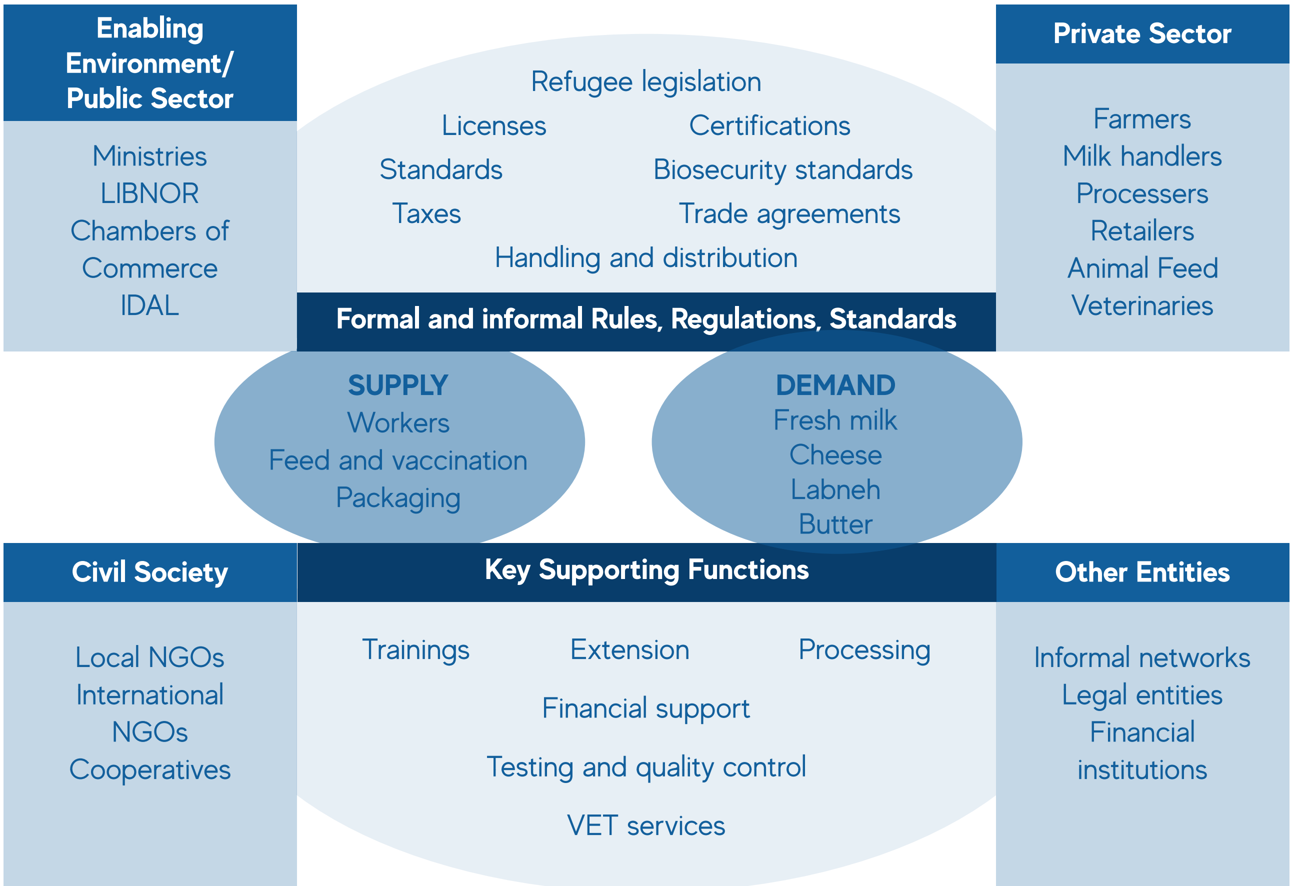
In the Numbers[9]
Demand trends are reflected in sales figures which show that the cheese category is the largest, thanks to the variety of cheeses available in Lebanon including local and international brands. Drinking milk comes in second among the largest categories, followed by Labneh, Laban, and Yoghurt which are categories restricted to three types of products. Before 2019, sales had been growing thanks to increased demand, increasing diversity of Lebanese dairy products, and foreign imported products. However, as of 2020, a continued rise in value sales may be observed but can only be attributed to the significant rise in prices. The sale of foreign products will decrease due to lower and more expensive imports.

	2015	2016	2017	2018	2019
TOTAL DAIRY	815,443.70	875,605.40	923,670.00	958,168.90	1,019,989.10
Cheese	305,412.60	329,815.70	346,511.50	357,763.80	382,617.90
Labneh / Laban / Yoghourt	44,189.10	49,661.70	54,207.10	57,863.30	63,651.50
Drinking Milk	227,563.30	246,307.30	259,499.30	271,150.90	280,048.50
Others (including butters, spreads, and others)	238,278.70	249,820.70	263,452.10	271,390.90	293,671.20

Table 1: Dairy Sales in Lebanon (2015-2019), in Million LBP

[9] Euromonitor International, Lebanon Dairy Report 2019

MARKET SYSTEM – MAJOR FUNCTIONS



Farmers

According to the Food and Agricultural Organization (FAO), the milk and dairy sector is a major source of income for poor rural communities including those in North Lebanon and particularly in the Akkar area which is highly vulnerable. The FAO indicates that it is especially the case for households who do not own land. Almost 60% of livestock farmers in Lebanon depend on dairy as their main source of living and over 70% of dairy farmers are categorized as poor or very poor. FAO, in collaboration with the Government of Lebanon and its Ministry of Agriculture, carried out recovery and rehabilitation activities aimed at promoting sustainable milk production and improving the food safety standards (quality and hygienic standards) of the dairy industry to safeguard consumers and improve milk prices.[10]

Some farmers mention the inability to cover their costs and highlighted that farmers are considering slaughtering animals for cost reduction purposes. Moreover, the elevated prices of animal feed, the lack of governmental support, the elevated cost of veterinary services and all increasing costs have prompted farmers to replace their qualified staff with unspecialized personnel, who have no previous experience in dairy farming. In Kfarmelki, farmers are selling their livestock for fear of the increasing cost of production and decreasing sales which is causing them to lose money instead of generating profits.

The majority of farmers in the Akkar area are small dairy farmers with small flock sizes of up to nine or 10, who produce around 20 liters per day during the high season which is in spring, closer to seven during the low season, and around 15 during the mid-season. These

[10]Recovery and rehabilitation of the dairy sector in Lebanon, FAO, 2016 http://www.fao.org/3/i5745e/I5745E.pdf

are best identified as 'subsistence' farmers who operate small scale for their survival and livelihoods, as opposed to semi-nomadic farmers who are less numerous and who generally have much larger flocks of up to 200, for larger production and distribution.
Prices fluctuate according to season; they are lower in the high season and higher in the low season. Prices rise as supply decreases, which prompts farmers to begin using supplemental feeding with semi-intensive production systems. That said, prices are also being impacted by competition from Syria, with foreign products flooding the market at a lower price. The current crisis has led to a threefold increase in milk prices. One liter now costs LBP 3,000, compared to LBP 700 before October 2019. During spring, as animals produce the highest quantity of milk, producers maximize their products and farmers use the extra quantities for their consumption and their household's Mouneh production.

Milk Handlers

Milk handlers or collectors are mostly referred to as 'Hallab' in rural areas. They play an important role in linking farmers or milk producers to processors and producers of dairy derivative products and are the main value chain actor in charge of transport and storage at the 'milk' level of the chain. Milk handlers also take charge of the transportation and sale of milk or linkage between farmer and processor. The role of handlers is key in Lebanon because most dairy processors or producers do not own herds and therefore source the raw material (milk) from local farmers. A 2016 Blominvest report indicates that the Ministry of Agriculture has worked on improving sourcing of milk via collection centers: 'there are 40 in the Beqaa and Akkar regions, collecting 150-200 tons of milk per day from 3,000 farmers' as quoted in the report.[11]

Milk handlers buy milk at the market price and add on a 20% mark-up when selling to processors. The price trend of milk sold by handlers follows the trend of the price at the source with the farmers and therefore increases in low season and decreases in the spring when supply increases. Milk handlers are often collecting milk from a variety of sources, and may therefore not necessarily be residents of Akkar. In terms of transport, some are independent small collectors operating one truck with a capacity of up to 600 liters, and therefore collecting milk from some 20 producers at most. Others are larger operators, with a fleet of trucks and drivers collecting milk from more than 100 sources. Milk is either collected early in the morning, or at the end of the day once animals are back.

In addition to the cost of running trucks and settling the fees of any drivers, handlers incur costs related to purchasing milk tanks for storage, which are expensive especially with the current situation. Many of the smaller operators use aluminum or plastic tanks which are of low quality and do not preserve the milk in good conditions. Steel tanks are the safest and most expensive. The Food and Agriculture Organization (FAO) has distributed thousands of tanks to milk handlers across Lebanon in the past few years, although more are needed and difficult to come by.

Processors usually pay milk handlers on delivery, and milk handlers in turn pay back the farmer or producer upon delivering and collecting the fees. This can take up to two weeks. With the current crisis, payments are being made in cash and handlers no longer accept cheques or other forms of payment, to be able to pay farmers easily without going through a bank.

Processors

Processors operating in the Akkar area are usually small and mostly cater to their local communities, having limited capacities for marketing and promoting their products beyond the region, in addition to limited quantities that are not sufficient for large scale distribution. On average, they produce 75 to 100 kilos of dairy (including Laban, Labneh, or other dairy

[11] Lebanon Dairy Sector, Blominvest, 2016 https://blog.blominvestbank.com/wp-content/uploads/2016/05/Lebanese-Dairy-Sector2.pdf

produce) per day during high season, 15 to 30 kilos per day during low season, and 30 to 45 kilos per day in medium season. Following the same price trend as milk, the price of products like Laban and Labneh increases in the summer and winter and decreases slightly during Spring.
The Akkar area can sell milk to processors that are outside of the region. Lebanon is home to some small, medium, and large dairy producers and processors. The larger ones like Taanayel, Dairy Khoury, Candia, and Goutblanc, have their farms and only buy additional milk to supplement their production. These processors invest in marketing, distribution, and other operations to remain on top of the competition. They also pay the highest prices for milk and do not compromise on quality. The large processors also can transport products to markets through their refrigerated trucks.

The mid-sized and smaller producers do not have their herds and purchase milk from handlers or even directly from farmers and local producers. The current situation is mostly impacting those smaller processors who do not have the means to invest in storage and production, and who are already price sensitive. They are increasingly likely to purchase lower quality milk to remain afloat and compete with larger processors. However, many of those are not branded and do not offer attractive packaging like the larger ones, making it difficult for them to compete in retail stores.

Dairy factories highlight that the sale of any processed products in the current situation is a real challenge because consumer spending is at an all-time low. Any increase in prices will lead to much lower sales. From the farmers' point of view, the increase in the price of inputs means that it has become difficult to maintain the same quality in processing unless they too increase their prices. At the time being though, all key actors along the value chain including farmers and processers are strongly impacted by the situation, and are trying to remain competitively priced in order not to lose market share. But not all of them can sustain low prices while production prices are increasing, which is why the smaller farmers and processers may not survive the unfolding crisis.
In terms of transportation, even small producers and processors own at least one truck for the delivery of merchandise, as it is not common practice to share equipment or rent such equipment, and much more convenient for processors to have their own.

Milk testing is important for dairy processors, although not commonly practiced among the smaller ones in the Akkar area and North of Lebanon. Large processors naturally test raw material before processing and are more inclined to be conscious of the quality of their end products, but smaller ones who cannot afford testing equipment will bypass it, even if it compromises the quality of the end product. As the situation worsens for processors, especially the smaller ones, they are less and less likely to invest in testing equipment, and even larger ones who are inclined to save on such costs may refrain from widespread testing or reduce the usage of the equipment to avoid any subsequent maintenance fees. Despite the existence of dairy production standards in Lebanon, which are introduced and implemented by LIBNOR, those are not always followed and there have been many instances of scandals and corruption in food production in Lebanon, including dairy.

Retailers
Retailers in the North region vary in size depending on their location. Larger supermarkets and shopping centers are found in urban areas, in Tripoli, and the coastal areas of Akkar, while the rest of the North region is mostly characterized by small grocery stores, mini-markets, or small supermarkets. Retailers purchase products from dairy companies and processors. Specialized dairy retailers are not a very common type of outlet, although they are found in the Beqaa and to a lesser extent in the North of Lebanon. In the Beqaa, companies like Jarjoura dairy, Laiteire Massabki, and others who have their farms also have their outlets and sell directly to customers. Similar concepts exist in Akkar such as Dairy Ajaj

- a processor is seeking to obtain a license for its farm as well.

One supermarket highlighted the increasing production cost of milk and dairy which is prompting the majority of small farmers to keep their produce for personal use rather than continuing to engage in commercial activity which is now causing major losses instead of profits, and potentially leading many to bankruptcies. Some producers have decided to discontinue operations until the monetary situation in Lebanon is stable and easier to navigate.

Informal retailing can be an issue in the North of Lebanon as in many other regions. Informal retailing has escalated since the onset of the Syrian crisis. Syrians have established informal businesses selling food and other products from home, which is a common practice among Palestinian communities too, but also present among Lebanese households. Indeed, it is not unusual for women to cook at home and sell dishes or Mouneh from their home to neighbors and members of their communities. This practice is also present in villages where dairy products like Labneh and Laban, and other products like honey and jams are also prepared by households and sold to neighbors and the community, but also sometimes to visitors. Smuggling is also widespread and not easy to quantify given the country's lax borders and rampant corruption. Dairy products are being smuggled from the North border and sold at cutthroat prices on Lebanese markets. Moreover, Syrians had opened 'underground' factories producing low-quality dairy in the early days of the crisis. The government did however crackdown on illegal and unofficial businesses run by Syrians, and these are now likely not operating.

Animal Feed

Animal feed is the highest cost associated with dairy farming and it has risen more than fourfold since the beginning of the crisis in October 2019. The measuring unit for animal feed is the 'Kontar'. One Kontar cost LBP 34,000 LBP before October 2019, and costs LBP 130,000 as of October 2020. Traditionally, feeding is done through grazing and natural woodlands, pastures, and rangelands[12], but climate change and seasonal fluctuations require breeders to purchase supplemental feed at times. The feed is mostly needed to sustain herds during winter, generally from October to March, and increasingly earlier in the season especially in years when rainfall is low or limited. High-quality animal feed is essential to preserve and enhance the quality of milk being produced, and any compromise on this major input of the value chain can affect the remaining key players including processors who are selling end products to consumers.

The current situation is mostly impacting small breeders and herders like the ones in the Akkar area who cannot sustain rising prices. Animal feed traders report knowing of breeders who decided to either sell their herds or slaughtering animals to save on cost. Animal feed is entirely imported from abroad and as subsidies on grains are set to be removed, this is expected to affect the market significantly.

Animal feed trader's markup significantly, with some reporting that they add as much as LBP 100,000 per Kontar to the already high price of LBP 130,000. Many animal feed traders cater to farmers in the Akkar area, most of them are small. Some of them delivered directly to farmers, depending on the farmer they sometimes pick up the merchandise from the trader. While most of them are suffering from the rising prices which are prompting farmers to reduce their purchase of animal feed, some have also taken advantage of the situation: these had purchased merchandise before the collapse of the Lebanese pound, at a stable rate and are now selling it at the hyperinflated price based on the new black market exchange rate.

[12]Small Ruminant Dairy Value Chain Assessment, June 2014, https://www.mercycorps.org/sites/default/files/2020-01/FINAL%20Mercy%20Corps%20Lebanon%20Small%20Ruminant%20Dairy%20Value%20Chain.pdf

Animal feed traders are often specialized but sometimes deal with other products, including different types of grains, additives, and even pet supplies. Most do not have extensive branding and packaging, although few have started to engage in more proactive marketing and communication efforts, including advertising through social media and other channels. One such company, the Animal Feed Co. is located in Tripoli and has worked on professional branding and marketing efforts.

Cooperatives

Dairy cooperatives are not widespread and mostly did not exist before the year 2015 when donor-funded programs began to tackle the dairy sector and tried to rehabilitate existing cooperatives and introduce new ones across the country. The role of dairy cooperatives is key in rural areas to support small producers, and consolidate their efforts by providing them with processing, transport facilities, and others depending on the needs of different regions. Cooperatives help enhance the bargaining power of dairy producers, reduce prices and costs, and boost end sales. The Akkar area is beginning to reap the benefits of some of the efforts deployed in the past few years in that area, although in just a few regions where functioning and effective cooperatives exist.

A European Union (EU) funded project implemented by FAO and the Ministry of Agriculture of Lebanon in 2015 and 2016 provided technical assistance to dairy farmers across Lebanon and aimed at improving the productivity and financial independence and sustainability of dairy farmers. The project created 34 dairy producers' associations or cooperatives including few in the Akkar area, in addition to 40 milk collection centers.[13] Some of the cooperatives that were supported in the Akkar area include the El Joumah Cooperative, Qobeiyat Cooperative, Halba Cooperative, and Sfeinet El Dreib. Cooperatives are helping to create an environment that is more favorable to a larger number of processors rather than benefiting one or a few in each area. Milk collection centers, cooling centers, milk transportation trucks, and processing plants have been provided and/or established as part of the FAO project.

There is no cooperative in Kfarmelki, and stakeholders in the area complain about the lack of efficiency and effectiveness of those that exist in the region.

In some regions and for some of the larger processors, the presence of a cooperative can be detrimental to their profits because it allows for smaller players to compete in the market at lower prices. Some processors are therefore likely to engage in negative behaviors and oppose the presence of cooperatives or try to take control of the cooperative's activities and outputs to make sure that it remains in their favor.

Veterinaries

Another key player in the dairy value chain is the veterinary which is also the second but essential main cost for farmers as they protect and preserve the health of animals and their ability to produce quality milk and dairy products. There are a few veterinaries in the Tripoli and Akkar area. The lower priced charge around LBP 200,000 per visit, depending on the type of medication needed and on the exchange rate of the day, but prices can be higher depending on the veterinary. Before the crisis, the price would not exceed LBP 60,000. Veterinary visits are typically carried out twice a month for checkups. The average price of vitamins is US$9. The price base is in US dollars and therefore has to be converted at the black-market exchange rate, which is close to LBP 8,500 most days, compared to the official LBP 1,500 rate. This can lead some veterinary visits to reach LBP 350,000 per consultation.

[13] Recovery and rehabilitation of the dairy sector in Lebanon, 2016 http://www.fao.org/3/a-i5745e.pdf

Enabling Environment / Public Sector: Key Players	Short- Term	Mid-Term
Ministry of Agriculture	• Short term crisis response strategy to address the immediate issues affecting the sector including the high price of products and services such as veterinary and animal feed. • Focus on quality improvement and greater efficiency of the sector.	• Introduction of wide-ranging training programs in coordination with international donors, NGOs and local training and technical and vocational training centers. • Tackle topics including hygiene, lactation, innovative methodologies in production, technology integration, etc. • Develop a national vision on sustainable dairy farming and production, addressing sector weaknesses such as quality, legislation, animal care, animal feed, etc.
Ministry of Industry	• Work effectively with the Ministry of Agriculture, LIBNOR, and CSOs to improve quality and efficiency issues across the value chain.	• A new strategy based on the evolution of national needs, consumer spending power and industry capabilities. • Strategy should be focused on export promotion, and imports reduction. • Introduction of supportive legislation to support local production and regulate illegal and international imports.
LIBNOR	• Work within different regions, at the local level, and with local cooperatives to support quality improvement and help farmers and processors meet international standards through certification and quality control. • Liaise with the Ministry of Industry to support export promotion through certification and quality control.	
Chamber of Commerce, Industry and Agriculture of Tripoli and North Lebanon	• The Chamber of Commerce and Industry, and Agriculture of Tripoli and North Lebanon (CCIAT) should work closely with the Ministry of Agriculture, Ministry of Industry, and LIBNOR to identify market needs, gaps, and skills gaps to develop initiatives and training	• Develop an MSME strategy - in close coordination with the Ministry of Agriculture and Ministry of Industry - for the dairy sector in the North of Lebanon, providing vision on how to provide MSMEs with better access to markets, distribution channels, export

	programs that can support the sector. • Promote the quality control center more effectively among dairy farmers and processers. Provide support to help avoid deterioration in the quality of dairy products because of increasing costs and prices. • Help standardize prices of products. • Provide vocational training to support modernization and improved efficiency in the sector.	promotion, etc. • Develop a long-term capacity development program and strategy tackling all skills gaps and needs in the sector to improve sector productivity and efficiency; product attractiveness and marketing potential.
IDAL	• Develop crisis strategy for the export of dairy products outside of Lebanon to generate fresh dollars for MSMEs and sustain livelihoods, retain jobs and avoid bankruptcies.	• Develop a long-term export strategy for the dairy sector which is one of the leading sectors in agro-food and a successful and high potential sector for export.

Civil Society	Short- Term	Mid-Term
Agri-Focused NGOs	• Work closely with NGOs who are already involved in the agriculture sector, and specifically in dairy to coordinate and complement efforts, and avoid duplication. Contribute to laying the ground for sustainable functioning of the private sector without the need for NGO support. • Early efforts should be focused on fast economic immediate support: the provision of grains, seeds, animal feed, pesticides, and fertilizers to farmers to help them sustain a decent income for at least one year until the financial situation is clearer in Lebanon.	• Participate in discussions and meetings with the Ministry of Agriculture and other public institutes for the development of an efficient and relevant strategy that tackles the dairy sector. • Provide consultations, expert advice, and support for the development of a sustainable agriculture strategy taking into consideration current and future challenges and opportunities

Local NGOs	• Help retain jobs especially those of vulnerable households, individuals, and communities in need of decent employment, to reduce child labour. • Support in the identification of market and skills gaps and training programs to improve efficiency, productivity, and quality of outputs.	• Plugin to any newly developed strategy to share know-how, expertise, and resources from past and current programs to help improve the dairy sector in the region. • Continue providing access to vulnerable communities for training and job creation purposes.
INGOs	• Further, develop and update dairy value chain assessments for Akkar in light of the current situation, identifying all key players and their roles, identifying gaps, challenges and opportunities, and developing recommendations and relevant programs for consideration by international donors. • Share know-how and expertise, understanding of the sector and contacts/networks of use with RI in implementing its program.	• Support the implementation of the Ministry of Agriculture's strategy and any dairy specific strategy. • Raise funds for effective and relevant programs targeting the dairy value chain in Akkar, involving local NGOs and key players identified by RI in this study.

