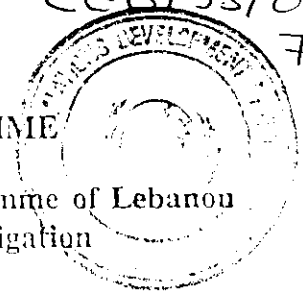


LEB/93/001  
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UNITED NATIONS DEVELOPMENT PROGRAMME

Project LEB/92/001: Support to Priority Rehabilitation Programme of Lebanon  
UNDP/FAO/ESCWA Mission on Agriculture and Irrigation  
14 May - 30 June 1992

DRAFT  
MISSION REPORT  
  
PART 2

الجمهورية اللبنانية  
مكتب وزير الدولة لشؤون التنمية الإدارية  
مركز مشاريع ودراسات القطاع العام

Republic of Lebanon  
Office of the Minister of State for Administrative Reform  
Center for Public Sector Projects and Studies  
(C.P.S.P.S.)

UNDP/FAO Support  
the National Programme  
for Rehabilitation and D  
  
- Agriculture and Irrigat

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(Programme Support Document, short version)

30 June 1992

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## Introduction

The present support document (short version) to the National Rehabilitation and Development Programme of Lebanon - Agriculture and Irrigation Sector - is drafted as an outcome of the UNDP/FAO/ESCWA mission for the Rehabilitation of Agriculture and Irrigation in Lebanon, operating in the framework of the UNDP project (LEB/92/001), Support to Priority Rehabilitation Programme of Lebanon. Following its terms of reference, the mission reviewed the Government Priority Rehabilitation Programme and, in considering the past and on-going work of FAO and the findings of the UN Interagency Needs Assessment Mission to Lebanon from 15-25 July 1991, proposed an adjusted National Programme for Rehabilitation and Development of the Agriculture and Irrigation Sector. The draft National Programme is attached to this draft Programme Support Document.

### A. Development Context

#### 1. General situation of the country

After 16 years of internal strife and external invasions, the infrastructure of the country is severely damaged, substantial parts of the population have been displaced, the economy suffered a sharp setback, the national budget is out of balance and the Lebanese currency suffers accelerated devaluation combined with rapid internal inflation. After the end of open hostilities, the Council for Reconstruction and Development (CDR) of the Lebanese Government contracted with the International Bechtel and Dar Al-Handasah Consultants (Shair and Partners) the establishment of a Recovery Plan for the Reconstruction and Development of Lebanon. Phase 1 of the planning, comprising the Priority Rehabilitation Programme, was adopted as a Government Programme. After the first immediate emergency actions, the rehabilitation stage (phase 1) of the reconstruction process is now commencing, and will cover a period of three years. It will be followed by a recovery stage of 2 additional years (phase 2) and the further development of the country (phase 3). Since national budget deficits are high and not expected to improve rapidly, reconstruction will depend largely on external resources and international aid.

#### 2. Situation of the agricultural sector

Lebanese agriculture has maintained an appreciable level of activity and output during many years of internal conflicts. However, external invasions and the last phase of internal fighting caused a serious setback. On the whole, physical damage and secondary injuries inflicted to the sector by sixteen years of strife, deterioration and neglect are severe (see details in the National Programme). The sector needs a rapid rehabilitation, enabling it, after the rehabilitation phase, to recover and develop favourably.

#### 3. National agricultural policy and strategy

During the long period of insecurity and internal instability, agricultural policy measures were taken on a day-to-day basis, following the immediate needs. Nevertheless, policy followed the basic option of the country's liberal open market economy allowed for substantial imports and exports of agricultural products, in connection with very low national food self-sufficiency estimated at a ratio of 15-20 percent. The strategy of agricultural development proposed aims to a technically advanced, highly specialized, high-quantity producing, diversified agriculture, able to meet special internal consumer needs and to contribute to food security and to the external food trade balance by substantial exports.

The goals, objectives and fields of action of agricultural policy and development strategy are spelled out in detail in the proposed National Programme for Rehabilitation and Development of the Agriculture and Irrigation Sector.