Other Entities	Short- Term	Mid-Term
Financial Institutions – Access to Finance	• Start thinking of alternative financing models. Benchmark international best practices such as the new law on crowdfunding that was passed in Tunisia to support MSMEs. • Map and develop a network of angel investors who could support the dairy sector in Akkar. • Work with microloan providers to work with the dairy value chain in Akkar. • Map and identify all microloan providers who could venture into this sector and region.	• Set-up a microloan program for the dairy sector in Akkar • Bring back traditional financing models upon improvements in the banking system and changes in the current status quo.

Key Dairy Sector Players	Short- Term	Mid-Term
Farmers	• Provide farmers with immediate assistance, by helping them cover the cost of animal feed and/or veterinary for at least one year, either by subsidizing that cost or by distributing animal feed and offering access to more affordable veterinary services. • Work on capacity development and training with relevant partners (such as Ministries, Chamber of Commerce, NGOs, TVETs, and private sector) in hygiene, lactation, modernization of processes and procedures, quality standards and certifications, etc. • Design a project through which cows can be provided at a subsidized cost to encourage more citizens of Kfarmelki to establish a dairy farm to supply the city and its surroundings.	• Develop a longer-term plan to support farmers through training, capacity building, skills development, and better access to markets. • Skills development and training about new products, better milk farming practices, training about licensing, regulations, and other administrative aspects of farming. • Provide access to farmers from Akkar more effectively to the rest of Lebanon – including all processers and SMEs. • This can be done through better networking with milk handlers or even direct connections with processers. Access to markets outside of the Akkar area is a key success factor for farmers.
Milk Handlers	• Support by providing high-quality steel milk containers and storage facilities knowing that milk handlers will not be able to purchase new material as a result of the current crisis. NGOs and different programs can subsidize the price or provide them for free and help eradicate the use of plastic containers and other low-quality material that can compromise the quality of milk.	• Work with milk collection centers to improve efficiency and sourcing of milk, connections between handlers and farmers/SMEs (mid to long-term) • Provide technical support to milk handlers in learning how to negotiate payment terms, securing advance payments from processers, and standardizing markups industry-wide • Improve milk handlers' infrastructure through sharing system for large trucks, drivers. This can be done through dairy cooperatives or by creating milk handlers' focused cooperatives (one center that focuses on targeted municipalities).

Processers	• Support processers in the adoption of quality standards and in maintaining high standards despite the current crisis and cost increase. • Work with LIBNOR on ensuring quality standards. • Support SMEs and smaller processers with access to Lebanese and international markets to secure fresh dollars and sustain the business. • Provide technical support in packaging, labeling, and product marketing to reach wider markets and consumers. • Support the standardization of prices to avoid large fluctuations between brands. • Work closely with IDAL on export strategy. • Provide technical training on livestock healthcare, manufacturing of new products to substitute imports, milk hygiene and quality control, etc. • Provide kits based on these training to support small scale farmers in improving their quality standards and output	• Provide capacity building in entrepreneurship, business development, marketing, and product development, product diversification, and strategy to MSMEs and smaller processors. • Create better linkages between processers, cooperatives, handlers, farmers, enabling environment, and CSOs. • Establish dairy sector yearly roundtables to discuss challenges, opportunities, solutions and to provide networking opportunities to all key players in the value chain. • Support MSMEs' access to international, regional, and local trade events (whenever these are possible again).
Retailers	• Map all potential retailers in the North of Lebanon and beyond for better access to dairy products from Akkar and the region to the rest of the country. • Support regulation of prices and standardization between the different retailers to avoid gaps in the price of the same product or brand depending on the retailer. • Support supply chain to ensure constant availability of dairy products in all relevant retailing outlets in the area and beyond.	• Support brands from Akkar and the area in reaching more retailers across the country, negotiating prices, and boosting sales and distribution. • Provide technical support in terms of POS marketing, brand positioning, and in-store promotion strategy.

Animal Feed	• Provide technical support to animal feed traders in overcoming current challenges and work with the Ministry of Industry to minimize the cost of imports and help keep costs and prices down. This however can be extremely challenging in the current context. • Instead, various organizations, NGOs, and local players could support local industry in identifying opportunities for local manufacturing of feed to minimize the cost and price of animal feed and ensure the continuity of the value chain. • Connect with animal feed traders and identify any possibility of traders venturing into manufacturing and industry. • Market mapping for agro-industry players in Lebanon that could venture into animal fee.	• Further, analyze the animal feed value chain to introduce local manufacturing. The crops can be a secondary crop, a mulch, or a cover crop to different cultivations or done with fruit trees as an additional source for livestock feed; especially for a small grower. • This cultivation with cover crops and no-till cultivation could benefit farmers from different aspects of agricultural practices. It would serve to support the local market. • Some crops have a long growth cycle and could be cut several times a year, between 6 to 10 depending on the climate and water. This would require labor and would contribute to retaining jobs in planting and harvesting, although not beyond such occupations. • Fodder crops are much needed in the dairy and livestock sector; though require large areas of cultivation and irrigation bringing its cost of production high. They are still a better option than concentrated grains cultivation for animal feed.
Cooperatives	• Use cooperatives as a link to farmers, processors and other key players to provide awareness sessions on how to overcome current challenges, provide training and capacity development about all mentioned topics (quality standards, new products, livestock healthcare, export standards, milk hygiene, and quality control) through the cooperatives. • Provide equipment and technical support to cooperatives. • Distribute animal feed to farmers through the cooperatives.	• Contribute to the development and implementation of the dairy strategy in Akkar, by sharing cooperatives' know-how and experience from working within the value chain. • Continue supporting existing dairy cooperatives as the main link bringing together all key players in the value chain.

Veterinaries	• Support veterinaries in securing at least the needed supply of medication for one year ahead. • Provide support in price standardization. • Provide training and capacity building to those who need it, including any newcomers in the region of Akkar.	• Continue providing training and capacity building to veterinaries in the region of Akkar.

MAIN JOB CREATION PILLARS

Job Creation Pillars	Description	Impact on Decent Jobs / Child Labour Reduction
Capacity Building	• Improved capacities in hygiene, lactation, modernization of processes and procedures, quality standards and certifications can lead to improved quality and efficiency leading to increased sales, and therefore more opportunities to create jobs. • Capacity building in dairy production for women of Kfarmelki to contribute to an increasingly diverse type of cheeses / dairy and increased production which leads to more sales.	• Support to dairy farmers in modernizing and improving operations, sustaining and even increasing sales to maintain their income and potentially create more decent jobs for adults.
Relief and Support	• Support the few remaining cow owners for the duration of one year to help avoid further sales of cows, encourage them to retain their cattle and stay afloat for the coming year. • This can include support in covering the running costs and charges, better access to markets to increase income, etc.	• Support existing cow owners to make sure they do not sell, remain in business and save their jobs to avoid child labour.
Cow Dairy Farming Project	• A cow dairy farming project can be launched in Kfarmelki in cooperation with the municipality. The project foresees subsidizing the cost of cows and offering them at a discounted cost for serious farmers / those who can afford to leverage the opportunity and reap benefits and income thanks to that. • In tandem, training should be provided for women in the village to learn dairy production of cheeses, including a diverse type of cheeses such as chanklish and others and to package and sell the products. • Eventually, an effective cooperative could be established for Kfarmelki, as long as it is operational and can contribute to increasing production, sales and outreach.	• As demand is exceeding supply, dairy farming and processing provides a viable route to generating income and creating employment for men and women in Kfarmelki. • This will provide decent work for adults in the village and offset child labour.

TOURISM

SUMMARY OF CHALLENGES AND OPPORTUNITIES

The factors influencing tourism since October 2019 are numerous. From the onset of the revolution which saw road closures affecting the country for days and weeks at a time, to the financial and economic meltdown and liquidity crisis, and more recently the Beirut explosion. All of these events are hindering the possibility to attract international tourists and now have an impact on residents of the country too. While domestic tourists continue to offer good potential at a time when reaching international tourists seems impossible, the impact of the financial crisis is now reaching the population's disposable incomes and purchasing power, making it difficult for them to plan trips, even locally. COVID-19 caused a further blow to the sector, with restaurants, hotels and all gatherings brought to a halt for several weeks at a time. While the country is opened as of October 2020, activity is nonetheless limited and reduced because of an escalating number of virus infections since mid-summer. Ecotourism operator 33 North[14] also indicated that the psychological shock of the August 4 explosion prompted citizens of Beirut to cancel any plans as it became difficult to think of vacation.

The North region nevertheless offers significant opportunities to attract domestic and international tourists. Tripoli had been experiencing a rise in interest by Lebanese and foreign tourists, even before the crisis. The UNDP and 33 North[15] both believe that this could continue to be the case. With Beirut city's most touristic and attractive neighborhoods now entirely devasted by the explosion, remote areas are more than ever a magnet for Lebanese citizens looking for an escape. Lebanon has also attracted a large number of international humanitarian workers and NGOs; whose staff is likely to spend time exploring the country.

That said, with rampant poverty and uncertain security and political situation, the paradigm could quickly shift and the situation can worsen within days, as already observed in 2019. Poverty in the North is escalating rapidly as Bezret Amal[16] report distributing food vouchers to more than 1,000 families for 3 months.

CHALLENGES			OPPORTUNITIES		
Perception of the North as unsafe and risky, even among Lebanese	Absence of government support	COVID-19 bringing international tourism to a stanstill	Sector fundamentals are already in place	Domestic tourism opportunities amidst challenges in international travel	Increasing popularity of Tripoli and Akkar as destinations
Lack of technical experts	Monetary situation, economic and financial collapse	Limited marketing and promotional efforts	Island's and water sports' potential to attract more tourists	Popularity of seafood restaurants	Potential to create a tourism hub in El Mina to cover the entire North region
No integrated national tourism strategy and none for the North	Very weak transport infrastructure	Limited travel accommodation and quality lodging options in the region	Large number of returning expatriates during holiday seasons	Adventure and ecotourism's growing popularity	Lebanon to become more affordable for international tourists

Figure 2: Challenges & Opportunities in Tourism

[14]A key informant Interview with 33 North representatives was conducted on the 8th of September 2020 by the Relief International team.
[15]Ibid
[16]A key informant Interview with Bezrit Amal was conducted on the 4th September 2020 by the Relief International team.

DEMAND

When it comes to the Tourism sector, the importance lies in its contribution of around 20% to its GDP for the last years, according to the Investment and Development Authority of Lebanon (IDAL, 2018). However, the sector had been severely hit first by the economic crisis and second by the COVID-19 pandemic that affected the Global Tourism sector as a whole, and with more intensity in Lebanon. All travels have been halted, with lockdown around the regions and still some countries have not fully recovered from the pandemic. All of this indicates that while Tourism is on the decline in Lebanon, the demand for local tourism has been increasing due to the inability of the population to travel abroad, be it for the COVID-19 or the economic crisis. Thus, an opportunity lies in this sector, given also the impact it can have on the job creation for the various segments of the population, namely women and youth.

Type of Tourists

Demand for tourism in Lebanon can be categorized into the following groups:

- Lebanese domestic tourists
- International tourists: Western
- International tourists: Gulf Cooperation Council (GCC) and Arab countries
- Lebanese diaspora

Domestic tourists	• Domestic tourism has been rising in the past few years as a result of the deteriorating economic situation which has seen the Lebanese turn to domestic vacations instead of traveling abroad. • The proliferation of guesthouses and authentic alternative accommodation outlets in villages, seaside areas, and mountains is creating further opportunities for the Lebanese to travel within their country. • The COVID-19 pandemic has made international travel almost impossible, prompting many to choose a local holiday instead. • Decreasing purchasing power will make it difficult for the Lebanese to travel abroad, even beyond the COVID-19 pandemic as currency devaluation and capital controls limiting access to foreign currency makes it difficult to purchase international travel services. • **The North of Lebanon offers great potential for the development of domestic tourism, including Tripoli and the Akkar area.** • Deteriorating conditions could also have an impact on local tourists' capacity to travel even internally.
International tourists: Western	• Recent years have seen a considerable shift from a vastly Gulf Cooperation Council (GCC) dominated tourism industry to one that attracts European backpackers, low-cost travelers, and culture enthusiasts. • Lebanon has been attracting journalists, NGO, and humanitarian workers more intensely since the onset of the Syrian crisis in 2011 and the displacement of over 2 million Syrians to Lebanon. Many of those workers live and work in Lebanon, receiving friends and family throughout the year.

	• As the entire region entered into turmoil, violence, and uncertainty with the onset of the Arab spring, Lebanon had remained relatively safe. • More effective promotion of adventure and culture tourism attracted western foreigners, as projects like LMT see a vast majority of westerners hike the trail rather than Lebanese or Arab tourists. • Before October 2019, Lebanon benefited from the opening of new flight routes by national carrier Middle East Airlines (MEA) and international airlines such as Greek operator Aegean Airlines and the low-cost carrier Ryanair. • As of 2020, the situation has changed, and even western tourists will be scarce as long as there is no political solution and return of stability. • The impact of COVID-19 also remains a major barrier to recovery in tourism arrivals. The industry has been affected globally, and the number of flights to Beirut reduced considerably while their cost increased. • Beyond this, Lebanon will become more affordable to foreign tourists as a result of currency depreciation, and the industry could rebound rather quickly. • **The North of Lebanon is an attractive destination for western tourists who are often looking for a more authentic experience than what is available in the capital city Beirut and want to travel off the beaten path.**
International tourists: GCC and Arab tourists	• Lebanon's political situation has had a considerable impact on the country's tourism industry. Most GCC countries imposed a ban on travel to Lebanon based on their tense relationships with the country's leadership and their opposition to Hezbollah. • As of 2019 though, Saudi Arabia had lifted its ban on travel to Lebanon, and visitors from the Kingdom began to flock back. • The nature of tourism from the GCC is more shopping, nightlife, and food-oriented while western tourists are more interested in culture and rural tourism. That said, with the oil price crisis unfolding in the GCC since 2016, the purchasing power of Saudi, Emirati, Qatari and other GCC nationals have significantly decreased. The average spent by GCC tourists is therefore much lower than it used to be. • Moreover, despite lifting the bans, GCC nationals have not returned to Lebanon in the same numbers as pre-2016, partly because of the economic crises affecting their countries, but also because they have often chosen other tourism havens like Turkey, the South of France, and even Asia. • Other Arab tourists from Egypt, Jordan, and Syria are more likely to behave like western tourists and engaging in nature and cultural activities more so than their GCC counterparts. That said, all of these countries are crisis-ridden, with weak economies, very low purchasing power, and disposable incomes.

	• GCC tourists are somewhat changing their behavior as more young Saudis, Emiratis, and Qataris also seek nature and cultural experience. • Renewed trouble in Lebanon has kept GCC tourists away since October 2019, much more than western tourists who continued to visit the country up until the onset of COVID-19. • Moreover, the Beirut explosion has marked a very certain end of GCC tourism to Lebanon for a while. • GCC and Arab tourists are somewhat less likely to visit the North of Lebanon and more interested in an urban type of experience, although, with the right promotion of the area, this could easily change.
Lebanese Diaspora	• The Lebanese diaspora is the most stable and regular type of tourism to Lebanon. With a population of around 6 million, Lebanon's diaspora is more than double the local population. Many of them come back on holidays, whether they are Muslim holidays like Eid el Fitr or Christian holidays like Christmas, or during the extended summer season. • The Lebanese diaspora strongly contributes to the very high occupancy rate at accommodation outlets from June to September each year, and tourism activity in bars and restaurants across the country at every holiday season. • Even on years when international tourism may be negatively affected because of the lack of stability, the diaspora has always provided a safe source of income for the industry. • Lebanese expatriates do not always benefit all categories across the value chain, as many own properties in Lebanon or stay with family while in the country, thus not impacting the accommodation sector. They do however go on extended weekends to different destinations in the country, thus benefiting accommodation outside of major cities. • Recent years have seen Lebanese expatriates living in Gulf countries lose jobs to a poor economy or worry about their income which may also have reduced their willingness to spend while in Lebanon, as well as the frequency of their travels to the country. • The economic situation has worsened since the COVID-19 pandemic, affecting Lebanese expatriates across the globe. • Moreover, for the first time in years, the events affecting Lebanon are serious enough to keep even its diaspora away. • The Lebanese diaspora used to be less likely to visit the North of Lebanon because of safety and security concerns previously associated with the region. That said, in recent years there has been a resurging interest in Tripoli, Al--Mina and the Akkar area. With international travel becoming complicated in light of COVID-19, Lebanese expatriates coming home could be spending more time in Lebanon and hence, more time exploring different areas. A key trend already observed in the past year was the number of young Lebanese expatriates who chose to spend the lockdown periods (lockdowns imposed in their countries) in Lebanon while working or studying from here.

Lebanon Tourism Arrivals

As an indication of the market's potential and its performance before the crisis, data from Euromonitor International's 2019 (Appendix C) travel report on Lebanon showed a considerable increase in the number of tourists from countries like the US, France, Canada, Germany, Australia, and the UK and a much slower growth in arrivals from Kuwait, Saudi Arabia, and other GCC countries. Iraq, the US, France, Canada, Germany, Ethiopia, and Jordan lead as source countries for tourism in Lebanon. Ethiopian tourists are most likely visiting friends and family who live and work in Lebanon, or workers entering the country on a tourist visa before they are given their employment visas. Foreign workers are seen leaving Lebanon en-masse as of the end of 2019 because of the currency exchange and economic crisis. Growth in arrivals from Jordan slowed down considerably in 2019 as many Jordanians come to Lebanon for end of year holidays and New Year celebrations, which were not as festive as they usually are in Lebanon in 2019. Moreover, Jordan is suffering from its economic crisis. This data now needs to be taken in the context of the current challenges, and only as indicative given the significant changes that are expected.

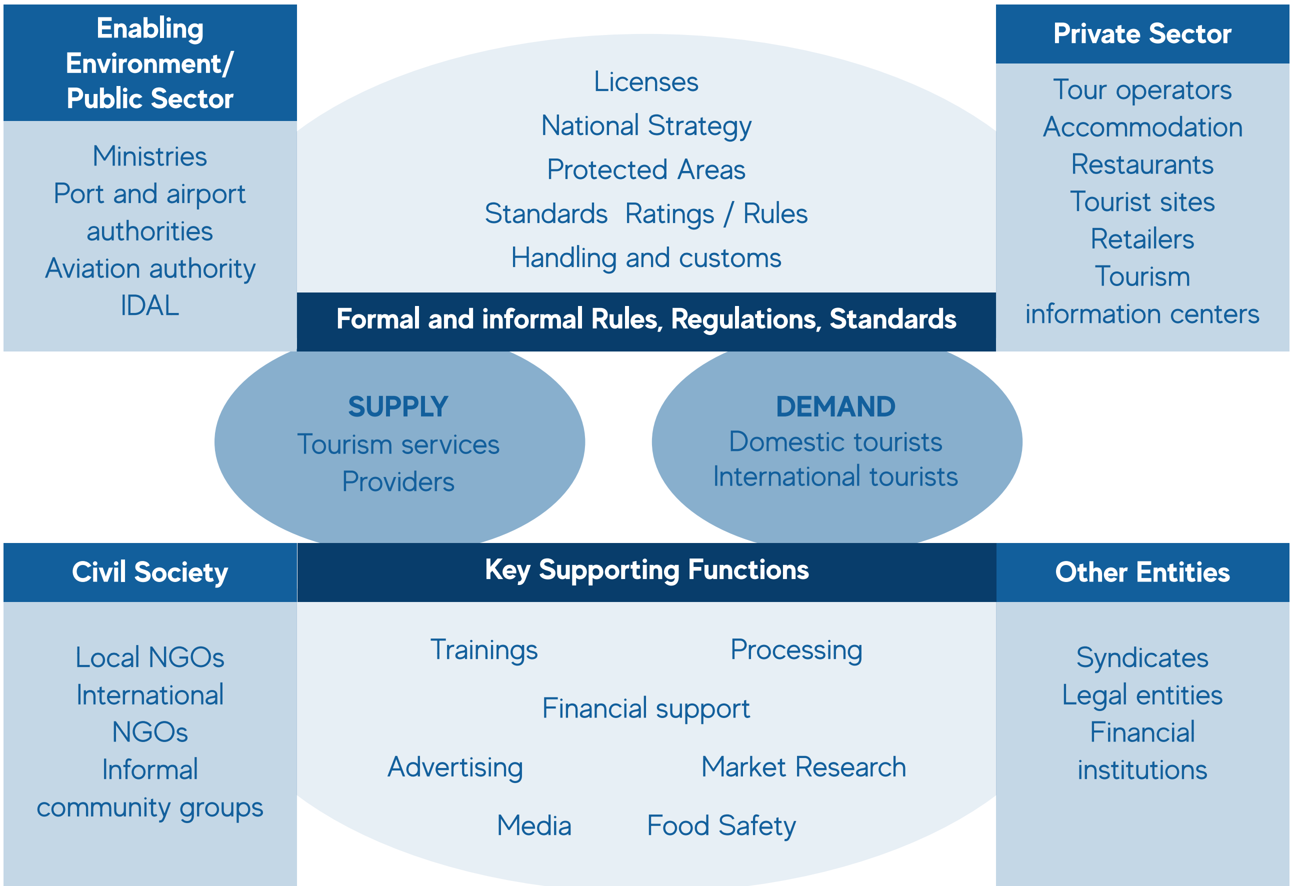
City Arrivals

According to data by Euromonitor International, the number of trips taken to Tripoli had more than tripled since 2015, making it the fifth most-visited city by international tourists after Beirut, Zahle, Jbeil-Byblos, and Batroun. Euromonitor International considers one trip as an overnight spent in each city. Growth in arrivals to Tripoli is attributed to the rising number of western (European, American, Canadian) visitors as opposed to Arab and Gulf country visitors. The former is generally in search of a more authentic experience and look for major cultural sites rather than just the nightlife and shopping experiences. Tripoli is in that sense a very attractive destination. Moreover, international donors and local NGOs are very active in the area in terms of supporting the local population and business environment.

	2015	2016	2017	2018	2019
ALEY	39.7	40.2	40.8	41.2	42.1
BAALBECK	2.4	2.5	2.6	2.8	3.0
BATROUN	53.0	57.8	63.6	70.0	76.4
BEIRUT	1,386.9	1,486.7	1,596.7	1,708.5	1,809.5
DEIR EL QAMAR	29.0	30.5	32.1	33.5	34.9
JBEIL-BYBLOS	73.8	77.5	81.8	95.3	106.8
SAIDA	48.9	55.1	61.2	63.5	65.6
TRIPOLI	6.0	9.9	18.5	20.2	21.9
ZAHLE	146.2	153.8	162.3	170.5	178.0

Table 2: Number of Trips Taken by City (000 trips)

MARKET SYSTEM – MAJOR FUNCTIONS



Tour operators

Tour operators in the North of Lebanon include mainly very small businesses, and independent tour guides whether they are culture or adventure tourism guides. Agencies operating tours in Tripoli are most often based in Beirut city, where the large companies are located and offer their services to international and domestic tourists alike. As a general observation, international tourists are more likely to stay in and around Beirut city during their visit to Lebanon, connecting from there to other regions throughout their stay. Given the small size of Lebanon, it is possible to go on day trips from Beirut to anywhere and to diversify a stay in Lebanon by traveling every day to a different destination. Given that most of the tourism infrastructure is in Beirut which is also where the international airport is located, it is, therefore, the most likely hub for visiting tourists. Tour operators therefore service tourists from Beirut. Moreover, residents of Beirut and the surrounding areas are also the more enthusiastic domestic travelers as the city is also Lebanon's business hub and therefore has a higher average income per household.

Among those who are located in the North of Lebanon, tour operators sometimes report surprisingly positive performances in the past few years amidst all of the uncertainty. One ecotourism and adventure tourism operator mentioned that Akkar experienced a boom in demand in the past three years and even during the COVID-19 pandemic, as a result of a rising interest in the forests and nature of the Akkar area. This however could be short-lived as Lebanon battles with its worst financial and economic crisis yet, and the impact of the Beirut explosion on international and domestic tourism begins to unfold.

The specialization of local experts is key to the success of this category. One local operator works through a team of experts who have an in-depth knowledge of culture, plants, and geology. He stated 'We have discovered two new plants which are not yet known in Lebanon'. Tourists are increasingly interested in such specialization. Tours in Tripoli for instance are often offered by renowned archeologists who provide an in-depth overview of the city's ancient history up until the more modern days.

The average price of an independent tour guide for one day can range from LBP 150,000 for a hiking tour, to LBP 200,000 or 300,000 for a cultural tour. These changes depending on the number of people in the group. Prices are fluctuating on an ongoing basis because of the current situation. Tour guides cannot sustain such prices when the currency exchange rate has increased sixfold in the past year.

It is less common for tourists to ask for a multiple-day package to the North of Lebanon although possible. There are a few boutique hotels and new trendy guesthouses that have opened in the area, attracting both international and domestic tourists; in addition to many guesthouses in the Akkar and Donniyeh areas for adventure tourism and hiking. For people visiting the city of Tripoli or other cities in the North, they are less likely to need a packaged tour and may book accommodation separately and then maybe a guide for the days. Adventure packaged tours including, for example, a five-day hike and four-night accommodation at very basic guesthouses or hostels, guides every day, half board and transportation can now reach around LBP 1,400,000 per person.

Rural tourism and ecotourism operators seem more buoyant than others, as they report experiencing growth in activity during 2020, amidst COVID-19 and the impossibility to travel abroad, a growing environmental consciousness among the Lebanese, and a clear step-down from luxury, a return to tradition, authenticity, and villages. The Akkar region is home to some of the richest forests in Lebanon and therefore attracts hikers and adventure tourists, although the area is not well maintained and lacks the needed infrastructure to grow tourism. Meanwhile, Tripoli reflects the tradition and authenticity of the old Lebanon, in many ways that the city of Beirut has lost. Tourism packages and activities that revolve around a combination of Tripoli and Akkar could be very successful. Success nonetheless hinges on the involvement of tour operators in partnership with official authorities, accommodation outlets, and all key players.

Accommodation

Most of the lodging and accommodation outlets in the targeted municipalities are small businesses with on average 10 to 20 employees. Hotels have anywhere from eight to 25 rooms. The three municipalities targeted by the project are not the most notorious tourism destinations in the region, and they compete with more attractive nearby destinations on the seaside or in the mountains. Few hotels operate in Al-Mina, while the Akkar area is mostly home to alternative lodgings such as guesthouses and a few low-value hotels.

The major challenge for accommodation outlets in the area is that both Al-Mina and Akkar attract tourists for day trips. Al-Mina is mostly notorious because of the presence of the islands, the corniche, and a few monuments of interest to international tourists. These however can be visited in a day without the need to stay overnight, an issue that has historically undermined the lodging and accommodation sector in the area. That said, the absence of attractive accommodation outlets could also be contributing to the lack of motivation in spending the night in the area. More recently, a new authentic, charming, and attractive guesthouse opened in Tripoli: Beit el Nassim was able to attract both domestic and international tourists and is by itself a destination for tourists. Travel accommodation plays a key role in promoting destinations and it has been the case for many destinations in Lebanon which have been put back on the map of tourists thanks to successful and attractive new guesthouses or travel accommodation outlets such as Beit Douma in Douma, LiPhe wellness center in Kfar Hata, a new guesthouse in Bkerzay, Gita Bed & Bloom in Akoura, and Al Haush guesthouse in the Beqaa.

In Akkar too, it is possible to visit different regions for the day, although staying overnight in the area is more likely than in Al-Mina because tourists visiting the area are often more likely to be hiking or engaging in outdoor activities over more than just one day. That said, the absence of comfortable accommodation, in addition to travel warnings by foreign embassies is often an impediment for international tourists to spend the night there. More adventurous tourists and backpackers stay at guesthouses, many of which have been created or rehabilitated by the LMT Association.

Lebanon's current situation could be causing major changes to the status quo. On one hand, there are currently no international tourists because of a combination of factors, and on the other hand, Beirut is now almost entirely devastated and its tourism infrastructure has been destroyed, from hotels to Airbnbs, restaurants, touristic sites, art galleries, and museums. Most of them will not return to business before the Spring of 2021, amidst extended lockdowns due to a significant surge in COVID-19 cases, if at all. This creates opportunities for other cities and destinations to attract domestic tourists, including residents of Beirut who are seeking time away from their stressful environment. Tour operators reported a major slowdown in domestic tourism activity after August 4, 2020, due to the psychological impact of the explosion on residents of Beirut, who also had to spend time rehabilitating their homes. That said, few weeks after the explosion as some residents started to settle back into relative normalcy, tourism activity picked up slowly again, in favor of seaside and mountain destinations. Tripoli and Akkar have to a certain extent benefited from the trend, with more day trips to Al-Mina and more hikers returning to Akkar, especially as autumn temperatures make it more attractive for outdoor activities.

The average price for a night at hotels like Via Mina or Beit el Nassim is around LBP 250,000, while a single night stay at a guesthouse in the Akkar area can range between LBP 50,000 to 75,000 including breakfast. Income can therefore be low, especially at the current conversion rates. Costs for hotels are often elevated, including rental if any, maintenance work, and the cost of daily workers, whether Lebanese or refugee – this latter one remains low is around LBP 50,000.

Restaurants

There are many restaurants in the Al-Mina and Tripoli area with many fish restaurants that are major tourist attractions in the summer months. Most restaurants report major losses because of COVID-19 which led to closures that lasted for more than six weeks between March and May 2020 and reduced traffic even beyond the confinement period. Business activity had already decreased for restaurants of the area since October 2019 when the revolution began, and Tripoli became a major hub for street protests. Road closures for days at a time impacted all traffic and tourism activity between October and December 2019. The city's main square Sahet el Nejmeh and its surroundings remained closed to car traffic for several weeks.

Interviewed restaurants reported reducing staff from 40% to 60% in recent months, and complained about the rising cost of goods, decreasing traffic, declining purchasing power of the Lebanese, and continued concerns over COVID-19. All restaurants reported staying in business to cover their costs, and not to generate any profits.

Restaurants have also reduced the salaries of the remaining staff, with some reporting paying half salaries of around LBP 300,000 per month only. Others pay their employees by the day at the rate of LBP 20,000 to 30,000 per day. The average cost per customer for a full meal at a fish restaurant can reach LBP 100,000 while coffee at a coffee place is around LBP 6,000.

Tripoli and Al-Mina's food and beverage sector are important to the area and a magnet for domestic and international tourists. It could attract more tourists because visitors may stay away from Beirut for some time because of the impact of the Beirut blast, which is leading to reduced activity in the capital city and its surroundings. But the situation is tremendously challenging: investments are needed, as well as a stabilization of the US dollar exchange rate and a return of stability as well as a reduced spread of COVID-19.

The Akkar area is not as notorious for food and beverage outlets. Alcohol is not served at most restaurants in the area, and is not tolerated by the local population which makes it less attractive to international and domestic tourists. Experiencing authentic Lebanese food is often high up on the agenda of international tourists, who favor the culinary experience offered by households at guesthouses where traditional dishes are cooked. This is most often the chosen option for hikers who are staying in guesthouses where breakfast and sometimes lunch is included in the total overnight price.

Tourist Sites

In the north tourists like to visit the citadel, the old souks, baths, old Mina and Islands. There are also Mamlouki monuments. The Citadel of Raymond de Saint-Gilles in Tripoli is one of the biggest fortresses in Lebanon. In recent years, the Rachid Karami International Fair Complex became a magnet for domestic and international tourists because of documentaries and reportages emerging about the destination. The structure which is an architectural wonder was completed just before the onset of the Lebanese civil war and was never used. It lies abandoned at the entrance of Tripoli.

Outdoor activities such as swimming, surfing and kite surfing, and diving are also practiced along Al-Mina and Tripoli and attract many tourists during the summer.

The Safadi Foundation which is rather active in the Al-Mina area says that there are many landmarks and attractive sites as well as available resources that can boost tourism in the area, including beaches, the Cornish, historical and cultural resources, the old train station, Al Saba'a Tower, Ancient Monuments and Towers, the Rabbit Island, Abdel Wahab Island, and much more. That said, security issues and the mismanagement of available resources is deterring domestic tourists from visiting the area. And while all factors seem to point to a worrying situation in the sector, most stakeholders believe that the recovery could be easy. The LMT association indicated that now is the time to prepare for better days, to take a step back, and tackle challenges more effectively.

In Akkar, hiking, rafting, and climbing are commonly practiced. Nature reserves in the Akkar area include the forest of Qammoua which is home to Cedars, Junipers, and Fir trees, Ghebet el Ezer and Ouyoun el Samak. Cultural destinations are also aplenty, including the Old Akkar, or Akkar el Atika and Menjiz which is home to Maqam el-Rabb temple, the church of Our Lady of the Fort, the ruins of a cross castle, Qalaat Felis, and 87 megalithic dolmens marking the site of historic graves dating from about 3,000 BC. Menjiz lies on the Syrian border, which can be seen from the temple. Cultural sites in Akkar have therefore been underpromoted and ignored by the Ministry of Tourism for a long time, given the difficulty in attracting tourists to the area, which is often perceived to be dangerous by international tourists.

Even among the Lebanese, the Akkar area remains largely unknown and unexplored by many, not only given the negative perceptions about the area but also because of the distance to travel which can be long compared to other destinations in the Chouf, in Ehden, Tannourine or other areas with rich nature and culture. Tour operators have been promoting destinations in Akkar singlehandedly without any government support. Some local municipalities such as the Menjiz municipality are heavily involved in rehabilitating touristic sites and promoting their destinations, although this is not the case for all of them. The Menjiz municipality is in that sense an exception and a success story or benchmark for others in the region to follow.

Retailers

Craftsmanship

According to the USAID rural tourism value chain assessment, there were approximately 1,000 craftsmen in Lebanon as of 2011[17], who produced traditional crafts for sale to tourists. Tripoli is renowned for copperware including copper lamps, distillers, and plates, in addition to olive oil soaps, quilts, wicker chairs, different wood and jewelry work, textile, and more. The very weak integration of craftsmen into the tourism value chain has nevertheless caused many concerns to them over the year, and the recent challenges that have impacted the sector have made the situation worse for many who were already struggling. Craftsmanship in Tripoli and Al-Mina is dying. Younger generations are reluctant to take over the family tradition of copper workshops, which is leading this major traditional sector to deplete. Instead, many of the souvenir items that are sold at touristic sites are produced abroad and imported. More recently, the Minjara project under the EU funded private sector development program implemented by Expertise France is aiming to revive woodcrafts in Tripoli. More than 1,000 companies and entities work in woodcrafts and furniture in Tripoli, which prompted the initiative to create a cachet of Tripoli as a wood furniture hub. That said, despite the large investment provided by the project and the motivation and ambition to support the sector, Minjara faced many challenges, including a cost challenge whereby remaining low priced and competitive compared to international brands present in the country proved difficult.

Lebanon is now at a crossroads though, where imports have become almost impossible to secure and the purchasing power of the Lebanese is at an all-time low. This is an opportunity to truly revive local craftsmanship and potentially boost the Minjara project enabling the project to navigate the current circumstances.
It is very rare to find crafts in the area of Akkar, where the number of tourists is not as high as in Tripoli and Al-Mina and hence the occupation is not lucrative and cannot support livelihoods.

The Old Souks

The old souk of Tripoli dating from medieval times includes nine old souks most notable the Attareen (Fragrance Makers), Nahasseen (Copper Welders), Soap Khan, and Khayateen (Seamstresses). The Tripoli mosque is also a destination, as well as the old roman baths. Tripoli has experienced safety and security concerns in the years following the civil war, with some neighborhoods becoming dangerous at times notably during armed conflict and security issues related to socio-political tensions. In the past years, the presence of more than 300,000 Syrian refugees who have settled in Tripoli and its surrounding area since 2011 has also contributed to social tensions. Such a combination of factors have often made it challenging to promote Tripoli as a tourism destination. As a result, little has been done to preserve and renovate the souk's architecture or infrastructure. For instance, Tripoli is famous for its soap-making. different colors, shapes, and fragrances are displayed in Khan al Saboun. However, the Khan

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[17]Rural Tourism Value Chain Assessment, USAID, 2014 https://pdf.usaid.gov/pdf_docs/PA00K5X1.pdf

Soaps of different colors, shapes, and fragrances are displayed in Khan al Saboun. However, the Khan was built in the 16th century and is in desperate need of restoration, like most heritage sites in the city.

The poor state of the souks has driven tourists away for many years, although Tripoli experienced somewhat of a comeback in 2018 and 2019, before the onset of the revolution. This however indicated the potential to revive the city's souks and better promote traders and craftsmen who are located at the different souks. International donor programs have contributed to renovations at a few sites like Khan al Askar (soldiers' caravanserai), Khan al-Khayateen (tailors' market), and the Hammam Izzedine.

Meanwhile, though, the souks have suffered tremendously from the lack of stability brought about by the revolution, the ensuing COVID-19 pandemic, and the total financial and economic collapse of Lebanon.

The Akkar area does not have similar facilities or shopping experiences. It does however host a fresh fruit and vegetable Souk established by Emkan NGO near Bebnine and Al Abdeh roundabout at an accessible location for residents of Tripoli or visitors from Beirut. This however is less of a tourist magnet and more of a local project targeting residents of the area to better promote local produce.

Tourism Information and Promotion Centers

The Ministry of Tourism is the main public entity in charge of promoting tourism and Lebanon largely lacks the decentralized approach to tourism promotion through tourism information and promotion centers at the municipal and city level. Few cities like Batroun and Jbeil-Byblos have tourism information centers, although these are often badly maintained and have outdated information. Most are closed because of the lack of funding and support by the government. Some have moved to create online platforms with funding from or support from international donors. The Jbeil-Byblos municipality for instance received funding and support from USAID to develop a tourism website highlighting all key destinations and things to do in Jbeil-Byblos and its surroundings. Tripoli and the North of Lebanon do not have any substantial tourism promotion platforms. The Ministry of Tourism has a branch in Tripoli although it is not a prime reference for tourists and does not support the promotion of the area. Some websites like www.destinationlebanon.gov.lb are meant to highlight Lebanon's different regions and do have sections for Akkar and Tripoli, although the information provided is limited and the website itself is not sufficiently advertised.

There are no regional marketing and communication strategies for Lebanon's various destinations nor is the rural tourism strategy or any other strategy being implemented at the time being. In the absence of such a long term and structured vision, tour operators have stepped in to act as marketers of various destinations, and lodging outlets play a key role in attracting tourists to the different regions.

Moreover, in recent years, the Ministry of Tourism has reduced the budget allocated to promoting Lebanon as a tourism destination abroad, most notably by limiting the activities of the Paris-based tourism promotion board for France. The tourism board in Paris was the most active entity in promoting Lebanon as a tourism destination abroad. Moreover, participation in tourism fairs has been limited as funds were not available. In the past year, Lebanon had planned to attend the ITB Berlin fair which was subsequently canceled because of COVID-19.

Opportunities to promote Lebanon outside of the country are close to nil given the current situation. There are nevertheless significant opportunities to promote various destinations to the Lebanese, most using social media and digital communication. The Lebanese are highly responsive to social media communications and advertising. In recent years, various blogs and pages have emerged with a mission to promote the country and its different cultural, historic, culinary, and other experiences. This includes livelovelebanon.com an initiative originally launched in partnership with the Ministry of Tourism, eventually becoming an independent platform that grew very big on Instagram where the page Live Love Beirut has over 520,000 followers. The movement spawned many different pages on Instagram from Live Love Lebanon to Live Love Batroun, Live Love Beirut, Live Love Akkar, etc. but the most significant one remains Live Love Beirut with its large number of followers. It consistently highlights unusual destinations across the country and places that are less popular among both local and international tourists. Live Love Akkar nevertheless has more than 5,000 followers on Instagram and posts very tempting visuals of the area's nature and culture. Live Love Tripoli has more than 50,000 followers. A second Live Love Tripoli page exists with 23,200 followers as well.

Tour operators like Akkar Trails are also playing a key role in promoting destinations. Akkar trail has more than 13,000 followers. It not only provides information about hiking routes and trails and events organized by the operators, but also creates awareness about the importance of forests and their protection, and about different flora and fauna found in the area. Accommodation outlets too play an important role on social media like Via Mina which has over 1,800 followers on Instagram and posts attractive images of the hotel and facilities.

Social media has played a very important role in the promotion of new destinations in Lebanon. Beautiful images have drawn Instagramers to some attractions making them suddenly immensely popular, such as the Baloua Gorge in Tannourine, a now Instagram famous rock near Chabrouh damn, and many others. This means that Facebook, Instagram and Twitter can be leveraged to create or increase awareness about destinations draw tourists, and create positive images about regions like Tripoli that have long suffered from negative perceptions.

DETAILED RECOMMENDATIONS

Enabling Environment / Public Sector: Key Players	Short- Term	Mid-Term
Ministry of Tourism	• Carry out an impact assessment to identify the most affected sub-sectors and businesses in light of the COVID-19 pandemic and economic crisis. • Engage with all key stakeholders for the development of a crisis response tourism action plan targeting local tourists for rural, ecotourism, and adventure tourism to Tripoli and Akkar.	• Re-assess rural tourism strategy developed in 2016. • Invite all key stakeholders to take part in brainstorming meetings and discussions about tourism in the North of Lebanon and the most attractive positioning for Tripoli and Akkar. • Draw lessons learned from the rural tourism strategy to develop a local strategy for Akkar and Tripoli, focusing on adventure and ecotourism in Akkar;

		cultural, environmental, water sports tourism in Tripoli. • Support the establishment of tour operators specialized in Tripoli / Akkar. • Deliver in-depth capacity building to tour guides to expand their knowledge in the fields of ecotourism, culture, rural tourism, etc. • Create nationwide awareness campaigns about Tripoli and the Akkar area by using established channels such as Live Love and other travel bloggers. • Develop a website highlighting culture, nature, and adventure in Tripoli and Akkar.
Ministry of Transport	• Carry out an assessment of road networks leading up to Tripoli and more remote areas in the region of Akkar to identify any need for roadworks and improvement of road infrastructure. • Develop a strategy for the development of public transportation and the introduction of safe and sustainable transport options for foreign and domestic tourists visiting the North.	• Introduce sustainable solutions addressing the issue of transportation to the North of Lebanon. • Improve roads and access to the Akkar area.
Directorate General of Civil Aviation	• Carry out economic studies and assessments to identify challenges brought about by COVID-19, impact on airlines and routes, and any contingency in the wake of an extended COVID-19 impact on international travel • Review and assess COVID-19 safety and security measures on an ongoing basis by looking into international trends and developments, liaising with the international community to implement similar measures while attempting to encourage tourists to visit Lebanon	• Introduce new bilateral agreements with more airlines, providing more opportunities for travelers to reach Lebanon • Work on better competitiveness and on stifling the returning monopoly of MEA on air travel • Restore low-cost airline flights (Transavia, Ryanair, etc.) and support the introduction of more low-cost options to lure adventure and rural tourists who are not usually high spenders

Chamber of Commerce, Industry, and Agriculture of Tripoli and North Lebanon	• Provide market research, business planning, capacity building, training and coaching, financial consultancies, and technical expertise to tourism MSMEs through the Business Incubation Association in Tripoli (BIAT) • Use any resources available through the EU CBC MED program, before it ends, to highlight the importance of tourism in Tripoli and Akkar and try to create a tourism masterplan for the area	• Participate in any future donor-funded programs targeting the tourism value chain in Tripoli and/or Akkar • Engage in stakeholder meetings and discussions around the importance of rural tourism and contribute to the development of a Akkar/Tripoli strategy
IDAL	• Align with Ministry of Tourism on crisis response strategy tackling domestic tourism and rural tourism promotion • Begin developing a tourism promotion plan that takes into consideration the Ministry of Tourism's latest rural tourism strategy, promoting 'unusual' or atypical tourism destinations including Tripoli and Akkar	• Promote foreign investments into Lebanon's rural, adventure, environmental, and cultural tourism sector • Publish reports on the potential of these types of tourism in Lebanon, target audiences, benefiting tourism operators, etc.