4. Prior and on-going assistance

The prior and on-going UNDP/FAO/ESCWA assistance to the agricultural sectors in Lebanon is listed below:

(a) **Prior assistance**

(i) Projects financed by UNDP and executed by FAO

YEAR	CODE	PROJECT TITLE	BUDGET US\$
1960		Animal Health Institute, Near East	478 900
		Hydro-agricultural development	1 011 000
1965		Soil studies and irrigation projects	485 700
		Forestry education, training and research	890 000
1967	LEB/87/515	Animal Health Institute	1 124 000
1973	LEB/75/005	Animal Production	411 000
1974	LEB/74/001	Hydro agric. development in Central Bekaa	356 000
1975	LEB/71/524	Hydro-agric. dev. of South Lebanon	1 442 000
1976	LEB/70/018	Project of agric. research in South Lebanon	167 000
1977	LEB/77/001	Consultancy in agricultural economics	97 600
	LEB/77/004	Vaccine production	298 000
	LEB/77/007	Hill Ponds for Irrigation	110 000
	LEB/77/008	Quadi Chabrouh Barrage	99 000
	LEB/77/013	Silk Office	50 000
	LEB/77/030	Restarting of Agricultural Projects	73 000
	LEB/77/031	Wholesale Markets in Beirut and Bekaa	136 000
	LEB.77/040	Rehabilitation of Water Gauging System	245 000
1978	LEB/78/006	Wheat Storage and Milling	375 000
	LEB/78/007	Cereals Seed Production	470 000
1979	LEB/79/009	Oleiculture Development	418 000
	LEB/79/010	Nutritional Surveys	57 000
	LEB/79/013	Study on Reconstruct. and Dev. of Agric.	344 000
	LEB/79/015	Training Scholarships	400 000
1980	LEB/80/001	Pilot Centre for Protected Cultivation (I)	854 000
	LEB/80/004	Animal Production Statistics	177 000
1981	LEB/81/005	Silk Production Development	99 000
1983	LEB/83/008	Development of Protected Cultivation (II)	538 000
1986	LEB/86/003	Animal Health (II)	275 600
	LEB/86/004	Agricultural Documentation Centre	142 350
	LEB/86/005	Protected Cultivation (III)	416 718
	LEB/86/008	Oleiculture	262 700
1988	LEB/88/001	Cereals Seed Production	221 700
		<b>TOTAL</b>	<b>13 409 568</b>

(ii) FAO TCP and Regular Programme Assistance

YEAR	CODE	PROJECT TITLE	BUDGET US\$
1976/ 77	TCP/LEB/6701	Potato Seed Supply (OSRO)	204 500
	TCP/LEB/6702	Wheat Seed Supply (OSRO)	48 000
	TCP/LEB/6703	Potato Seed Supply (OSRO)	102 000
	-	Fertilizer Distribution (OSRO)	410 000
1978/ 79	TCP/LEB/8901	Production of Certified Cereals Seed	22 000
	TCP/LEB/8902	Fight against pine proc. caterpillar	37 000
	TCP/LEB/8903	Rehab. of IRAL Act. in N. Lebanon	10 000
	-	Fertilizer Distribution (OSRO)	485 000
1980	TCP/LEB/0001	Veterinarian Vaccine Supply	16 300
	TCP/LEB/0002	Rehab. of Artificial Insemination	78 000
	TCP/LEB/0003	Assistance to Sericultural Development	78 000
	-	Fertilizer Distribution (OSRO)	140 000
1981	TCP/LEB/0104	Assistance to Forage Production	65 000
	TCP/LEB/0105	Improve. of Irrig. Ntwk Management	15 000
	TCP/LEB/0106	Assist. to Protected Cult. Dev. (I)	50 000
	TCP/LEB/0107	Rehab. of Tripoli Fruit Packing Centre	55 000
1982/ 83	TCP/LEB/2201	Assist. to Protected Cult. Dev. (II)	52 000
	TCP/LEB/2202	Form. miss., Rehab. of Damour agric.	24 000
	TCP/LEB/2203	Prep. of Project of Fisheries Rehab.	5 500
	TCP/LEB/2204	Veterinarian Vaccine Supply and Prep.	144 000
	TCP/LEB/2305	National Bank of Agricultural Dev.	17 000
1984/ 85	TCP/LEB/4401	Rehab. of Fishery in N. Lebanon	25 000
	TCP/LEB/4402	Rehabilitation of Packing Centres	9 000
	TCP/LEB/4503	Pesticide Res. Analysis in Fruit/Veg.	89 000
	TCP/LEB/4504	Livestock and Poultry Parasites	68 000
	TCP/LEB/4505	Assistance to Exotic Fruit Production	22 000
1986/ 87	TCP/LEB/6652	Cedar Protection	6 500
	TCP/LEB/6653	Control of Varroosis	29 044
	TCP/LEB/6754	Rehab/Dev. Irrig. Agr. in Mountains	13 500
	TCP/LEB/6755	Strengthening of Aquaculture in Bekaa	50 000
1988	TCP/LEB/8952	Hill Ponds for Irrigation	97 000
1989	TCP/LEB/8953	Cricket Control	269 000
		<b>TOTAL</b>	<b>2 760 044</b>