Civil Society	Short- Term	Mid-Term
Lebanon Mountain Trail Association	• Play a key role in promoting rural and adventure tourism in the North of Lebanon through awareness, communication, and targeting of domestic tourists across Lebanon • Promote guesthouses that are located on the LMT to generate traffic and footfall at the local accommodation outlets • Promote local guides and encourage Lebanese tourists to seek their services while in the area	• Participate in stakeholder meetings for the fine-tuning and development of the Ministry of Tourism's rural tourism strategy • Provide consultations, expert advice, and support for the development of a rural and ecotourism strategy for the Akkar area. • Continue supporting more guesthouses and guides, by providing capacity building and promotional support through communication and advocacy

	• Train and develop the capacity of key players such as guides, tour operators, guesthouses, etc. in better promoting rural, sustainable, environmental, and cultural tourism	
Local NGOs	• Connect RI and other key players with vulnerable households, individuals, and communities in need of support and who could work in the tourism sector • Identify those who could benefit from training and capacity building/skills development. • Identify any synergies from previous and ongoing programs to avoid duplication and complement each other's work	• Participate in the implementation of the tourism strategy for the North of Lebanon specifically for Tripoli and Akkar areas • Join any meetings and share know-how, expertise, networks, and contacts for the effective implementation of the strategy. • Introduce any new notions and actions required within existing projects to tackle rural/ecotourism, environmental and cultural tourism
INGOs	• Develop in-depth value chain assessments for tourism in Akkar and Tripoli, identifying all key players and their roles, identifying gaps, challenges and opportunities, and developing recommendations and tourism-related programs for consideration by international donors • Share know-how and expertise, understanding of the sector, and contacts/networks of use to RI in implementing its program	• Introduce rural/ecotourism angle in any existing programs and projects and support the implementation of the Ministry of Tourism's rural strategy and any local strategies developed for Tripoli and Akkar • Raise funds for effective and relevant programs targeting the tourism value chain in Tripoli and Akkar, involving local NGOs and key players identified by RI in this study.

Other Entities	Short- Term	Mid-Term
Financial Institutions – Access to Finance	• Start thinking of alternative financing models. Benchmark international best practices such as the new law on crowdfunding that was passed in Tunisia to support MSMEs.	• Set-up a microloan program for the tourism sector in Tripoli and Akkar

	• Map and develop a network of angel investors who could support the tourism sector in Tripoli and Akkar • Work with microloan providers to work with the tourism value chain in Tripoli Akkar • Work with IDAL for foreign direct investments and promotion of the tourism sector • Map and identify all microloan providers who could venture into this sector and region • Work with Kafalat on contingency and crisis response plans to support restaurants and travel accommodation in Tripoli and Akkar	• Bring back traditional financing models upon improvements in the banking system and changes in the current status quo. Work with banks to create flexible and easy loans that are based on needs

Key Tourism Players	Short- Term	Mid-Term
Tour Operators	• Update the Ministry of Tourism's mapping of all existing tour operators in the region (including MSMEs and independent workers), with an assessment of each and short-listing of the most potential ones based on key criteria • Develop a network of credible and reliable local tour operators from the areas of Al Mina, Akkar and Tripoli to support the promotion of the destinations among domestic tourists • Provide capacity building to tour operators to enhance their know-how and expertise in rural, environmental and cultural tourism. Training can include detailed and in-depth overviews of the definition of rural, environmental and	• Support the creation of new specialized tour operators (specialized in adventure tourism, cultural tourism or other key aspects that can benefit the area) • Provide technical assistance to tour operators in terms of marketing and selling their services, reaching larger audiences and marketing specialized services • Plugin to the rural tourism strategy and any Al-Mina, Tripoli, and Akkar focused tourism strategies to support the implementation and to partner with key players • Create a dedicated section on Al-Mina, Tripoli, and Akkar (North Lebanon) tourism website for tour operators with categories: independent tour

	cultural tourism, what types of services and products to offer under each, how to promote each, how to specialize in each, and which key players to work with • Develop 'specialized' tours in culture, such as archeology, specifics in ecotourism such as bird watching, or specifics in an adventure such as climbing, etc.) • Work with large Beirut based tour operators to promote Akkar and Tripoli among local tourists. This may include national campaigns but more importantly joint marketing efforts and stronger cooperation between key players	guide, small business, etc. • Engage in efforts towards targeting international tourists (once COVID-19 permits)
Accommodation	• Map all existing accommodation in the region (including MSMEs and independent workers), with an assessment of each and short-listing of the most potential ones based on key criteria • Provide capacity building to guesthouses and alternative accommodation for marketing, communication, quality standards, hygiene (especially in light of COVID-19), COVID-19 response and safety measures, hospitality, cooking, and food safety • Support accommodation outlets by creating linkages with marketing platforms that can help multiply their efforts	• Continue providing technical support, training, and assistance Link to aggregators and online marketing platforms to reach international markets as well as local markets • Create a dedicated section on Al-Mina, Tripoli/Akkar tourism website for accommodation with categories: hotels, guesthouses, motels, etc.

Restaurants	• Provide training on safety, hygiene, and security measures related to COVID-19 • Support marketing and communication efforts as part of a broader strategy of promoting Tripoli and Akkar as culture, adventure, and ecotourism destinations • Provide financial support or stimulus package to help restaurants survive the COVID-19 and economic crisis or support in access to finance through alternative financing models such as crowdfunding, angel investments, microfinance organizations, etc. • Support in identifying international donor programs that can benefit restaurants	• Provide training on food safety and food security, marketing and communication efforts, etc. • Provide support in accessing loans and alternative financing models to sustain activities
Tourist sites	• Provide support in promoting destinations and tourism sites, especially amidst COVID-19 by showcasing safety and security measures • Create linkages with tour operators, travel accommodation outlets, public institutes, NGOs, and other key players in including tourist sites as part of their promotional efforts • Organize a webinar bringing together all tourism sites of the area, tour operators, and accommodation outlets to present their sites and provide recommendations to tour operators and accommodation outlets on how to portray and market the sites	• Create tourist 'routes' and maps showing all attractions, including untraditional and unusual ones, with information about each, how to reach them, what to see when there, and a description for sharing with all tour operators • Include tourism sites on the Tripoli / Akkar tourism website. • Develop a masterplan for the rehabilitation of tourism sites

Retailers	• Map craftsmen, traditional and tourism retailers to identify gaps and needs, and develop an action plan • Identify any existing programs working with craftsmen and traditional retailers to either support their implementation or introduce new activities to support them	• Develop a masterplan for the rehabilitation of old souks and tourism-oriented retailing outlets • Integrate retailers in the Tripoli/Akkar tourism website, with contact details, address and information
Tourism Information and Promotion Centers	• Map and identify all existing tourism promotion platforms and centers whether they are offline or online • Create a database of these platforms, with a clear indication of which one can be used by key players along the tourism value chain in Al-Mina, Akkar, and Tripoli • Create an integrated tourism center in Al-Mina (space available to be rehabilitated with the Municipality) to service the entire region from there, including access to services such as tourist guides, tour operators, bus and boat tours, day trips, weekend packages, and more	• Create the Tripoli/Akkar tourism website as the centralized tourism information center for the region and include linkages to any other platforms where necessary • Create one physical center at a location in or near Tripoli or Al-Mina, providing information on culture, rural and ecotourism in Tripoli and Akkar. Use the space for training, capacity development, tourism-related gatherings, and other small events

MAIN JOB CREATION PILLARS

<table>
<tr><th>Job Creation Pillars</th><th>Description</th><th>Impact on Decent Jobs / Child Labour Reduction</th></tr>
<tr><td>Capacity Building</td><td>• Tour operators and travel agencies can hire specialized guides (culture, ecotourism, adventure, etc.) who attract tourists looking for specific experiences
• Specialized guides can also launch a career as independent guides.
• Well trained individuals with cooking, food safety, quality standards, COVID-19 safety standards can find employment at accommodation outlets, restaurants and retail outlets.</td><td rowspan="2">• Sustainable and decent jobs for low-skilled, semi-skilled and high skilled can be created allowing children to get the right education and eliminate the threat of child labor.
• Training can equip individuals with the skills needed to access decent jobs for parents.</td></tr>
<tr><td>Tourism Center in Al Mina</td><td>• Administration and management staff for the center will be required.
• Bus / boat tour operations can be bolstered through the center and will create jobs for drivers, guides.
• Better exposure for tour operators and other services will lead to growing sales and better prospects, allowing them to eventually recruit.</td></tr>
<tr><td>Campaigns & Communication</td><td>• Design and development of the website can be done by proficient freelancers or companies based in El Mina.
• Creative campaigns can also be commissioned locally to create work for freelancers or local companies.
• Communication material in general will generate work for advertising companies, IT companies, printing agencies, digital marketing companies, etc.
• Communication efforts will increase tourism demand in El Mina and the North region, creating more work and employment potential for all key players along the value chain.</td><td>• Communication creates jobs for skilled individuals, with a special appeal for the youth, allowing them to sustain a living, get married and provide for their families (including securing education for children)</td></tr>
</table>

HORTICULTURE

SUMMARY OF CHALLENGES AND OPPORTUNITIES

Findings from the field study helped to identify key trends and shed the light on the current state of the sector. According to the Ministry of Agriculture, the sector is also affected by the country's situation and is suffering from the monetary situation as well as the economic crisis. Farmers are still working for now, but a prolonged crisis leads to a wide degradation of the sector. The exchange rate is affecting farmers' capacity to purchase a broad range of agriculture-related products including pesticides, crops, seeds, and all products used in plastic houses. Packaging material, equipment, and machinery are also difficult to import and pay for at the time being. Greenhouse owners are also unable to invest due to the high cost of maintenance. According to the Agriculture Department in Akkar, the Ministry cannot adapt and follow a strategy to address the current obstacles and challenges facing farmers due to the lack of resources.

The major concern is that farmers may decide to pull out of the market and leave their lands unattended as buying and selling both become a burden to them with income decreasing and profits impossible to generate. Inefficiencies, lack of know-how, and poor practices further aggravate the situation. According to the Lebanese agricultural research institute in Akkar, farmers in the area spend too much of their income on fertilizers and pesticides that are neither relevant nor helpful due to their lack of knowledge and poor agriculture practices.

Moreover, imported products are competing with locally made fruits and vegetables. Rather than innovating in the type of crops that are imported, traders tend to import what already exists on the market. This, combined with the cost of production which the research institute says has increased by some 400%, is making farmers' lives increasingly difficult in an area that largely depends on agriculture. Consumer prices are not being monitored or fixed by the government, which impedes the possibility to increase sales and generate profits. Mada Association[18] reports that many small and mid-sized businesses have had to close down operations, including seed distributors and distributors of agro-food products, as well as small factories including dairy production factories because of the high cost of production and difficulty in covering those costs.

Despite all these challenges, Mada Association believes that the agriculture sector still offers an important potential for residents of the area, notably due to the restrictions on importing caused by the COVID-19 pandemic. This created some opportunities and saw many farmers return to their lands. Moreover, as the Beirut explosion had tremendous repercussions in the area, many residents of the North have lost their jobs and returned to their villages in a bid to find new and local sources of income.

[18]A key informant Interview with Mada Association was conducted on 10th of September 2020 by the Relief International team.

CHALLENGES			OPPORTUNITIES		
Smuggling and illegal trade, including from Syria	Political isolation of Lebanon by GCC countries could affect exports	Lack of investments	Lebanese returning to their lands / villages due to covid, unemployment	Potato is the leading product for exports in Lebanon	Akkar area is the leading region for potato production, greenhouses
"Ageing" of the sector with no young workers / entrepeneurs	Monetary situation, economic and financial collapse	Climate Change affecting crops	Technology integration and innovation can contribute to improvements	Large size of the workforce who can be employed in this sector	Consolidation of cooperatives' role can bring significant added value
Rising cost of inputs, including agri-chemicals, seeds, fertilizers, etc.	Lack of know-how to improve quality, efficiency and exports	legal but unregulated competition from Egyptian and other products	Greenhouse cultivation can be modernized and improved much further	Availability of arable land and adequate climate	Potential for better local and international distribution

Figure 3: Summary of Challenges & Opportunities in Horticulture

DEMAND

Potato

Lebanon is already a major exporter of potatoes to the region and the world, also with a large local consumption and a competitive position in regional markets. Production and exports had been rising steadily before 2008, reaching 515,000 tons that year.[19] Production was impacted by the Syrian war and the difficulty of reaching regional and international markets in 2011 and 2012, but the market bounced back as exporters found new routes and access to markets. Exports mainly reach regional countries in Jordan, Syria, and the GCC (Saudi Arabia, the UAE, and Kuwait). And while Syria used to be a major market before 2011, GCC markets and Jordan have subsequently replaced it. Exports to Russia have also increased.

That said, with the onset of the economic-financial crisis and the ensuing rising cost of seeds, Lebanese potatoes may no longer be competitive for export markets as farmers attempt to make up for the heavy losses incurred in the domestic market by increasing their prices.

On the other hand, the demand for and consumption of processed potato products has been on the rise, although Lebanon can produce such products locally. With the current crisis, imports will be more difficult as costs and prices rise, thus creating an opportunity for local processors. That opportunity though comes with elevated costs for factories and producers, which could make it difficult for them to sustain operations.

Domestic production covers around 75% of total consumption which is around 300,000 tons. Imports are still prevalent with 90,000 tons coming from abroad, mainly from Egypt and Syria, without factoring in illegal trade and smuggling which has been a major and escalating issue in recent years. The Akkar area is the main region for potato growing in Lebanon, with an output of over 80,000 tons per year.

Citrus

The production of all citrus varieties including oranges, lemon, and lime combined make up for around 200,000 to 280,000 tons per year in Lebanon[20], therefore, smaller in size than potato production. Exports are close to 60,000 tons per year, and the rest caters to the local market. Lebanon is almost self-sufficient in citrus and competes regionally with some other major

[19]Jobs in North Lebanon: Assessment of Potato Value Chain, WorldBank 2017, http://documents1.worldbank.org/curated/en/425381511946041218/pdf/28-11-2017-9-53-30-LBNVCPotatofinalSK.pdf

producers such as Egypt which is the leading supplier of citrus to the region. Oranges are the major product in demand regionally and make up for almost half of total export value sales. Major export markets include Syria, Kuwait, the UAE, Saudi Arabia, and Iraq.
Lebanon imports a small volume of citrus products each year given the availability of local products to cater to the majority of the market.

Greenhouse Cultivation

Greenhouse cultivation is still limited in Lebanon despite the existing opportunities in this subsector. The Akkar area is however home to the majority of greenhouses in Lebanon which creates opportunities for employment and further development in the area. Few donors have been active in this sector, with most interventions discontinued or left incomplete once the donor programs end, either because of the lack of cooperation of local stakeholders or because of the absence of a continuity plan to ensure sustainability once the funding and project are over. A more recent intervention is the ILO's which is a part of a project launched in 2019 to improve prospects of forcibly displaced people. Within that project, the ILO is tackling the horticulture sector through a market systems approach. The objective of the ILO is to create decent job opportunities for both Lebanese host communities and forcibly displaced Syrians. To achieve this, the ILO used an Inclusive Market Systems (AIMS) to look at ways to develop the Lebanese greenhouse horticulture sector. The ILO follows a two-pronged approach that seeks to improve livelihoods for both Lebanese farmers and Syrian workers in the sector. Their study identified opportunities apparent in the horticulture sector are however different for the Lebanese and Syrian communities. It highlights that for Lebanese farmers, the opportunity lies in strengthening horticulture as a business and unlocking potential for increased competitiveness, profitability and thus income, whereas for both Syrian and Lebanese agricultural workers it remains imperative that the form and direction of sector growth creates new opportunities for long-term employment with fair wages and under saver conditions.[21]

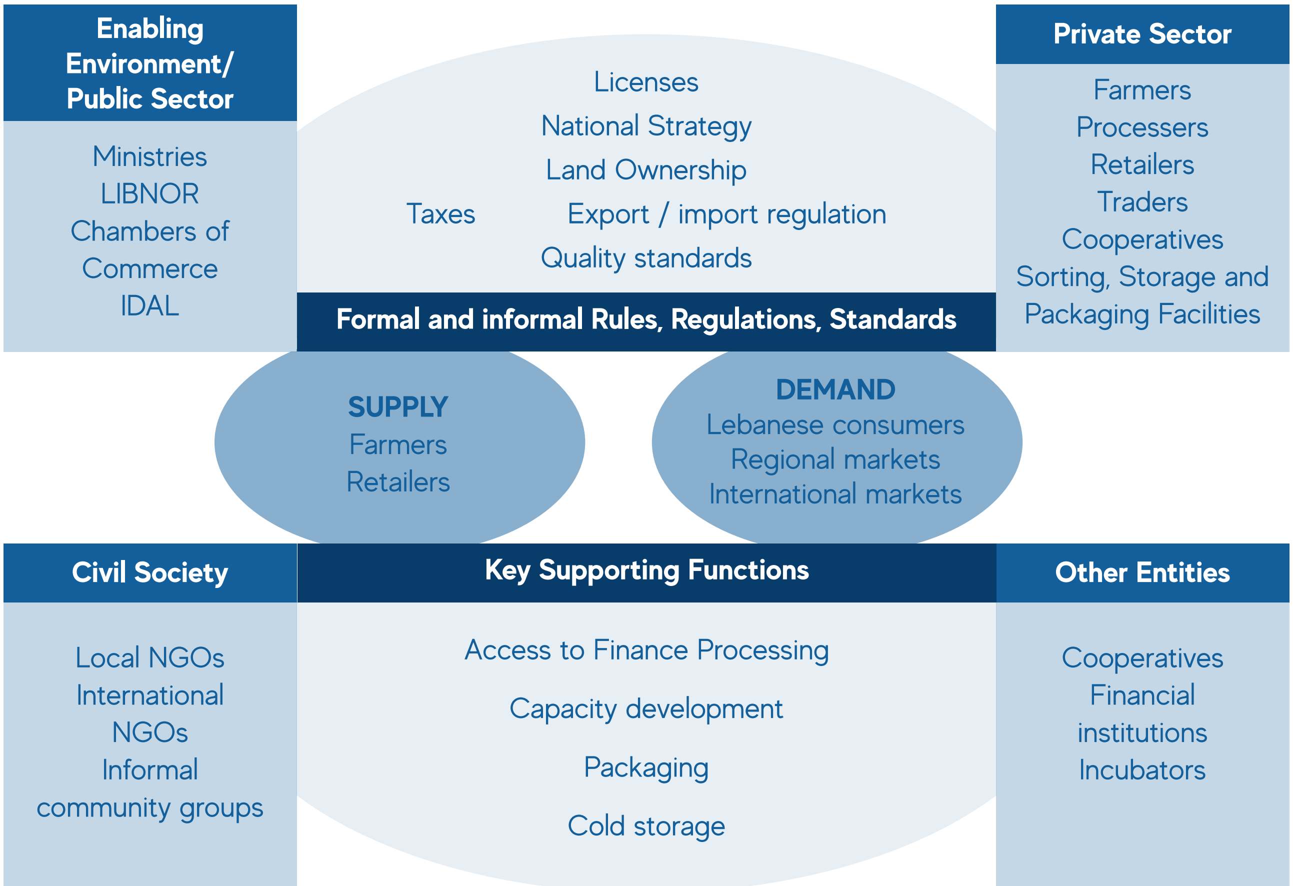
There are significant opportunities to improve technology integration and innovation in the sector, including through the adoption of hydroponics for example. To date, Lebanon's greenhouse cultivation remains very traditional in comparison with global trends and would greatly benefit from some modernization.

Crops cultivated in the greenhouse include tomato, cucumber, pepper, eggplant, lettuce, and iceberg, all of which are highly demanded crops locally, regionally, and internationally. Under greenhouses year-round production is possible, allowing producers to overcome the seasonality issues and fill the gap during the low season for some of these crops. Tomatoes and cucumbers are the most consumed vegetables worldwide. A good variety available in Lebanon offers a strong possibility for exports, notably of tomatoes.
Byproducts such as sauces, pickles, and others can support export potential. Fancy products such as cherry tomatoes and cocktail cucumbers have seen their popularity grown rapidly in recent years.

The cultivation season in greenhouses differs from region to region but mostly spreads from March till mid-August and from early September to December.[21]
The ILO, is involved in a project on greenhouse vegetables in the Akkar area, and the main objective is to modernize the greenhouse structures to increase productivity and improve the working conditions of both refugee and host communities. The ILO will work with market actors, namely the input suppliers, to support through demo trials with a group of farmers to demonstrate the positive impact of upgrading greenhouse structures on the yield, and sales overall. Additionally, there will be capacity building component to build the skills of the workers in the greenhouses, in parallel with upgrading to upskill and ensure they are aligned with the modernized production techniques.