(iii) FAO Trust Fund Projects

1977		Distribution of Poultry feed (OSRO)	350 000
		Fertilizer Distribution (OSRO)	1 528 000
		Potato Seed Supply (OSRO)	1 200 000
		Pesticide Supply (OSRO)	212 000
1983		Fertilizer Supply (OSRO)	1 600 000
		<b>TOTAL</b>	<b>4 890 000</b>

## b) On-going assistance

Code	Approval date	Project title	Funding/ executing agency	Budget US\$
NECP/LEB/001/SAU	31.01.83	Technical Assistance to Rural Planning and Development	FAO-TCP	790 350
TCP/LEB/0051	22.02.90	Modernization of Irrigation in the Jbel Coastal Zone	FAO-TCP	121 000
TCP/LEB/0051	11.09.90	Strengthening of the Tal Amara Station Operation Capacity	FAO-TCP	327 000
LEB/90/004 (AP)	03.12.9	Aquaculture Development	UNDP/FAO	15 000
TCP/LEB/0153	24.06.91	Supply of Potato Seed (500+)	FAO-TCP	315 000
OSRO/LEB/101/IFF	02.07.91	Supply of Potato Seed (255=)	FAO-RP	150 000
TCP/LEB/0154	09.07.91	Feasibility Study for Rehabilitation of Beirut Grain Stores	FAO-TCP	15 000
PFL/LEB/001/PFL	13.08.91	Beirut Grain Stores Rehabilitation (phase I)	FAO-RP	513 947
LEB/90/003	02.08.91	Food Control	UNDP/FAO	687 100
LEB/90/001	16.08.91	Preparation of Rehabilitation of Ministry of Agriculture	UNDP/FAO	452 237
LEB/92/001	12.02.92	Support to Priority Rehabilitation Programme	UNDP/FAO	315 500
TCP/LEB/2251	24.03.92	Assistance to Rehabilitation of Forestry Service	UNDP/TCP	133 000

5. Assistance under consideration

The following projects are being prepared and/or under consideration;

Funding Agency	Code	Project Title	Request	Status	Budget
UNDP	LEB/90/004	Development of Aquaculture (phase 1)	CDR/MINA	Prep.	500 000
	LEB/91/003	Reforestation Programme (phase 1)	CDR/MINA	Consider.	401 000
	LEB/91/001	Development of Oleiculture in South Lebanon	CDR/MINA	Prep.	528 500
	LEB/91/007	Development of Feed Production	CDR/MINA	Consider.	385 000
FAO-TCP		Assistance to Establishment of a Potential Seed Production Unit	MINA	Prep.	
FAO TCP		Pre investment Study for a Sustainable Livestock Production in the Bekaa Region		Prep.	
IFAD		Smallholder Livestock Development in the Bekaa		Consider.	
ESCWA		Economic and Social Approach to Eradication of Illicit Crops in Lebanon		Prep.	

B. National Programme for Rehabilitation and Development of Agriculture

The national rehabilitation programme for Lebanon was reviewed, as far as the agriculture and irrigation sectors are concerned, by a joint UNDP/FAO/ESCWA mission. A readjusted rehabilitation and development programme was elaborated by the mission and is attached as a draft Programme Document.

C. Sustainability Analysis

The draft Rehabilitation and Development Programme takes into account sustainability requirements. The following short statements refer to respective considerations dealt with in detail in the draft Programme Document:

## 1. Institutional sustainability

As a consequence of 16 years of civil war, most Lebanese public institutions for the agriculture and irrigation sectors are more or less non-operational, notwithstanding their legal and administrative existence. The first rehabilitation concern has to be the restoration of a functioning public administration. Private sector institutions, cooperatives, credit, marketing facilities and structures etc. have to be rehabilitated before a sustained institutional system is re-established and developed. Thus, institutional sustainability will be reached as an objective of the rehabilitation programme.

## 2. Technical sustainability

What was pointed out above for institutions also applies widely for technical aspects. A major objective of the rehabilitation programme is to restore the physical technical installations, e.g. irrigation, storage, research equipment, and to restructure them. On the other hand, the advance in production techniques, quality standards, applied research etc., lost during the war, has to be regained. Thus, rehabilitation aims to restore technical structures and technical knowledge and practice in such a way that a technically sound and sustainable development becomes possible.

## 3. Economic and financial sustainability

Rehabilitation in Lebanon has to rely strongly on external financial resources. Considering the amount of damage and the breakdown of the economy on the one hand and the entrepreneurial capability, ability and initiative on the other, the financial input for rehabilitation will be highly effective, even if the effect is difficult to figure out at present. After rehabilitation and the beginning of a restructuring process in agriculture which may accompany recovery, the agricultural sector of the Lebanese economy will be on the way to economic soundness and to a sustained economic development.

## 4. Cultural and sociological sustainability

Lebanon is a country of exceptional cultural and religious diversity, combined with very close family ties and the people's strong attachment to the land of their ancestors, even when living in town or abroad. Political reasons aside, the long internal strife, and population displacements were caused by sectarian divides and religious conflicts, associated with diverging family clan interests. Sixteen years of war exhausted the people of Lebanon and gave reason to look now for peace, national unity, recovery and development. However, confidence among the Lebanese and towards political circumstances has not yet been re-established. Building up of confidence will be both a precondition and a consequence of successful rehabilitation. In this respect, the only chance left is to start the rehabilitation process immediately with the hope of reaching sustainable sociologic and cultural conditions simultaneously.

On the other hand, the development of an economically sustained agriculture requires important structural changes, especially as far as size of farm holdings, land fragmentation, land tenure and farmers' cooperation are concerned. Undoubtedly, this process will produce social and economic hardships, particularly in disadvantaged areas, which have to be addressed by special Government measures including integrated development programmes in those rural areas, as stressed in the proposed National Programme Document.



Thus, sociological and socio-economic sustainability should be reached by the development process after a transitory period of change.

#### 5. Environmental sustainability

As a consequence of the war, weakened Government authority, and uncontrolled exploitation, national resources, especially agricultural land and forests, and the environment suffer from misuse and deterioration. One of the paramount goals of the proposed National Rehabilitation and Development Programme is to preserve natural resources and the environment from further deterioration and to develop them favourably. Thus, the programme's implementation will be a precondition for environmental sustainability.

#### 6. Risk Assessment

The National Programme is conceived in such a way as to minimize rehabilitation and development risks; but this applies only when the programme is taken and implemented as a whole. Selective implementation, choosing the favoured and promising actions and omitting their necessary but less appreciated counterparts, may soon lead to distortions, social, economic and environmental problems and renewed political unrest. The success of the programme depends on its complete and consequent implementation.