[20]Citrus Cultivation, Blominvest, 2016 https://blog.blominvestbank.com/wp-content/uploads/2016/06/Citrus-Cultivation-Lebanon---s-Sour-Sector.pdf
[21]Value chain analysis of (greenhouse) vegetables in Lebanon, Wageningen University & Research, 2017

MARKET SYSTEM - MAJOR FUNCTIONS



Farmers

The majority of potato farmers in Akkar are small and informal farmers, who also grow their crops for their consumption. Farmers in the area used to benefit from the close access to Syria for exports by land. The war in Syria disrupted transport channels and export routes. Export volumes of potatoes, therefore, remain low when compared to production and import numbers although potato is a major export product for Lebanon. This is a large-scale sector with an estimated 650 farms; creating 3,600 jobs in Lebanon. But its potential is far greater than the current performance.

Farmers are not only struggling from the difficult access to foreign markets, but also from the competition, notably by Egyptian potatoes for example, which have taken the Lebanese market by storm. Legislation and regulation are needed to introduce restrictions and laws that can support farmers, deter exports and encourage them to continue their operations rather than withdraw from the market. Technically and operationally, Lebanese production can suffice for the market's consumption, although local prices cannot help them to sustain profits as they do not cover production costs. Farmers will have to significantly increase prices to cover their costs or boost exports significantly.

Moreover, the cost and cost of maintenance of the needed equipment is another constraint for farmers. This includes irrigation systems, tractors, and others that may need replacement or fixing. Potatoes are prone to diseases and require such approaches to deter any diseases and improve the quality of outputs in a way that can sustain exports.

Potato farmers in Akkar mainly grow the Spunta variety which is most in demand for local and regional markets, as well as for processing factories producing frozen fries and chips. They also grow the Agria varieties for export to the EU and Hermes for Russia. The potato harvest in Akkar begins in April and ends in June and planting begins again in December. As of 2015, Akkar farmers produced around 75,000 tons of potatoes according to the ILO's value chain analysis. The same report indicates that 30,000 tons are consumed locally, while the rest is exported.

Citrus farming is facing similar challenges to potato, although this crop is decreasingly interesting for farmers who do not reap significant benefits and profits from growing them. Many citrus farmers have shifted to avocado which is yielding much higher revenues and profits because of stronger demand and higher prices. Citrus is suffering from inadequate and inefficient packinghouses, mechanical damage due to inappropriate packing, and lack of sanitation which instigate post-harvest losses of 5%-15%. Poor storage and post-harvest capacity also affect the sector. This in turn affects the farmer's income and their livelihoods.

Production of vegetables in greenhouses is facing the same challenges as all vegetable farming in Lebanon in light of the financial and economic collapse. The rising cost of inputs including pesticides, any grains, and material is not being met by a proportional rise in the price of products, which has led farmers to experience major losses. Farmers would normally generate a 35% profit and are now reporting up to 40% in losses. Vegetable prices will eventually adjust as they gradually increase in the next year, but meanwhile, farmers are threatened to go bankrupt. Moreover, with wholesalers controlling the market, smaller farmers have little control over market needs and demands and cannot contribute to boosting their sales. Greenhouse farmers need to adopt better agriculture practices, optimize the use of and work with more modern greenhouses that would result in higher productivity.

Processors

In Lebanon's horticulture sector, although there is some interest in processed products among busy urban consumers, Lebanon is a country in which fresh produce is always preferred to processed alternatives and this is because of the very high importance of fresh fruit and vegetables in the country's cuisine. Fresh fruit and vegetables are very widely available from neighborhood greengrocers as well as open markets and modern retail outlets and prices tend to be very reasonable, which presents a serious challenge to processed fruit and vegetables. The local cuisine makes use of vast amounts of tomatoes, potatoes, and cucumbers, as well as spinach, green beans, and green peas.

Potatoes and citrus offer the highest potentials in horticulture for processing. Increased citrus farming would increase the possibility to venture into fruit juices. The fruit juice sector in Lebanon is dominated by foreign brands none of which are 100% fresh. Lebanon could be producing real fresh juice like Balkis or boosting the production capacity of brands like Balkis to cater to the local market and this of course would add value by bringing a fresh, natural, and local product in competition with existing foreign brands that may become increasingly expensive as well. Yet to date there are few local juice producers, aside from Balkis, who can compete with international brands. According to the CBI, only fresh juice producers use fruits produced in Lebanon[23]. Meanwhile, producers of juice made from concentrate import concentrate from abroad and reconstitute it in Lebanon.

[23]Value Chain Analysis Lebanon Fresh Fruit and Vegetables, 2018 https://www.cbi.eu/sites/default/files/market-information/2018_vca_lebanon_ffv.pdf

The processing of potatoes is more successful in Lebanon, partly because of the various donor interventions in that sector. There has been some work by the Embassy of the Netherlands and the Rene Moawad Foundation on export standards for exporting to the European Union and further work done by the ILO as well as the Italian Agency for Development Cooperation and other donors. This has benefited some commercial processors like Daher Foods-MasterChips for example which launched new potato chip varieties boosted its exports, and is the undisputed leader on the Lebanese market.
According to ILO, there were around also around 25 sorting and packing facilities in the North of Lebanon mostly handling fruit and vegetables for export markets or high-end shops in Beirut. Sorting and packing facilities are concentrated in Zgharta, although the number of sorting and packing facilities had been increasing in Akkar before the crisis. With the right packing, products find it easier to compete and reach international markets.

Retailers

Retailers in the horticulture value chain mostly include small grocery retailers, 'dekkeneh' and 'khedarjeh' that sell directly to consumers. For products to reach the small grocery retailers or larger ones, farmers sell their products in specialized markets where farmers and traders converge to buy and sell products at a given period. This allows farmers to get their products to market without having to incur costs and logistics. They do however lose some of the value as the products are sold at lower prices. Farmers also sell through contracts to traders, exporters, or factory owners. Farmers in the Akkar region also sell directly to buyers at their homes and/or farms. Farmers are nevertheless more often dependent on traders, who can negotiate prices in their own favor because the farmer is sometimes in debt to traders for the cost of seeds, fertilizers, and pesticides.

The vast majority of vegetable production in Lebanon is sold through the wholesale markets in Saida, Beirut, and Tripoli as well as other smaller wholesale markets. As there is only one wholesale market in each major city, farmers do not have many options. Akkar farmers sell vegetables through the wholesale market of Tripoli Wholesaler markets are the major platform for local and international sales of vegetables. Wholesalers work on a commission that can range from 7 to 10%. They sell to a variety of buyers but do not generally organize logistics or transportation.[24]

Traders (seeds, pesticides, fertilizers, etc.)

Traders are the most influential and dominating actors along the potato value chain and generally in horticulture. They manage and develop relationships with external markets and local distributors and retailers. They purchase merchandise from farmers and market it to all regions. Moreover, they secure the needed inputs for farmers to sustain their operations.

There are various traders of seeds, pesticides, fertilizers, and other supply inputs servicing the Akkar area. Many of the larger companies supply different types of products and brands at once, to diversify their business and income sources. Those large companies, such as Robinson Agri and Unifert operate nationwide rather than catering only to the North of Lebanon or to a specific area. Few small companies are located in the North and cater only to that region.

Prices are generally fixed and do not fluctuate throughout the year, although decreasing imports and increasing demand may drive prices up. This is especially true for insecticides and products dedicated to the treatment of sudden diseases. Payment facilities provided to farmers

[24]Lebanon Horticulture Market Systems Assessment, ILO, 2020

included payments by installments, especially to other traders and big farmers that are trustworthy and with whom companies are accustomed to working. That said, the recent economic crisis has prompted companies to shift to payments in full, in cash only. Large companies sometimes offer discounts on unsold products such as disease treatments and rarely used pesticides.

All products are imported from the European Union because none of them can be produced in Lebanon. This is causing concern amidst the unfolding crisis with prices rising to all-time highs. Many farmers are now unable to afford the cost of pesticides and fertilizers, and this is having a direct negative impact on the market and the horticulture sector as a whole. There are concerns that many will go out of business or abandon their lands, leading to food shortages for local consumption as well as a decrease in exports. The seed is notably the most expensive item in the overall cost of potato production. Prices vary depending on the type and quality of crops and seeds purchased. This means that buying seeds from cheaper sources or switching to other kinds of potato that have higher production yield could decrease the cost of production, enabling farmers to increase profits and allow exporters to compete in the international market, but this is a challenge and it is not necessarily easy to identify cheaper sources and seeds.

Cooperatives

Many fruit and vegetable cooperatives in Lebanon manage sorting, packaging, and cold storage post-harvest facilities. Despite their presence, few farmers are interested in joining the cooperatives because of their lack of efficiency and effectiveness in solving major issues faced by farmers. Most cooperatives tackle essential services yet overlook inherent issues that are affecting fruit and vegetable growing and production.

Lebanon has at least one specialized cooperative for citrus farmers, although its role is minimal and does not support farmers effectively nor does it help to solve the issues that are plaguing the sector. Cooperatives focusing on citrus should help tackle new production methods, address issues with the cost of pesticides and fertilizers, irrigation, and harvest issues. This applies to potato cooperatives too, despite the size and importance of the sector. While potato cooperatives exist in the North, they have very low participation among farmers and processers. Cooperation between and across farms is limited because of the absence of a community feel and culture of support for one another. Lebanese farmers tend to compete with each other, as is the case across industries of the country where competition often overshadows cooperation to benefit an entire sector. More cooperation would benefit farmers whether in the purchase of seeds or other inputs, in storage, logistics, business development, marketing, and more.

Sorting, Storage, and Packaging Facilities

Attractive and convenient packaging is an essential ingredient for successful exports. Without the right branding, labeling, and packaging Lebanese products cannot compete on global markets. There are a lot of creative Lebanese talents who can contribute to strong and robust labeling and packaging for Lebanese produce, but also to creating more sustainable packaging that can be locally made instead of being imported from abroad. Moreover, poor storage is hindering the possibility of exporting because of reduced shelf lives.

Most storage and packaging facilities are located in Tripoli and Zgharta and the region is estimated to have close to 25 sorting facilities according to a 2015 ILO value chain assessment.[25] Akkar also has a growing number of sorting and packaging facilities although they are small family-owned businesses competing with each other and adding little value to the sector in general. They would benefit from working more effectively with each other or from consolidating efforts into one larger center that can cater to a larger number of farmers and integrate more cutting-edge technology and automation for more efficiency.

[25]ILO, Potato and Leafy Greens Value Chain Assessment, 2016 https://www.ilo.org/wcmsp5/groups/public/---arab-states/---ro-beirut/documents/publication/wcms_449868.pdf

DETAILED RECOMMENDATIONS

Enabling Environment / Public Sector: Key Players	Short- Term	Mid-Term
Ministry of Agriculture	• Short-term crisis response strategy to address the immediate issues affecting the sector including the high price of products and services such as seeds and fertilizers, pesticides, etc. • Carry out a new and broad-ranging study on the market system's strengths and weaknesses, drawing from results of existing studies and more recent analysis, to identify solutions that can ensure the survival of the sector. • Support export strategy and implementation of quality standards for export to Europe, the GCC, and the rest of the world, securing fresh dollars to MSMEs and farmers and allowing them to sustain their operations.	• Introduction of wide-ranging training programs in coordination with international donors, NGOs, and local training and technical and vocational training centers: topics to include how to reduce the use of pesticides, modern farming techniques, the impact of climate change on crops, and how to mitigate those, etc. • Tackle crops variety, the introduction of new varieties in both citrus and potatoes, better use of crops, and how to maximize outputs and quality • Develop a national vision on sustainable horticulture farming and production. • Change the image of horticulture among the youth through communication campaigns, positioning it as an attractive sector to work in. Change the face of the sector from one that is dominated by old workers to a younger and more innovative one. • Highlight the importance of hydroponics adoption in horticulture to reduce the use of water and negative aspects of agriculture on the environment, as well as the potential to overcome the seasonality of products.

Ministry of Industry	• Scope the horticulture sector nationwide and in Akkar to understand new challenges brought about by the crisis to address these more effectively. • Introduction of supportive legislation to support local production and regulate illegal and international imports. • Support MSMEs in the sector through appropriate legislative framework and vision and by promoting small potato and citrus processing businesses to promote export more aggressively.	• A new strategy based on the evolution of national needs, consumer spending power, and industry capabilities. • The strategy should be focused on export promotion and imports reduction.
LIBNOR	• Work within different regions, at the local level, and with local cooperatives to support quality improvement and help farmers and processors meet international standards through certification and quality control. • Liaise with the Ministry of Industry to support export promotion through certification and quality control to meet European and other standards.	
Chamber of Commerce, Industry and Agriculture	• The Tripoli Chamber of Commerce, Industry and Agriculture should work closely with the Ministry of Agriculture, Ministry of Industry, and LIBNOR to identify market needs, gaps, and skills gaps to develop initiatives and training programs that can support the sector. • Promote the quality control center more effectively among potato and citrus farmers and processers. • Provide support to help avoid deterioration in the quality of dairy products because of increasing costs and prices. • Provide vocational training to support modernization and improved efficiency in the sector.	• Develop an MSME strategy - in close coordination with the Ministry of Agriculture and Ministry of Industry - for the processed potatoes and citrus to provide MSMEs with better access to markets, distribution channels, export promotion, etc. • Extend the use of 'Agvisor' the mobile application launched by the Chamber of Commerce, Industry and Agriculture Zahle and Bekaa to integrate Akkar farmers and engage them to use the application.

IDAL	• Develop crisis strategy for the export of potato and citrus, and byproducts outside of Lebanon to generate fresh dollars for MSMEs and sustain livelihoods, retain jobs and avoid bankruptcies.	• Develop a long-term export strategy for potato and citrus.

Civil Society	Short- Term	Mid-Term
Agri-Focused NGOs	• Connect key players with vulnerable households, individuals, and communities in need of support and who could work in horticulture. • Identify those who could benefit from training and capacity building/skills development. • Identify any synergies from previous and ongoing programs to avoid duplication and complement each other's work. • Connect potato and citrus farmers and processors with Souk Akkar.	• Engage in joint programming with NGOs working in horticulture in the area of Akkar, to share expertise and know-how and join forces in a way that guarantees better outcomes.
Local NGOs	• Provide access to vulnerable households, individuals, and communities in need of decent employment and jobs in horticulture. • Support the identification of market and skills gaps and training programs to improve productivity and quality of outputs.	• Continue providing access to vulnerable communities for training and job creation purposes. • Join forces with local NGOs where needed within programs and projects' implementation.

International NGOs & FAO	• Liaise with FAO for any ongoing or upcoming programs and projects in the Akkar area, and specifically tackling potato and citrus. • Share know-how and expertise, understanding of the sector, and contacts/networks of use to key players in implementing its program. • Provide immediate assistance to farmers and processers during the prolonged crisis to ensure sustainability and survival of the sectors.	• Raise funds for effective and relevant programs targeting the potato and citrus value chain in Akkar, involving local NGOs and key players identified by RI in this study. • Develop joint programming with local and international NGOs for programs that can support potato and citrus value chain development in Akkar.

Other Entities	Short- Term	Mid-Term
Financial Institutions – Access to Finance	• Start thinking of alternative financing models. Benchmark international best practices such as the new law on crowdfunding that was passed in Tunisia to support MSMEs. • Map and develop a network of angel investors who could support the horticulture sector in Akkar. • Work with microloan providers to work with the horticulture value chain in Akkar. • Map and identify all microloan providers who could venture into this sector and region.	• Set-up a microloan program for the horticulture sector in Akkar. • Bring back traditional financing models upon improvements in the banking system and changes in the current status quo.

Key Horticulture Players	Short- Term	Mid-Term
Farmers	• Provide farmers with immediate assistance, by helping them cover the cost of seeds and/or fertilizers, pesticides, and other inputs required for potato and citrus farming for at least one year, either by subsidizing that cost or by distributing seeds and other inputs for free. • Work on capacity development and training with relevant partners (such as Ministries, Chamber of Commerce, NGOs, TVETs, and private sector) on how to reduce and optimize the use of pesticides and fertilizers, introducing modern farming techniques, greenhouse technology, irrigation methods, reducing costs and improving access to markets. • Create linkages to farmers for the sale of products locally and internationally. • Work on product quality certifications standards.	• Develop a longer-term strategy and plan to support farmers through training, capacity building, skills development, and better access to markets. • Provide access to farmers from Akkar more effectively to the rest of Lebanon – including potato and juice processers. • Support the establishment of a processing facility in Akkar (fruit juices, dried fruits, frozen potatoes, potato chips, and other derivatives) and/or support existing processing facilities across Lebanon by creating stronger linkages between Akkar based farmers and existing facilities nationwide. Work on an export strategy to secure a large foreign market to Lebanese potato and citrus.
Processors	• Provide training and skills development on new products, marketing strategy, quality control, entrepreneurship, business development, marketing and product development, product diversification, and strategy to MSMEs and smaller processers. • Design innovative strategies for sourcing packaging material locally and reducing the cost of packaging. • Support processers in maintaining high standards despite the current crisis and cost increase.	• Create better linkages between processers, cooperatives, farmers, enabling environment, and NGOs. • Encourage more entrepreneurship and product development for potato and citrus derivatives, including frozen potato and fries, potato chips, potato flakes, as well as orange, lemon, lime fresh, and processed juices. • Support MSMEs' access to international, regional, and local trade events (whenever these are possible again).

	• Work with LIBNOR on ensuring quality standards for processed potato and potato chips. • Provide technical support in packaging, labeling, and product marketing to reach wider markets and consumers. • Support the standardization of prices to avoid large fluctuations between brands and between retailers.	
Retailers	• Map all potential retailers in the North of Lebanon and the rest of the country to support in the distribution of products from Akkar nationwide, including wholesalers, small fruit and vegetable traders, mini-markets, supermarkets, and others to better understand the retailing environment and new opportunities for Akkar farmers in light of the changing situation in Lebanon. • Support supply chain to ensure broader distribution and availability of Akkar produce in all relevant retailing outlets in the area and beyond. This can be done through work with wholesalers.	• Support direct distribution of Akkar citrus and potato to end retailers, bypassing wholesalers and third parties to maximize income and profits.
Traders	• Support traders in finding solutions to imports of potato seeds, either by finding cheaper sources, or introducing local production, alternatives to sustain the growth of potatoes in Lebanon • Support traders in sourcing and selling lower-priced fertilizers, pesticides, etc.	• Diversify business to focus on easier to sell products, and on those with higher margins to sustain the business beyond the crisis. • Provide capacity building and skills development including in marketing and business development, purchasing, and product diversification strategies.

Sorting, Packaging and Storage Facilities	• Map and identify all sorting, storage, and packaging facilities in the North. • Identify gaps and needs in these facilities, including skills gaps and potential for training and skills development to create more jobs.	• Create one consolidated sorting, packaging, and storage center for potato and citrus in the Akkar region, focusing on the specific needs of these two value chains and adding value to the end product, retaining jobs and creating more jobs. • Think of environment-friendly packaging and other innovative types of packaging that can be introduced, especially at a time when importing glass and other material for packaging is challenging and costly to importers and local brands. • Integrate automation and innovation that can support developments in post-harvest including sorting and packaging.
Cooperatives	• Enable the role of the existing citrus cooperative which is not at the moment effective. • Support the cooperative in developing bylaws, scope of work, and in providing tangible support to citrus farmers. • The same issue exists for potato cooperatives, although they exist in the North, they have not succeeded in creating better cooperation among farmers, or even in attracting enough farmers. • OR consolidate potato and citrus cooperatives under a stronger vegetable cooperative for the Akkar area. • Cooperatives should come together at this difficult time to help solve issues like input purchase, and encouraging equipment sharing, storage, logistics, and marketing. • Promoting better cooperation and building the capacity of existing farmers and processors is needed now more than ever before.	• Long term strategy for the development of effective and well-functioning vegetable cooperatives as well as specialized citrus and potato cooperatives that can benefit farmers and processors in the Akkar area.

MAIN JOB CREATION PILLARS

Job Creation Pillars	Description	Impact on Decent Jobs / Child Labour Reduction
Capacity Building	• Trainings and capacity building on how to reduce and optimize the use of pesticides and fertilizers, introducing modern farming techniques, greenhouse technology, irrigation methods, reducing costs and improving access to markets. • Training about quality control, entrepreneurship, business development, marketing and product development, product diversification and strategy to MSMEs and smaller processers.	• Support improvements in production, efficiency, quality and effectiveness can lead to increased sales and income, job retention and creation for adults.
Relief and Support	• Cover the cost of seeds and / or fertilizers, pesticides and other inputs required for potato and citrus farming for at least one year, either by subsidizing that cost or by distributing seeds and other inputs for free.	• Support farmers in surviving the hostile environment and harsh crisis, not to abandon their lands, and to prepare for expansion once the worst of the crisis is behind. • This will help retain the current jobs and avoid the need to resort to child labour.
Factory in Mhammara	• Support the establishment of a processing facility in Mhammara (fruit juices, dried fruits, frozen potatoes, potato chips and other derivatives). • The factory can support greenhouse owners as well as potato and citrus farmers in optimizing their outputs and products and using any surplus to create innovative products that can go to the local, regional and nationwide markets. • Men and women in Mhammara can be trained to work at the facility, and learn how to operate machinery or carry out other tasks related to processing.	• The processing facility will create new and decent types of jobs for adult residents of Mhammara, including technical and operational jobs at the facility. • Farmers will be able to produce more in view of allocating part of their outputs to processing, and hence can create more jobs.

CONCLUSION

The main objective of this market systems assessment is to assess the potential for inclusive employment creation of local economic sectors in the three municipalities of Kfarmelki, Mhammara, and Al-Mina. The study evaluates how these can be developed to encourage the creation of employment opportunities for host communities and refugees and/or improve the income and living situation of host community members and refugees working in those sub-sectors.

The aim is to sustain decent income and job opportunities for adult residents of the three targeted municipalities, in a way that reduces or eliminates any threat of child labour. This is best achieved by supporting the chosen sectors' development, modernization, capacity building, and in providing some immediate support amidst the current deep and distressing economic crisis.

In this context, the study has identified the main challenges and opportunities for the three selected value chains, across the different market system functions of each value chain. This assessment allows for the identification of possibilities to improve the performance, productivity, and sustainability of each market function which can, in turn, lead to job retention and creation for adult residents of the areas, and reduce child labour. Efforts are essential amidst the unfolding financial and economic collapse to mitigate the potential increase in child labour because of widespread layoffs and rising unemployment among adults across sectors

Detailed recommendations were provided by taking into consideration various players in the market system and the role that they can play in supporting improved performance and productivity of each sector. The development of action-oriented and inclusive sector-wide strategies is in this context essential to the recovery and long-term performance of sectors. Stronger involvement of and better coordination among all key actors is essential, and above all, particular attention should be given to skills development and capacity building that can empower and enable local communities to take part in the chosen sectors.

More specific job creation pillars were then outlined to highlight the main highlights of the above-mentioned recommendations that are directly job creation oriented and that create the foundations of RI's interventions in each of the three municipalities.

Lebanon is currently going through an unprecedented crisis, which is prompting civil society, including CSOs and NGOs, to respond through immediate efforts that can help alleviate the suffering of MSMEs and local communities. The approach to any sector's development is therefore three-phased: a first phase needs to entail immediate efforts for the year ahead until there is clearer visibility about Lebanon's path to recovery. Providing immediate assistance should leverage the preservation of the private sector with the NGOs only temporarily helping to facilitate emergency sector assistance and investment. A second phase entails tackling immediate issues and challenges related to the workforce, quality standards, technology integration, etc., and a third phase entails adopting the longer vision and developing action-oriented strategies that involve all key partners and stakeholders with the support, in time of a stronger and more solid government.

In view of paving the way towards the implementation of various recommendations, this study will be followed by meetings with the three targeted municipalities to discuss findings, provide an overview of challenges and opportunities and explain the recommendations. Brainstorming sessions will take place during the meetings to advise municipalities on the best approach for the development of job creation plans within their local communities.

Relief International will embark on a participatory planning process with each municipality to develop a Job Creation Plan based on the value chain assessment findings. Each Job Creation Plan will be a targeted approach to creating decent employment and expanded work opportunities through the development of competitive value chains pertinent to each municipality.

ANNEX A- RESEARCH TOOLS FOR MARKET SYSTEMS MAPPING AND ANALYSIS

A-1: DISCUSSION GUIDE FOR THE ORGANIZATIONS INVOLVED IN TOURISM, HORTICULTURE, OR DAIRY SECTOR

General Information about the Organization/Interviewee

Association Profile	
Name of the Organization	
Region Covered	
Name of the interviewee	
Position of the Interviewee & Department	
Address (Phone & Email)	
Sectors of Intervention	

FOR MINISTRIES AND NON-GOVERNMENTAL ORGANIZATIONS (LOCAL AND INTERNATIONAL)

1. Can you please provide an overview of your organization and the projects implemented? (Try to obtain information on the main sectors of focus, regions covered, and latest projects that are relevant to the sectors under focus: horticulture, tourism, dairy)
2. How would you describe the [ ] sector nowadays? What are the factors influencing the sector nowadays and what efforts are being made to improve the sector and grow it (Projects and Strategies)?
3. What is the current impact of the economic crisis on the beneficiaries? What has changed? How is the organization helping to reduce the intensity of crisis on beneficiaries?
4. What type of support and business development services exists for these sectors? Are they sufficient? What additional services are required but not available to date?
5. What would be the major challenges hindering the recovery of these sectors? In terms of investment, Labour, Cost of Inputs, Access to markets?
6. If you were to highlight the lessons learned from the projects, what would these be? What should be done to scale up the impact?
7. What should be done to modernize the sectors and further develop them? Probe for specific recommendations regarding:
   a. Technology integration
   b. Workforce development
   c. Improving working conditions
   d. Access to new markets

A -2: DISCUSSION GUIDE FOR THE MARKET ACTORS INVOLVED IN TOURISM SECTOR

Purpose

The main objective of this market systems assessment is to assess the potential for inclusive employment creation of local economic sectors, and how these can be developed to encourage retention, as well as possibilities for the creation of employment opportunities for host communities and refugees and/or improve the income and living situation of host community members and refugees working in those sub-sectors.

General Information about the Organization/Interviewee

Association Profile	
Name of the Organization	
Region Covered	
Name of the interviewee	
Position of the Interviewee & Department	
Address (Phone & Email)	
Sectors of Intervention	

SAMPLE QUESTIONS FOR THE KEY ACTORS IN TOURISM VALUE CHAIN

1. **General profiling of the actor (Tour operator, Hotel, Restaurant, Guide, Marketing):** (Large/small/integrated/independent/ etc.)
    a. Type of the Actor
    b. Years in business
    c. Size of the business, identified sector, the area allocated?
    d. Is this a full-time full-year activity? What else does he/she do?
    e. Services offered, an overview of their prices, etc.
    f. Education, other income sources, assets, family resources

2. **General Questions on the trends in the sector**
    a. What made you engage in this business? How has it evolved over the last 3 years?
    b. How do you see the sector nowadays? What trends have been prevalent and how do you think the sector will operate amidst the crisis (probe for the different changes)
    c. What are the main destinations that attract tourists in Lebanon? Why and how are they different from others?
    d. Who are the tourists accessing the different destinations? Profiling if possible (detailed)
    e. Where in the North have tourists been accessing and frequently coming? Why? What about Al-Mina?
    f. What are the different activities tourists are interested in? Which ones are available in Al-Mina?

3. **Sales strategy used? For Both Producers and Processors**
    a. How is the destination marketed? Who is involved in it? What kind of sales strategy is used to promote the destination?
    b. What are the challenges that hinder the growth of the tourism in Al-Mina region? How intense are these challenges? Have such challenges been present before?
    c. What would make the Al-Mina region an attractive destination? What should be done to promote it?
    d. What type of services would they require to improve their performance and grow their businesses? Whom do they access such services from?

4. **Recruitment Practices**
    a. How do they find workers? How do they choose them?
    b. How much do they pay? (Men, women)? Probe for salary ranges of the different workers in the tourism value chain
    c. What are the problems associated with labour? Is it easier to find new labour or harder? Why?

5. **Ideas on upgrading**
    a. What would help the business the most?
    b. Skilled Labour (Training of existing or recruiting new ones)
    c. Reduced Cost of services
    d. Access to new markets
    e. Other

6. **Others: Have you received assistance from any organization? In what way?**

A-3: DISCUSSION GUIDE FOR THE MARKET ACTORS INVOLVED IN DAIRY AND HORTICULTURE SECTOR

Purpose

The main objective of this market systems assessment is to assess the potential for inclusive employment creation of local economic sectors, and how these can be developed to encourage retention, as well as possibilities for the creation of employment opportunities for host communities and refugees and/or improve the income and living situation of host community members and refugees working in those sub-sectors.

General Information about the Organization/Interviewee

Association Profile	
Name of the Organization	
Region Covered	
Name of the interviewee	
Position of the Interviewee & Department	
Address (Phone & Email)	
Sectors of Intervention	

SAMPLE QUESTIONS FOR THE KEY ACTORS IN DAIRY VALUE CHAIN

1. **General profiling of the actor, Herder, Small Producers (farmer, herder, small producers):** (Large/small/integrated/independent/ etc.)
    a. Type of the Actor
    b. Years in business
    c. Size of the business, identified sector, the area allocated?
    d. How many people are in the household? People who can work in the fields?
    e. Is this a full-time full-year activity? What else does he/she do?
    f. Product range and Quantity of production per season & number of crops/animals and other per year (good and bad years)
    g. Education, other income sources, assets, family resources

2. **What production technology/production model does he/she use?**
    a. Input sourcing: Where do they buy the feed from? In what quantities? How much did it cost before and how much does it cost now? (Please try to get the contact of the trader/animal feed producer),
    b. Who provides the veterinary services? How often does he/she utilize the service? How much is the cost of the services?
    c. How much is the cost of medications? (Probe for change in prices before the crisis and after it). Are they easily available and accessible?
    d. What are the different challenges he/she faces? What has changed as a result of the crisis? What are the Constraints to scaling up production?

3. Sales strategy used? For Both Producers and Processors

a. Who does he/she sell to? Probe for all types of customers they sell to door-to-door, retailers, supermarkets, factories. Who takes care of transport?
b. Price per unit and unit of sale? (Volume, weight) How has this evolved recently? Why?
c. What is the seasonality of price movements during the year?
d. Is there a difference of the price by variety/quality of the product? What determines this exactly?
e. When are price peaks and lows? What are the reasons for that? By which actors in the sector are these fluctuations known and used for maximizing profits?
f. What are cash terms of sale? Advanced payments from the buyer, cash, delayed payment, firm price, consignment?
g. Are there lots of buyers—how many in the region?
h. What happens to the unsold produce? How much is the mark-up on the price?
i. What are the key issues with regards to accessing and/or increasing sales (price) on the local and the export market?
j. What different business practices exist among traders for buying and selling?
k. Where does he/she access information about the markets? Who provides such services?

4. Additional for Processors

a. What are the key challenges to their growth? How is the economic crisis impacting them? How do they see the sector evolving?
b. Have they engaged in new product development? If so, what were such products introduced and how did they decide to work on such products? Who provided support?
b. What is the impact of growth in agro-processing and/or horticulture growth on labour in processing?
c. Do they communicate to the dairy farmers on the market trends? Why or why not?
d. What type of services would they require to improve their performance and grow their businesses?

5. Recruitment Practices

a. How do they find workers? How do they choose them?
b. How much do they pay? (Men, women, children)?
c. What are the problems associated with labour? Is it easier to find new labour or harder? Why?

6. Ideas on upgrading

a. What would help the business the most?
b. Skilled Labour (Training of existing or recruiting new ones)
c. Reduced Cost of Inputs
d. Access to new markets
e. Other

7. Others: Have you received assistance from any organization? In what way?

A-4: DISCUSSION GUIDE FOR THE FOCUS GROUP DISCUSSION WITH YOUTH

1. How long have you been living in this region? How has it changed in the last ten years in your opinion?
2. What are the employment opportunities present in the region? What were the common jobs acquired by the Youth before the current crisis? What has changed now?
3. What has changed since the beginning of the revolution in October 2019? How has this affected the region and economy? Elaborate further, please.
4. What Percentage of the Youth is working in Agriculture? In which agriculture sub-sectors? If not, why aren't youth working in agriculture?
5. Which agriculture subsectors are more common for the region? Were there other sectors more popular? What happened to them? Why?
6. What are the different challenges facing the agriculture sector nowadays? What would be required to overcome such challenges?
7. What type of projects or value chains would you think have the potential to improve the socio-economic situation and provide job opportunities? Why is that? What type of support would be required to promote such value chains?

ANNEX B: DETAILED OVERVIEW OF KEY PLAYERS - ENABLING ENVIRONMENT

Ministry of Agriculture

The Ministry of Agriculture is the major public institute responsible for setting the strategic framework for agriculture, including any sub-sectors such as agro-food, dairy, and horticulture. The Ministry formulates and implements strategies, policies, and programs for the development of the sector in Lebanon and is responsible for developing a suitable legal and regulatory framework, and enhancing infrastructure development to promote investment and improve agricultural production and marketing. The Ministry of Agriculture also plays an important role in the management of natural resources of the country (agricultural land, irrigation water, forests, fisheries, pasturelands)[26] and contributes to rural development programs. The Ministry of Agriculture aims to foster the development of the agricultural sector and is committed to developing its capabilities to strengthen the management of Lebanese agriculture, achieve its mission and vision and improve public agricultural services to farmers and Lebanese citizens.

The most recent Ministry of Agriculture strategy was developed in 2014 for the 2015–2019 period. The strategy was elaborated in three phases. In the first phase, the main orientations of the Lebanese Agricultural Policy were identified. The strategic plan for the Ministry of Agriculture for the next five years was elaborated based on the main orientations in the second phase. During the third phase the draft strategy was formulated, reviewed, presented to the Steering Committee entrusted with the supervision of the whole process, which included the Ministry of Agriculture and affiliated institutions Senior Officers, and finally adopted.

[26]International Labor Organization – Potato and Leafy Greens, value chain analysis, 2015

The general objective of the strategy is to develop the institutional capacities and increase the preparedness of the Ministry of Agriculture to overcome challenges in the agricultural sector and respond to crises that may arise through partnerships and collaboration among relevant stakeholders. Specific objectives include to provide safe and quality food, to improve the contribution of agriculture to the economic and social development of the country, and to promote the sustainable management of natural and genetic resources.

While the strategy recognized key challenges affecting the agriculture sector, it could not at the time consider or foresee the situation that would unfold in Lebanon as of 2019. Major challenges identified by the Ministry include modernizing agriculture and increasing its productivity, efficiency and specialization, and ensuring competitiveness of major value chains in light of land fragmentation and smallholdings, and weak agricultural and marketing infrastructure; Upgrading sanitary and phytosanitary standards in conformity with international standards thus facilitating access to foreign markets in view of trade liberalization; Ensuring availability of adequate and safe food supplies and enhancing food security while reducing the vulnerability to food price volatility; Encouraging youth to engage in agriculture-related investments, increasing job opportunities and generating income in rural areas, and reducing rural-urban migration in the framework of an integrated rural development approach; Ensuring sustainable management and use of natural resources (land, forest, water, genetic resources, fisheries and aquaculture resources…) in response to climate change impacts, land degradation, overgrazing, unsuitable cropping patterns, overuse of forest resources, overexploitation of fisheries vulnerable stocks.[27]

And while the Ministry did put in place mechanisms to address some of these challenges, it is today faced with a situation that it can no longer control or mitigate. According to the Akkar Department of Agriculture, the Ministry cannot adapt and follow a strategy that can overcome current obstacles faced by farmers due to the lack of resources. The Ministry's most significant action in the Akkar area has been to distribute organic pesticides for free.

The Ministry is suffering from a tight budget. According to the ILO, for 2015, the Ministry budget was US$45 million, out of which US$30 million is dedicated to cover operational expenses (including salaries) and only US$15 million is assigned for implementing planned activities. The minimum budget that would allow the Ministry to perform better is thought to be between US$70–90 million per year[28]. The 2015-2019 budget was US$265 million for 5 years, which was a little bit higher. This however is likely to decrease significantly going forward and due to the current situation in Lebanon.

[27]Ministry of Agriculture – 2015-2019 Strategy, 2014
[28]International Labor Organization – Potato and Leafy Greens value chain analysis, 2015

The budget for the 2015-2019 strategy was set to cover eight courses of action:

1. Improve food safety and quality of locally produced and imported products
2. Increase productivity and competitiveness of the Lebanese agricultural products
3. Improve the good governance and sustainable use of natural resources
4. Strengthening agricultural extension and education
5. Strengthening agricultural research and laboratories
6. Development of the cooperative sector and mutual funds
7. Development of the Ministry of Agriculture capacities
8. Responding to climate change impacts

Some of the activities specifically planned for the Akkar area included:

- Establish soil and olive oil laboratories in the new research stations in Nabatieh, Byblos or Batroun, Bcharreh, and Akkar
- Establish honey laboratories in new research stations in Nabatieh, Batroun or Byblos, Bcharreh, and Akkar
- Establish nurseries in new research stations of Nabatieh, Byblos or Batroun, Bcharreh, and Akkar

In responding to the crisis, the Ministry's limited resources are hindering its capacity to provide support to farmers and respond to the many challenges that they are facing.

The FAO is currently supporting through US$100,000 donated by the Government of the Kingdom of Belgium, through SFERA, to a project entitled "Support the effort of the Lebanese Ministry of Agriculture towards controlling lumpy skin disease." The program foresees a vaccination to reduce the burden of lumpy skin disease (LSD), which has an impact on production and trading. The project will reach 6,000 small-scale livestock keepers.[29]

The Ministry will require significant support to press forward with meaningful reform, and adapt its agenda and next five-year strategy to the current situation while navigating the emerging and prolonged challenges that will affect Lebanon and the agriculture sector. Aside from the lack of funds, the sector is facing issues in production, quality, sustainability, and livelihoods of all key players along the value chain; in addition to local and international market expansion and sales difficulties.

Ministry of Industry

The Ministry of Industry's mission is to elaborate, in partnership with all key actors, a policy to secure the development of the industrial sector. The industrial sector is a key sector in the Lebanese economy, highly dominated by small and medium enterprises with an important contribution to the national output and employment in the country. In 2013, Lebanon's industrial sector represented approximately 20% percent of the national output, (the industrial sector third in importance after the services, especially tourism, and construction sectors). Specifically, the manufacturing sector's contribution to GDP reached around 8 percent of the GDP in the same year. Since then, however, the situation has grown increasingly challenging and the sector has seen a rapid decline in outputs, closure of factories, and bankruptcies that have affected various sectors. The major changes started in 2016. According to the Ministry of Industry December 2017 report, the trade of industrial products shows a decrease between 2015, 2016, and 2017.

[29] Reliefweb, 26 August 2020 https://reliefweb.int/report/lebanon/fao-supports-lebanon-s-ministry-agriculture-control-lumpy-skin-disease

The trade of industrial products (including manufacturing) already showed a decrease of trade between 2012 and August of 2016 and Lebanon's import-to-export ratio increased from 4.5 in 2012 to 5.9 in 2015. The decline in trade was largely due to the war in Syria, which has limited land trade routes.

With support from United Nations Industrial Development Organization (UNIDO), the Ministry of Industry formulated an integrated vision for the Lebanese industrial sector for 2025[30]. This strategic document is intended to guide and support the development of the industrial sector. The document further aims at defining the industry's role towards achieving inclusive and sustainable development. There are seven main objectives:

1. Expanding the domestic market;
2. Increasing industrial exports;
3. Raising the competitiveness of the national industry;
4. Increasing investments and financing in the industrial sector;
5. Encouraging green industry;
6. Encouraging innovation and knowledge-based industries;
7. Increasing industry-related communication and outreach.

To address these, the Government of Lebanon through the Ministry of industry and UNIDO agreed on the implementation of a Country Program for Inclusive and Sustainable Industrial Development for 2015-18 that aims at supporting the Government of Lebanon in increasing the country's manufacturing value-added to stimulate economic growth, job creation, and income generation. This will be done inclusively and sustainably, with special consideration for women economic empowerment and environmental sustainability. To this end, five main interlinked components were agreed to guide the implementation of the Program. These priority areas are:

1. Industrial zone development and industrial strategy
2. Development of agro-industry value-chains
3. Energy efficiency, renewable energy, and environmental management promotion
4. Support to the competitiveness of industrial SMEs
5. Promotion of inclusive industrial development

Putting agro-industry on top of the agenda further highlighted the relevance and importance of the sector, where dairy also dominates as one of the major categories in agro-industry. Local production of dairy is in essence more than sufficient to cover demand; however, Lebanese producers face high foreign competition internally and internationally, as Lebanese products are more expensive. These challenges could be easily addressed with the right policies and their implementation. However, the past years have shown little in terms of implementing policies successfully and favoring the manufacturing of dairy products.

Fruit and vegetable processing can be related to horticulture as well and therefore related to the industry. While Lebanon continues to rely mostly on fresh fruit and vegetables, canned fruits and vegetables exist, especially corn, mushroom, beans, asparagus, pineapple, and artichoke. That said, the current situation may favor the consumption of local fresh fruit and vegetables given the lower cost and the drive towards consuming locally. The COVID-19 crisis may have encouraged the sale of processed vegetables as concern over the safety and cleanliness of fruits and vegetable retailers may have risen. Also, many of the small specialized fresh fruit and vegetable groceries were shut for some time. A strong shift towards agriculture

[30]Ministry of Industry; 2015; "Integrated vision for the Lebanese Industrial sector 2025"

and local farming, home gardening, and self-sufficiency is seen since the onset of COVID-19 and the deepening economic crisis. Lebanon has the ideal climate for agriculture, and fresh fruits and vegetables are readily available. More local farming, home growing, and incentives for the agriculture sector by international donors will lead to lower demand for processed fruits and vegetables, especially as poverty becomes rampant in areas of the North of Lebanon.

The 2016 – 2020 Strategic Plan of the Ministry of Industry highlighted key strategic objectives as follows:

- Expanding the local market by increasing the production by 30% (from 5.32 billion dollars according to the estimated numbers in 2014 to 7 billion dollars by the end of 2020)
- Increasing the exports by 25% (from 3 billion dollars in 2015 to 4 billion dollars in 2020)
- Encouraging and developing the new knowledge industry

The above objectives have certainly not been met as seen by the current state of the industry in Lebanon. The country did however see the launching of new brands of dairy or brand extensions notably in sheep and goat-based dairy (Goutblanc, Dairy Khoury Chevrette, GoBaladi, etc.)

The Ministry of Industry is responsible for:

- Creating the industrial legislative bases and frames;
- Protecting the national industrial production in a case of dumping;
- Searching and supporting the creative opportunities and the industrial product development to respond to the evolutions of the national needs and the international orientations;
- Searching opportunities allowing the industrial production development to meet the evolutions of the national needs and the international orientations;
- Assuring Lebanon as an industrial country at the national and international level;
- Promoting the small and medium enterprises and small and medium industries (SMEs, SMIs);
- Collecting, analyzing, and publishing industrial statistics to provide the different industrial stakeholders with studies and indicators, aiming to help them to make decisions. Creating a database of the industrial factories serving as a reference for the exporters.

LIBNOR

The Lebanese Standards Institution (LIBNOR) is a public institution that is affiliated with the Ministry of Industry. Lebanese standards in industry and manufacturing are prepared by technical committees formed by LIBNOR. They include setting the dimensions, conventions, symbols, and the definition of product quality, as well as the methods of testing and analysis. They also include the codes of practice for professional and structural work. Lebanese standards are voluntary but can be made mandatory for public health, safety, or national interest.