However, risks external to the programme are substantial, connected with the future political conditions within the country and in the Near East. Thus, internal and external stability will be the most important prerequisite of the success of the National Rehabilitation and Development Programme.

#### D. Prior obligations and prerequisites

The intermittent peaks of internal insecurity and instability did not allow the country to benefit from the assistance and development programmes and projects established and implemented in the last 10-12 years. Hence the most important prerequisite of the programme support will be sustained security and stability in the country.

Assistance in the framework of the National Rehabilitation and Development Programme proposed will be considered on request when the latter is adopted by the Government. Full implementation and absorption capacity of the National Administration will not be asked for as a prerequisite, since this capacity would be re-established through programme actions. However, the establishment of workable administrative structures and appropriate initial recruitment of personnel would be required.

As far as funding is concerned, the necessary arrangements should be made that the National Budget procures for an adequate part of the factors concerned, in relation with its contribution to the Gross Domestic Product. The Government's overall commitments towards the agricultural sector should be such that the donor contributions encounter a favourable framework of the sector's development.

E. Legal Context

(To be established)

F. Budget1. Projects to consider for UNDP financing

Out of the total Rehabilitation and Development Programme Budget, the financing of the following project may be considered by UNDP:

PROJECTS	Type	Priority	Tot. Cost
A. <u>Human and Institutional Resources</u>			
A 1.1 Support to Agricultural Planning and Project Preparation, Coordination and Monitoring	IB	a1	2 229 000
A 2.1 Support to Rehabilitation of Secondary and Higher Agricultural Education	IB	a2	1 160 000
A 2.2 Rehabilitation of Agricultural Research	IB	a1	1 778 000
A 2.3 Rehabilitation of Agricultural Extension Service	IB	a1	1 079 000
A 3.1 Funding of National Agricultural Development Bank (BNDA) (Technical Assistance Components)	IB	a1	1 000 000
B. <u>Natural Resources and Environment</u>			
B 1.1 Masterplan for Land Use and Conservation	IB	a2	1 114 000
B 2.1 Damage Assessment of Irrigation Systems	PS	a1	900 000
B 2.2 Technical Assistance Programme for Water/Irrigation Planning	IB	a1	3 000 000
B 2.8 Masterplan for National Water Management	IB	a2	2 000 000
B 3.1 Forestry Rehabilitation	IB	a1	407 000
C. <u>Agricultural Production</u>			
C.1.1 Development of Seed Industry	IB	a1	530 000
C.1.4 Tobacco Rehabilitation and Improvement	IV	a2	1 300 000
C 2.1 Rehabilitation of Animal Health Services	IB	a1	1 122 600
C 3.1 Rehabilitation and Modernization of Marine Fisheries	IB	a3	2 500 000
C 4 1 Silk Rehabilitation	IB	a1	1 410 000
D. <u>Marketing and Agro-Processing</u>			
D 3.1 Pre-investment Study of Beirut Wholesale Market for Fruit and Vegetables	P3	a3	210 000

2. Projects to consider for FAO/TCP financing

FAO could consider the financing of the following projects in the framework of its Technical Cooperation Programme:

PROJECTS	Type	Priority	Tot. Cost
C 2.2 Eradication of Brucellosis	PS	a1	483 000
C 2.3 Rehabilitation of Artificial Insemination Service	IB	a1	405 000
C 2.4 Pre-Investment Study for a Sustainable Livestock Development in the Bekaa	IB	a2	372 700
D 1.2 Damage and Rehabilitation Study of Regional Grain Storage Infrastructure	PS	a1	28 000
D 2.1 Pre-Investment Study, Rehabilitation of Tripoli Fruit Conditioning Station	PS	a1	33 000

As a precondition for the beginning of agricultural and irrigation rehabilitation, projects A 1.1 and B 1.2 are of the utmost urgency and priority and should be considered on an emergency basis.

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