LIBNOR is a member of the International Organization for Standardization (ISO), the Arab Industrial Development and Mining Organization (AIDMO), the Association Réseau Normalisation et Francophonie (RNF), and the Standards and Metrology Institute for the Islamic Countries (SMIIC), an Affiliate Member of the European Committee for Standardization (CEN), as well as the Codex Alimentarius Contact Point in Lebanon.

LIBNOR's mission is to improve the quality and safety of products, services, and organizations, protect the environment and the well-being of society in Lebanon, and enhance economic development and business competitiveness, by developing and promoting consensus-based standards, training programs, and conformity assessment schemes. Its strategy hinges on six main dimensions:

- Develop national standards that meet stakeholders' needs and enhance the participation of stakeholders in the standardization activities at national and international levels
- Engage with stakeholders at national, regional, and international levels
- Develop conformity Assessment schemes that enhance business development and facilitate trade
- Promote quality and standardization, and increase the use of standards at the national level
- Optimize LIBNOR processes
- Contribute to Sustainability at the National level

LIBNOR determines the standards for a variety of food products across all value chains including food labeling, food hygiene, milk, and dairy products, nutrition and food for special dietary use, fruits and vegetable products, pesticides residues, fresh, dry, and dried fruits and vegetables, nutrition and food for special dietary use, water quality, spices and condiments, meat, poultry, fish, eggs and their products, cocoa products, fats and oils, meat, poultry, fish, eggs and their products, methods of analysis and sampling, sugars, juices, and drinks.

Chamber of Commerce, Industry, and Agriculture

The Lebanese Chambers of Commerce were founded in 1967, with a mission to represent the commercial, industrial and agricultural sectors. In North Lebanon, the Chamber of Commerce, Industry, and Agriculture of Tripoli and North Lebanon (CCIAT) is a not-for-profit public utility organization, specialized in supporting trade, industry, agriculture, and services. It is entitled to ownership, sale, acquisition, mortgage, acceptance of donations and contributions, loan acquirement, litigation, and other similar tasks. The CCIT is involved in agriculture and tourism activities and international donor programs, including:

- Within the framework of the EU funded 'Private Sector Development Program's component 1 in the Beqaa, the Chamber of Commerce, Industry, and Agriculture of Zahle and the Beqaa, in cooperation with local experts, have developed "Agvisor", a user-friendly agriculture mobile application, available in both Arabic and English languages.
- DSME: This program develops vocational education and support for small and medium enterprises (dual education system, Almestr, small and medium enterprises) and is a joint development initiative that has begun and continues between the Lebanese Republic and the Federal Republic of Germany.
- The Quality Control Centre Laboratories (QCC) in North Lebanon is established to test and verify food products for compliance with international standards and norms. Aiming at serving several sectors in the agro-industry, its specialized staff use up-to-date equipment, essential utilities, documentation, and accredited methods. The QCC labs currently provide a multitude of services, including chemical, physical, and microbiological analyses of food products.
- The Product Research and Development Plant researches and conducts trials on improving product quality, taste, shelf-life, packaging, and labeling of agro-industrial products. The plant also provides industries with scientifically derived nutrition facts of their products to be labeled on commercialized goods.
- The Local Economic Development Agency (LEDA). This is a non-profit, non-governmental organization established in March of 2011 with the support of the United Nations Development Program – the UNDP

• ART GOLD North Lebanon Initiative. LEDA's mission is to facilitate the sustainable and balanced long-term development of the northern region of Lebanon following strategic plans that favour public-private partnerships and value human, social, economic, and environmental resources. The ultimate objective is to improve the living conditions of the population by providing job opportunities, pursuing social equity, and environmental protection.
• BIAT supported by the EU and serving all economic sectors and businesses with growth potential. BIAT provides business support services to both start-ups and existing SMEs. Such services include market research, business planning, capacity building, training and coaching, financial consultancies, and technical expertise.
• EU CBC MED: cooperating across borders in the Mediterranean: "Towards sustainable inclusive tourism" project aims to address the issue of revitalizing cultural tourism that will valorize Mediterranean cultures, and will directly benefit local economies; thus, contributing to sustainable development in the region and for future generations'. Its objective is to enhance international tourism that will directly benefit local economies in the Mediterranean area.
• The Developing Hydroponics to access Impactful Markets (DHAIM) project. DHAIM is a five-year effort supported by the US Agency for International Development (USAID) and implemented by ACDI/VOCA – an American NGO. DHAIM – ended in September of 2015.

Program and projects are implemented as resources (primarily grants from foreign donors) become available and these activities are downsized, or cease altogether when funds are expended. This lack of continuity has posed challenges for the Chamber in serving North Lebanon's agricultural and tourism sectors with a sustainable and responsive program.

Importers, exporters, and traders are registered with the Chamber of Commerce. Before any products can be exported, a certificate of origin has to be issued by the Chamber of Commerce after applying to Import, Export and Quarantines Department at the relevant Ministry for approval.

Ministry of Tourism

The Lebanon Tourism Service was created in the 1930s, within the Ministry of National Economy. Its main role was monitoring and supervision of the industry. In 1948, the Commissariat Général du Tourisme, de l'Estivage et de l'Hivernage (or CGT) was established to undertake the following tasks:
• To inform ministerial departments about tourism sector needs and to assist with decision-making;
• To promote Lebanon overseas; and
• To monitor private tourism enterprises and professions.

Through the 1960s, CGT played a significant role in promoting Lebanese tourism. Major tourism projects were carried out, and Lebanese attractions were promoted especially in the neighboring countries, which were the largest tourist market for Lebanon. In 1959, CGT was transferred and annexed to the Ministry of Information, which became the Ministry of Information, Orientation, and Tourism. However, its role declined with the creation in 1962 of the Conseil National du Tourisme, a private association charged with conducting all tasks related to tourism promotion and investment.

The growth of tourism on a global scale led to the creation of the Lebanon Ministry of Tourism in 1966 with specific tasks falling under the separate responsibility of the National Tourism Council, including overseas promotion and execution of tourism projects. However, this decree was repealed on October 10, 1992, which nullified the tasks entrusted to the National Tourism Council and transferred them to the Ministry of Tourism. The Direction Générale des Antiquités, which was once part of the Ministry of Education and Fine Arts, was attached to the Ministry of Tourism when it was established in 1966. In 1992, it was re-annexed to the Ministry of Culture and Higher Education. However, a department charged with developing tourism at archaeological and historical sites was also created within the Ministry of Tourism.

The role of the Ministry of Tourism is:
• Promoting tourism
• Regulating, coordinating, and monitoring tourism professions
• Regulating, coordinating, and monitoring private companies and associations working in the tourism sector
• Promoting and executing tourism investment projects; facilitating and simplifying rules and requirements related to these projects; and applying laws and regulations related to tourism and tourism enterprises
• Developing archaeological and historical sites and museums for tourism purposes

Lebanon's tourism promotion has mostly hinged on traditional tourism sites, city life, five-star hotels, and shopping facilities, more often than not overseeing some of the country's richest assets: its nature, culture, and traditions. But as rural, ecotourism and adventure tourism became buzzwords and trends across the region and the world, Lebanon started catching up in recent years. In terms of policy rules and regulations, there are still marked differences between the regulation of the traditional tourism sector and rural tourism in Lebanon, with traditional tourism receiving more oversight from the government[31]. For example, tour guides at archaeological sites are subject to licensing by the Ministry of Tourism, which regulates the quality of the guides and provides some guarantee of the tourist's experience. In contrast, there is no regulation of guides at nature reserves or other eco-destinations, which has resulted in the uneven quality of the tourist experience. On another note, eco-tour operators are regulated under the same rules as traditional travel agencies, including stringent operating requirements such as a minimum number of employees and the size of the business office. Because eco-tour operators are much smaller than most travel agencies, these regulations are burdensome and as a result, many operators are not licensed and instead operate as a club or association. Thus, a large number of operators in the eco-tourism sector are unregulated, which again leads to unevenness in the quality of products offered and the tourist experience.[32]

[31]USAID – rural tourism value chain assessment, 2014
[32]USAID – rural tourism value chain assessment, 2014

That said, as interest in Lebanon began to shift, and the demand moved from wealthy GCC nationals to European adventure tourists and backpackers, Levantine and Arab tourists from neighboring countries, Lebanese domestic tourists, and the Lebanese diaspora, a rising interest in rural tourism was quickly observed. Guesthouses began to open in remote areas and villages, registering 100% occupancy throughout four to five months of the year. Hiking and other outdoor activities became more popular and demand generally increased for ecotourism, adventure tourism, and rural tourism.

A rural tourism strategy was developed by the Ministry of Tourism in July 2014. The five-year strategy was developed through consultations with rural tourism stakeholders with a goal 'to enhance economic opportunities in Lebanese rural areas through improving the competitiveness of specific value chains, including rural tourism and another set of agriculture sectors and food products.

According to the document itself, the rural tourism strategy followed a rural tourism value chain assessment including a SWOT analysis of the sector (strengths, weaknesses, opportunities, and threats). The assessment included an analysis of the current situation of rural tourism in Lebanon. It identified main rural tourism stakeholders, dynamic trends in rural tourism, and the different segments and sub-segments. The development of the rural tourism strategy is in line with the identified need to strategize and advocate for the development of the rural tourism sector through cooperation and common action among stakeholders.

The objectives and expected outcomes of the strategy were defined as follows:
- Increased awareness on rural tourism destinations, products, and services in Lebanon with a consistent and professional presentation of the sector among Lebanese and diaspora markets.
- Improved conservation of natural, historical, and cultural heritage at the level of local communities and enhanced policies and procedures that promote sustainable tourism practices.
- Improved regulations, legislation, and procedures that enhance the work of rural tourism providers and encourage rural tourism ventures and investments.
- Improved quality of visitor experience in rural areas of Lebanon.
- Increased tourism expenditures in rural areas through longer stays and higher spending per capita.
- Improved economic development and job creation across local communities.
- Improved quality and professionalism of service providers.
- Improved common action and cooperation among rural tourism stakeholders.

To reach this destination, eight strategic directions were identified:

1-Develop and improve marketing and promotion to increase consumer awareness and the visibility of rural tourism destinations, products, and services domestically and internationally.
2-Institutionalize rural tourism at the level of the local communities.
3-Improve and enforce conservation and protection of the environmental, cultural, historical, agricultural heritage of rural areas.
4-Diversify, modernize and improve the quality of rural destinations, products, and services.
5-Improve policies, legislation, and regulation of the rural tourism sector and enforcement of laws across the value chain.
6-Improve information and data collection and management to support sound planning.
7-Develop the culture of rural tourism among the young generation and in the education system.
8-Improve domestic and international business linkages and networking (cross-cutting objective).

In essence, the strategy tackles all essential components of rural tourism, except for the implementation mechanisms which, despite a clear action plan developed in the strategy, were not put in place in a way that allows to follow-up and ensure that action is being taken across the eight strategic directions. Most tour operators and key stakeholders in the rural tourism sector still complain about the total lack of government support and integration of the sector, and about mostly having to build up the sector single-handedly and using their expertise and know-how.

One of the major factors causing the lack of follow-up and implementation includes the low budget of the Ministry of Tourism, which has even prompted the Ministry to close some representation offices like the one in Paris for a time. Marketing of Lebanese tourism at the government level has been restricted to participation in trade shows in the Gulf and abroad and is now severely impacted by COVID-19. Moreover, the promotion of Lebanon continues to showcase traditional tourism such as the main archeological landmarks, five-star hotels, and city life. Some efforts were made in 2019 to show the 'other Lebanon' at the ITB Berlin travel show, which was eventually canceled because of COVID-19. Lebanon's presence at the show was set to revolve around culture, heritage, and rural tourism, a first in the country's tourism promotion history. This points to a potential move in the right direction.

Akkar is very much so a magnet for rural, ecotourism, and adventure tourism. With some of the richest flora and fauna in the country, it is the ideal destination for hiking, bird watching, camping, rafting, and many more activities. Several sections of the Lebanon Mountain Trail pass through the area, with many guesthouses rehabilitated and ready to welcome tourists all year round, and trained local guides to accompany visitors to the area. Menjiz, Akroum, and the Old Akkar area are some of the most notorious tourism destinations. And while former Minister Pharaon had clearly expressed his support for Akkar and the need to leverage this area's resources and culture, no significant changes have taken place since the elaboration of the strategy.

Meanwhile, Tripoli too remains underpromoted by the Ministry of Tourism, although it is highly attractive to European tourists and increasingly so to domestic tourists and the

Lebanese diaspora. The Beirut Explosion may prompt tourists to explore other cities like Tripoli, Sour, and Saida while the capital remains largely devastated.

The Ministry supports international donor and NGOs' development programs by sharing expertise and know-how in those areas but has no resources or capabilities to contribute to development efforts itself. At least not at the time being.

Ministry of Public Works and Transport

The Ministry of Transport is in charge of regulating land transport, air transport (through the Directorate General of Civil Aviation), and maritime transport international transport treaties. Overseeing road safety, civil aviation, maritime transport, rail transport, developing government transportation policy, organizing public transport, and the maintenance and construction of infrastructural projects should all in principle be a part of its scope of work. Policy areas in infrastructure, public works, (including waterworks, construction, and telecommunication) are also a part of the Ministry's work. This Ministry's work has been mostly focused on public infrastructure works, ranging from developing road transport by building roads and bridges to infrastructure projects such as dams, telecommunication towers, and other projects related to roads and transport, water and telecommunication infrastructure, etc.

Transport Infrastructure improvements are strongly needed in Lebanon to facilitate the transport of people and goods which would also benefit the tourism sector. In addition to facilitating people's lives daily, investing in transport infrastructure can benefit the underperforming agricultural and manufacturing sectors. Transport Infrastructure is required in production, export, and distribution activities. Supply chains can be optimized and Lebanon's deficiencies in the manufacturing and agricultural sectors can be partially resolved through Capital investment in Transport Infrastructure. A sensitive and tailored Capital investment program would not only strengthen Lebanon's service sector but also focus on other sectors making the economy less volatile and sensitive to regional threats and risks.
The Transport sector can be split into the following sub-categories:

- Transport and Trade Flows
- Ports
- Airports
- Railways
- Roads and Bridges

Despite ambitious plans to develop the transport sector, no concrete developments have taken place to date and Lebanon is lagging far behind some of its regional counterparts. The government was planning to expand several ports, including ones in Akkar, Jounieh, and Tripoli. Some work has been done in Tripoli, but more developments are required. The Beirut Port is also now a major priority in terms of reconstruction following the Beirut Blast which destroyed most of its infrastructure. There are also plans to expand the Rafic Hariri Airport, which to date have not been implemented.

On April 6, 2018, an international conference in support of Lebanon's development and reforms, CEDRE, was held in France. The CEDRE investment conference was a testament to the commitment of the international community in helping Lebanon to achieve the economic security it needs and to compensate for the seven years of near-zero growth, due to the impact of the Syrian war. The repercussions for the Lebanese economy—which stands at $53 billion in size currently—is around $30 billion so far, a massive challenge for any country. The support that Lebanon received at CEDRE provides much-needed confidence and can have impactful results if properly executed. There is no doubt that the infrastructure in Lebanon has been severely neglected since the end of the civil war.

The Lebanese State did not have an economic vision at the time, but presented around 280 projects to submit them to the International Community and obtained based upon such projects about 11.8 billion dollars aiming to "save the Lebanese Economic Situation". The government still has no vision, and with the deteriorating situation, Lebanon's economic collapse, the COVID-19 crisis which has grappled the world, the Beirut Explosion which saw priorities reorganized, and regional and international tensions affecting Lebanon, CEDRE has become a far-off possibility for Lebanon.
The World Bank had donated USD 295 million to the "Greater Beirut Public Transport Project" or GBPTP as part of CEDRE, for projects related to transport, roads, as well as maritime and airports approved by the cabinet and meant to be implemented across urban and rural areas in Lebanon. The World Bank had also planned a rapid transit bus investment. All of these projects have nevertheless been brought to a halt by the World Bank in an announcement in August 2020, following political stalemate, allegations of corruption, and discontent with the government's use of international donor funds.

Some of the specific projects targeting the transport sector include:

Projects	Amount Billion Dollars
Expansion of Beirut airport	500
Building of René Moawad Airport (Koleiat)	100
Execution of the highway with its structures including convertors, bridges, and infrastructure from Khaldeh to Nahr Ibrahim	1260
Jounieh port	62
Saida port	65

Directorate General of Civil Aviation

The Directorate General of Civil Aviation (DGCA) is one of the Directorates associated with the Ministry of Public Works and Transport (MPWT). Its hierarchy is composed of the Directorate of Airports, the Directorate of Technical Exploitation, nine technical and administrative departments, the Airport Presidency, and the Diwan (Court/Office of the directorate). Its mission is to regulate and operate Beirut Rafic Hariri International Airport (BRHIA), which is the only international airport in Lebanon.

The different functions of the directorate include aviation control, aviation safety, air transport, facility and equipment maintenance, meteorology and telecommunications, studies, researches, and rehabilitation projects. The Directorate General of Civil Aviation includes different departments that regulate and operate civil aviation to and from Lebanon. One of the departments is the air transport department, responsible for conducting economic studies for the development of air transport, preparing bilateral air agreements and charter air transport permission, and ensuring compliance with air transport regulations. Other departments include the Diwan, the flight safety department the meteorological department, and the research and study department. The directorate of airports includes the management of Beirut Rafic Hariri Airport and the Airport Studies Department.

The DGCA is in charge of coordinating with the International Civil Aviation Organization (ICAO), and with all other civil aviation bodies and administrations, and other foreign airports to contribute to the development and build-up of the civil aviation sector. The DGCA is also responsible for operating the air traffic control (ATC) at the airport as well as controlling Lebanon's airspace. DGCA duties include maintenance and general upkeep ranging from cleaning the terminal clear runways.

Internationally, civil aviation authorities play a key role in regulating competition, securing better value flights, and more options for travelers, ensuring the highest security standards and protection from risk, and even reducing the aviation industry's impact on the environment. Policy for airspace and the economic regulation of airports is a key function of DGCAs, whereby bilateral agreements and open-air agreements support the development of airports, airlines, and tourism in countries.

In Lebanon however, the Middle East Airlines' quasi-monopoly for decades has hindered the possibility to expand air travel opportunities, reach out to new markets, and provide affordable air transport options to Lebanese and foreign travelers. Recent years had seen some developments, with new low-cost airlines flying to Beirut, and an increasing number of destinations being served by various airlines. The COVID-19 situation has set the entire world back when it comes to flying, and MEA has swiftly regained its full monopoly on air travel to and from Lebanon. The security and political situation further hinder the possibility to currently expand and develop the air travel market.

With its role often limited and diminished because of the small market size, limited opportunities, and horizons, the DGCA has often taken a stronger role in security and regulations. Security was always on top of the DGCA's agenda. And in 2018, the International Air Transport Association (IATA) and the DGCA signed a Memorandum of Understanding (MoU) to work together to enhance aviation safety in Lebanon and move towards achieving a single set of internationally-recognized audit standards across the Middle East.

Moreover, funds were unlocked by the European Union-funded as part of the ICMPD program to secure Beirut-Rafic Hariri International Airport against illicit trafficking and the threat of terrorism. The project will provide training to relevant agencies working at the airport under civilian authority, and allow for the improvements of existing security infrastructures, in close coordination with the DGCA and Beirut Rafic Hariri Airport.

IDAL

The Investment Development Authority of Lebanon (IDAL) is the national investment promotion agency that was established in 1994 to promote Lebanon as a key investment destination, and attract, facilitate and retain investments in the country. Investment Law No.360 that was enacted in 2001 reinforced IDAL's mission, providing a framework for regulating investment activities in Lebanon, and providing investors with a range of incentives and business support services. It identified a set of priority sectors that showed the most promising opportunities in terms of their investment potential and impact on socio-economic growth, including Agriculture, Agro-Industry, Industry, IT, Media, Technology, Telecommunication, and Tourism sectors. In addition to its role as an investment promotion agency, IDAL is entrusted with the active promotion and marketing of Lebanese exports including agricultural and agro-industrial products.

IDAL provides support to Lebanese exporters, primary exporters from productive sectors with high-added value including Agriculture, Agrofood, High-tech manufacturing, and Information and Communication Technology.

IDAL launched a series of programs in 2001, aimed at promoting Lebanese exports internationally and supporting exporters access new markets. More specifically, IDAL has been responsible for:
- Providing exporters with access to markets through supporting their participation in international fairs and exhibitions
- Providing access to business matchmaking opportunities through the organization of trade missions to potential target markets in cooperation with Lebanese embassies abroad
- Providing access to studies on regional and global markets of interest to exporters
- Providing technical assistance and training on international requirements

IDAL has three export promotion programs, two of which are related to agriculture:

Agri-Plus: the program was launched in 2012 to provide subsidies and support to exporters of agricultural products. The program works with fruit and vegetable exporters, olive oil, honey, eggs, flower, and plant exporters, and all cooperatives. Its main components include production streamlining, providing exporters with adequate training to improve quality of production and foster the growth of new products that meet regional and international demand; packaging improvement: supporting exporters in improving packaging and cooling centers to meet international norms of quality; marketing and promotion: promoting the sector regionally and internationally in addition to providing the needed technical support for exporters to participate in food fairs.

Agro-Map: was launched in 2004 to facilitate the participation of agro-food companies in foreign fairs. The program provides agro-food exporters with the opportunity to market their products in international fairs, introduces Lebanese products and markets to foreign investors and buyers, and introduces local producers to the latest technology.

M. Leb: was launched in 2015 to cover a part of the cost of Lebanese products exported to Arab countries by sea and it ended in 2018.
Moreover, IDAL promotes and provides support to attract and generate foreign and local investments in the tourism sector. IDAL support for foreign investment includes a generous package of incentives (e.g. exemption from corporate income tax, reduction on work, residence and construction permit fees) and single window assistance.

CIVIL SOCIETY

LOCAL NGOS

Few NGOs are involved in dairy, tourism, and horticulture in the North of Lebanon, whether through the implementation of programs funded by international donors and partners or through their own initiatives. The region is highly dependent on NGO support in the absence of impactful, long-lasting, and sustainable government initiatives.

EMKAN

Among the most active NGOs in Akkar is Emkan NGO. Emkan Finance S.A.L. progressed from Emkan NGO to a separate entity as a subsidiary of BankMed with a mission to provide microfinance services through its branches in Akkar, Beirut, Chtoura, Sidon, Tripoli and Tyre, to the largest number of economically active low-income individuals in Lebanon. Emkan also manages and operates The Akkar Agricultural Center. The NGO launched the Akkar Agriculture Center (AAC) in two phases starting in July 2015. AAC is located next to Souk Akkar and covers an area of 22,000 m². Souk Akkar (SA), is a fruits and vegetables wholesale market in the Akkar region, which is the second-largest agriculture production region in Lebanon. The facility was established to market fresh agricultural produce to help sustain the development of both farmers and traders. Emkan (NGO) launched Souk Akkar operations on January 22nd, 2014 as a privately-owned commercial entity registered with the Commercial Register.

Emkan's main purposes for founding the Souk are as follows:
- Enhance farmers' and traders' income
- Promote grading and food safety practices
- Promote quality control procedures and good agricultural practices
- Induce demand-driven production
- Increase the volume of Akkar produce traded within Souk Akkar
- Enable higher value addition
- Reduce post-harvest losses
- Encourage transparent and fair-trade practices around the market place
- Encourage appropriate marketing links to national and international markets
- Facilitate export

Rene Moawad Foundation - RMF

The Rene Moawad Foundation has been involved in the implementation of many projects and programs in recent years, notably in agriculture. RMF is a main partner in the implementation of the Private Sector Development Program funded by the European Union (notably, Agri-Akkar), which ended in 2019. As part of this program, RMF targeted the avocado value chain because of its potential to empower farmers in the Akkar region. Ecological and soil characteristics of the Lebanese coastal belts including Akkar are suitable for Avocado fruit trees and no competition in production from neighboring countries exists. The main objectives of this project were to:
- Improve livelihood for avocado farmers through establishing new avocado orchards to have better income.
- Provide technical assistance to 250 farmers to improve agricultural practices and irrigation skills.

• Contribution of avocado Value chain development and improved livelihood through developing an enabling environment.
• Establish vertical linkages between producers, aggregators, traders, and input suppliers.
• Empower women through technical assistance and support their household at the local level.
• Provide IP certificate to 20 farmers.

In this framework, RMF aimed at achieving the following outcomes through the implementation of the project:
• 42 stakeholders and experts have acquired comprehensive know-how on avocado value chains supporting future growth in the field and 37 service providers are empowered and provided tools to support maintaining farmers avocado orchards.
• 5 nurseries in Akkar have upgraded capacities in the production of commercial high yielding avocado varieties.
• LARI empowered 2 weather stations serving farmers in the Akkar region and establishes 2 avocado demo plots using new technologies.
• 259 farmers have enhanced good agricultural practices in avocado.
• 59 farmers convert non-commercial orchards into high yield commercial varieties
• 44 new farmers transfer 125 dunums to high quality producing avocado orchards and through the installation of enhanced drip irrigation systems.
• 75 existing farmers are empowered through technical assistance to enhance their avocado orchard
• 60 women enabled to develop commercial products
• One avocado cooperative established grouping all farmers and stakeholders
• At least 30 farmers have set up quality avocado orchards, business linkages in target value chains supporting local and export market boost

Akkarouna Association

Akkarouna works mainly in humanitarian response with a vision to build resilience against the impact of the influx of refugees to an already weak and vulnerable region. Akkarouna is committed to the UN's Sustainable Development Goals number 1, 5, 8, and 11: ending poverty, achieving gender equality and empowering women and girls, creating decent work and economic growth, and lastly building sustainable cities and communities. Its main programs revolve around protection, governance, livelihoods, shelter and WASH, and social stability. Within this framework, Akkarouna can support international NGOs and organizations in the implementation of any program across sectors as long as it supports one or more of these pillars. Among others, Akkarouna was involved in a project funded by the Ministry of Social Affairs in Lebanon to create a Dairy Product Factory. This project included also training for the cattle owner. Other projects include Bab Rizk Hub with the Rene Moawad Foundation, SHIFT – Social Innovation Hub, and Dar Al Zahraa, which aims at improving the economic conditions of small and micro enterprises in peri-urban areas of Tripoli.
Akkarouna is also a part of the Qudra program Funded by the EU Regional Trust Fund in Response to the Syrian Crisis, the 'Madad' Fund, the German Federal Ministry for Economic Cooperation and Development (BMZ), and the Agencia Española de Cooperación (AECID); as part of which the NGO is providing educational session to children, awareness and recreational activities and arts and crafts sessions.

Safadi Foundation

Safadi Foundation is a nonprofit social development organization with a nation-wide reach that is working to lift people out of poverty and give them the skills they need to live empowered lives. Sectors of intervention include Livelihoods, Women Empowerment, Youth Empowerment, Protection, and Social Stability. Safadi Foundation is currently assessing to launch a new project related to revive the traditional businesses and crafts in Al-Mina and Tripoli areas. Ongoing projects include:

1-Lebanese Youth Seek Jobs (Strengthening Employability and Enhancing Knowledge) a project funded by the U.S. - Middle East Partnership Initiative that seeks to strengthen civil society and promote stability in the Middle East North Africa (MENA) region.

2-Youth Meet Programs (Mentoring, Employability, Entrepreneurship, and Training).

3-The Community Based Action for Drug Abuse Prevention and Support for Substance Abusers project funded by the European Union.

4-Socio-Economic Support for Women in Safe Shelters in collaboration with ABAAD – Resource Center for Gender Equality.

5-The Community Mobilization and Economic Empowerment of Vulnerable Women led by UN Women in cooperation with the Embassy of Japan in Lebanon and the Lebanese Ministry of Social Affairs.

Safadi Foundation implemented different projects in the Al-Mina area either through supporting municipalities or building the relations between municipality and communities, support to businesses and entrepreneurs, training delivery to municipal staff members on project management, etc.

Bezret Amal

SEED or Bezret Amal has been working on education and protection since it launched in 2016. The NGO has worked with War child Holland, UNICEF, ANERA, Restart, Right to Play, and recently People in need. Bezret Amal launched a guesthouse in Tripoli as support to the NGO’s operations, making it a tourism operator in the area in addition to the work that it delivers as an NGO.

Lebanon Mountain Trail Association (LMTA)

The Lebanon Mountain Trail Association was established on 31 October 2007, with a vision to develop, maintain and conserve the Lebanon Mountain Trail, establish side trails on the Lebanon Mountain Trail, protect the natural, cultural and architectural heritage and landmarks near the trail and enhance economic opportunities by promoting responsible tourism, to promote the LMT as a destination for rural tourism and well-being, to conserve the natural resources and protect the cultural heritage on the LMT, to advance economic opportunities on the LMT, to encourage responsible behavior through targeted education, community mobilization, and outreach. It aims to turn the Lebanon Mountain Trail into a world-class destination for outdoor and responsible tourism, that is protected by the Government of Lebanon, Municipalities, and local communities, and to be recognized by international organizations.

The Lebanon Mountain Trail extends from Andqet in the north of Lebanon to Marjaayoun in the south, a 470-km (292 miles) path that transects more than 76 towns and villages at an altitude ranging from 570 meters to 2,073 meters (about 1,840-6800 feet) above sea level. From Tannourine to Andqet, there are nine sections of the LMT, and hence nine villages where guesthouses have been created and trained to receive tourists, and where the local economy benefits from traffic on the trail notably during April and October when the LMTA organizes ‘thru walks’ to hike the entire trail during one month or 15 days. Villages, where LMT hikers stop for the night in the Northern sections, include Tannourine el Fawka, Bazaoun, Bcharre, Qadisha, Ehden, Bqaa Safrine, Kfar Bnine, El Qemmamine, Tashea, El Qoubaiyat, and Andqet.

Moreover, the LMTA is also a part of implementing teams for international donor projects, like for example the Dannieh Trail and Eco-Tourism project in partnership with GIZ which is part of the local development program for urban areas in the North of Lebanon (UDP_NL) implemented by GIZ in partnership with the LMTA, Ministry of Social Affairs, and co-funded by the EU and Germany.

The objectives of the project are to:
- Conduct a needs assessment survey for the area, including the villages of Kfarbnine, to create a multipurpose facility
- Develop action plans with local municipalities for preserving the trail and its heritage
- Undertake trail management work on sections 3 and 4
- Improve economic opportunities for local communities

Another recent outreach activity of this project is the 'Cash for Work' initiative, currently being organized in Kfarbnine and Beqaa Sefrine. 'Cash for Work' aims at providing vulnerable Lebanese individuals, as well as Syrian refugees, with work opportunities on the Lebanon Mountain Trail. Jobs such as trail maintenance, waymarking, clearing the trail, or rerouting deviations are being offered by the LMTA. The LMTA is a key player in rural tourism development in Lebanon.

COOPERATIVES

Dairy Coopératives in Akkar

Dairy cooperatives in Akkar have been receiving extensive support under donor-funded programs and projects since 2011 and even before the Syrian crisis. This has led to the creation of tens of new cooperatives in various regions, and rehabilitation or support of existing ones. The outcome is sometimes positive with improved access to markets for small producers and farmers, as well as better access to infrastructure and services supporting their growth and development.

Dairy Cooperatives supported by the FAO Program: 'Recovery and Rehabilitation of the Dairy Sector in Bekâa Valley and Hermel - Akkar Uplands

Several cooperatives were supported or created by the FAO under the Recovery and Rehabilitation of the Dairy Sector in Bekâa Valley and Hermel - Akkar Uplands program between 2006 and 2013. These include among others El-Joumah cooperative, El Qobaiyat cooperative, Halba cooperative, Tell Abbas cooperative and Sfeinet el Dreib which are in the Akkar area. All of those have benefited either from new processing facilities, transportation, and storage equipment and material, or others that have made them more effective in supporting local farmers.

Le Bon Lait Cooperative

Le Bon Lait is a milk collection center and a dairy factory that produces 15 kinds of dairy products and provides ample opportunities for local farmers. Le Bon Lait sells fresh dairy products and focus on maintaining its "baladi" quality. In 2019, Le Bon Lait launched an initiative discussing with a reputable patisserie to supply them with "special white cheese" used to produce items such as kneffeh, halawa eljeben, znoud elsett, ousmalia, etc., and to supply them with raw milk used to produce ashta products.

The Cooperative Society for Livestock and Agricultural Development in Hakar Al-Dahiri and its vicinity

This cooperative works with small dairy producers in the area and has worked with international NGOs on the provision of training. The coop indicated that farmers require additional training and development to start using more innovative and modern farming methods and move away from traditional ones, but also to implement better hygiene and lactation standards for example. It also highlighted the need to provide better access to dairy farmers from Akkar to outside of the region, enabling them to better market their products and generate higher income.

Union of Sustainable and Ecotourism Institutions in Lebanon and the Middle East (USEIL)

USEIL was created in 2020 by several ecotourism operators in Lebanon, with a vision to become the leading national and regional Union of Sustainable and Ecotourism Institutions in Lebanon and the Middle East. USEIL is not a Tour Operator. USEIL aims at setting a National Strategy for Sustainable Tourism with a Charter for Responsible Tourism in Lebanon, by Modernizing the Tourism Laws and Regulations. Its foreseen activities include:

- Contribute to the organization of the Sustainable Tourism sector in Lebanon
- Produce a comprehensive National Strategy for Sustainable Tourism and especially its Responsible and Ecotourism parts
- Work on the adoption of the Charter of Responsible Tourism that has been developed back in 2007
- Contribute to the modernization of laws and regulations of Eco-Tour Operators in Lebanon
- Defend the interests and rights of the owners and workers in those institutions
- Find supporting ways to the institutions and service providers in rural areas
- Develop and complete the regulations of the job of "Mountain guide" in coordination with the existing Syndicate of Tourist Guides of Lebanon
- And within the above potential understanding, found a vocational training academy and program for local guides and service providers in rural areas
- Install a database for tourism statistics in rural areas in full coordination with the department of statistics at the ministry of tourism

• Set a Quality Label program for ecotourism services
• Organize sustainable and ecotourism conferences and events
• Promote sustainable and ecotourism in different local and international fairs and conferences

USEIL has been organizing hikes through its member tour operators, including in the North of Lebanon and the Akkar area.

Agriculture and Agro-Food Cooperatives

The majority of agriculture cooperatives in Lebanon are concentrated in agro-food followed by olives and fruits according to an ILO 2018 report.[33] 24% of all registered cooperatives are in the Akkar area, which therefore represents the highest concentration of coops. This is partly due to the intense donor activity in this region since 2006 and renewed efforts and programs that have emerged since 2011, often creating new cooperatives or supporting existing ones. In Akkar, the majority of agriculture cooperatives are in agro-food, followed by vegetables given the importance of vegetable farming in the region, notably potatoes and leafy greens. Some donor programs, notably EU funded programs have worked on supporting Akkar cooperatives in better access of potatoes to European markets, although there have been few improvements in that area.

OTHER ENTITIES

INFORMAL NETWORKS

In the absence of a well-functioning government and in light of the worsening financial and economic crisis, rural communities have come together in support of one another and to secure the necessities to each other. Dairy products are commonly produced by households in villages and towns across the Akkar area and sold to neighbors and friends or family all around. This has created informal networks whether in terms of the type of production and informal nature of the business or in terms of the operational aspect of production, whereby women from the same extended families support each other and sometimes come together to produce dairy, sharing resources and ultimately selling outputs to personal contacts. This trend is on the rise in light of the decreasing purchasing power of households in rural areas. Moreover, some dairy farmers who are finding it difficult to produce the same quantities because of the rising price of animal feed and veterinary services have resorted to keeping just enough animals and milk quantities for their own household's consumption and some extras to informally produce dairy at home and sell them within their communities.

This is less prevalent in the horticulture value chain, at least in citrus and potatoes that have no effective cooperatives in place. Despite that, key players in those market systems have not even created informal networks to support each other. The informal practice of sharing equipment and material, consolidating sales and packaging efforts is almost nonexistent, although current circumstances could prompt farmers and processors to work together more effectively.

Finally, one of the most widespread informal practices is the provision of loans through unstructured or non-official structures, whereby unregistered groups with business-like structures may loan money to individuals, households, or MSMEs and apply an interest rate of their choosing. As microfinance has been slow to develop in Lebanon, such groups have often emerged as the only solution for residents of rural areas. This may become a bigger and wider-spread issue in Lebanon as it continues to plunge into uncertainty and financial collapse.

[33] ILO, The Cooperative Sector in Lebanon, 2018 https://www.ilo.org/wcmsp5/groups/public/---arab-states/---ro-beirut/documents/publication/wcms_644724.pdf

FINANCIAL INSTITUTIONS – ACCESS TO FINANCE

Lebanon has historically and notoriously had a strong and solid financial and banking sector, up until the economic collapse that started in the summer of 2019. There is a presence of Microfinancing institutes, financing institutes, and Banks on the Lebanese market, and an extensive presence of various loan schemes. That said, there is currently a low trust in banks, and most have discontinued loan programs given the current situation. As Lebanon enters a period of uncertainty and prolonged crisis, its banking sector is and will remain hardly hit because of the currency depreciation, capital controls, and liquidity crisis. Banks have discontinued loans, and customers do not have unlimited access to their funds and cannot withdraw foreign currency. While bank loans have never been the most attractive route for micro-businesses especially informal businesses in rural areas, microloans have typically been more attractive to micro and small businesses and played an important role in supporting small farmers, informal and micro-businesses.

That said, according to Al Majmoua, even the microloans are suffering, and have steadily declined since 2016. 9% of the MSMEs supported by Al Majmoua already closed and 20% to 30% reduced the number of workers and/or reduced salaries. Entrepreneurship is also hard hit as youth are demotivated and are not showing interest in training unless these lead to full support: either direct employment or financial support. The current situation is also leading young people to seek stable and safe employment as opposed to self-employment which is risky in such an environment. Outmigration and brain drain will become a growing issue according to Al Majmoua, as young people are unable to find decent employment, or are paid very low salaries, and cannot launch new businesses because of the low access to finance.

Another key source of loans and financing for entrepreneurs in Lebanon is Kafalat S.A.L. which supports agriculture, hospitality, tourism, industry, and ICT. Kafalat started witnessing a slowdown in 2015 with the situation slowly getting worse. In the last quarter of 2019 banks stopped releasing and approving loans as liquidity started to shrink and the banking sector began feeling the crisis. Kafalat continuously in talks with international and local donors to support its financing programs to directly deliver and provide loans and grants to investors. Kafalat only provided 51 loans in 2019, compared to 313 in 2018.

In the absence of support from the banking sector, access to finance will become increasingly challenging. Alternative financing can be thought of, such as crowdfunding or angel investments. As an example, Tunisia ratified a crowdfunding law in August 2020 in a bid to support entrepreneurship. Lessons can be drawn from countries in the region and from countries in crisis to reflect on financing models. Lebanon has the talent and human resources that could contribute to creating new financial services that would support MSMEs and startups during difficult times. Talent is available in the country, and the know-how of banks and other financial institutions can be leveraged to create added value financial services that support the agriculture sector as well as many others.

Al Majmouaa is working towards changing its approach to adapt to the new market conditions and changing environment, and eventually attract more beneficiaries. This implied offering loans in LBP with suitable terms. It is also about a proper segmentation exercise to identify these businesses whose activities have not been affected and are still in need of investment and access to finance. The organization is also looking into providing funds to entrepreneurs with 'success projects' and follow through until the businesses are launched and operational. New projects and initiatives have to be developed to tackle the crisis and to make sure that business activity continues and that entrepreneurship is not entirely stifled.

Kafalat is also in the early stages of developing adapted programs, although the priority is on managing its current portfolio.

In addition to the need for financing, seed funding, and cash assistance, there is a strong need for continued business coaching to support existing MSMEs and guarantee their survival.

APPENDIX C- TOURISM ARRIVALS TO LEBANON 2014-2019 (EUROMONITOR INTERNATIONAL)

	2014	2015	2016	2017	2018	2019
Iraq	189.2	191.6	236	226.9	236.1	248.8
US	114	135.6	154.1	171.1	181.1	183.9
France	120.7	134.2	145.7	164.9	171.8	173
Canada	78.4	91.3	100.1	107.7	114.5	116.3
Germany	68	74.8	87.6	96.7	102	103.4
Ethiopia	23.3	57.7	79.1	84.4	94.2	102.2
Jordan	73.8	78	86.7	90.1	94.6	96.9
Egypt	69.2	75.5	83.3	82.3	87.2	94.3
Australia	48.5	57.9	72.7	78.7	83.8	85.1
United Kingdom	49.2	56.6	62	68.4	70.9	71.6
Saudi Arabia	45.8	47.8	40.4	64.3	67.5	69
Kuwait	32	32	25.7	40.9	44.1	45.9
Sweden	26	28.4	34.6	39	41.2	41.5
Philippines	29	29.4	29.4	31.8	35	37.3
Italy	28.1	29.3	29.7	33.8	35.2	35.2
Turkey	16.1	21	25.5	29.8	30.9	29.5
Brazil	14	15.8	17.7	21.9	23.2	23.2
India	12.1	14.2	15.6	18.3	20.6	22.1
Iran	15.5	17.9	21	23.5	23.6	22.1
Russia	12.8	13.9	16.2	20.1	21.6	21.7
Bangladesh	22.4	26.2	23	16.8	19	20.3
Denmark	13	13.6	16.1	17.2	18	18.2
Switzerland	11	12.3	14.4	17.3	18.1	18.2
Spain	10.9	11.9	13.6	16.4	17.6	17.9
Belgium	12.6	13.3	14.7	16.6	17.4	17.5
Greece	8.4	9.6	11.3	13.7	14.7	15
Armenia	3.6	9.9	11.1	12.5	13.8	14.5
Netherlands	8.7	9.7	11	13.2	14.1	14.4
Ukraine	8.7	11	11.7	12.4	13.5	14.1
Pakistan	3	3.4	4.1	10.8	11.7	12.1
Cyprus	7.6	6.5	6.6	8.7	9.4	9.8
Morocco	6.5	7.2	7.3	8.9	9.5	9.8
Bahrain	7.6	10.2	10.2	8.8	9.1	9.3
China	4.2	5.5	6.2	7.7	8.7	9.3
Tunisia	5.7	7	7.7	8.8	9.1	9.3
Romania	5.1	6.1	6.6	7.7	8.5	8.9
Ireland	4.3	4.8	5.3	6.7	7.4	7.6

Venezuela	10	10.6	13.2	12.6	9.4	6.9
Austria	4.7	5	5.3	6.1	6.5	6.6
Indonesia	6.8	6	6.2	5.6	6.1	6.4
Algeria	3.8	4.4	5.2	5.9	6.2	6.2
Qatar	2.8	3.6	2.9	5.6	5.9	6
Norway	3.8	4.4	5.1	5.6	5.9	6
Poland	3.4	3.4	4.1	4.8	5.4	5.7
Yemen	5.1	3.8	4.5	4.7	4.7	5.4
Sri Lanka	6.1	5.5	4.9	4.8	5.2	5.3
Oman	2	2.7	3.2	4.5	4.7	4.8
Ghana	4.9	4.5	4.4	3.7	4.1	4.4
Sudan	3.1	3.4	3.3	3.9	4.1	4.2
Finland	3.8	4.1	4	3.7	4	4
Other Countries	85.5	85.4	78.1	86.8	94	97.6
Inbound Arrivals	**1,354.60**	**1,517.90**	**1,688.40**	**1,856.80**	**1,964.50**	**2,018.60**

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