Ministry of Foreign Affairs

Activity: BEI Rene Moawad Foundation - SADDER (23-0001663)

Id	23-0001663
Date	19-08-2025
SAP application number	4000006898

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Key data

Activity basics

Type	Standard
Short name	BEI Rene Moawad Foundation - SADDER
Contract party	Rene Moawad Foundation (30041001)
ODA	Yes
Amount and Currency	12163048 USD
Amount EUR	11554896
Start date	01-08-2023
End date	01-08-2027
Full name	IMPACT 23-0001663 SADDER - Sustainable Agricultural Development to Diversify and Export Regionally. A follow-up project of the RMF export program from
Summary	IMPACT 23-0001663 SADDER - Sustainable Agricultural Development to Diversify and Export Regionally. A follow-up project of the RMF export program from 2019-2023.

Activity details

Date of receipt of proposal	20-07-2023
Proposal's reference number	
Budget holder	Ambassade Beiroet (8251BEI)
Limit access	No
Related activity	4000002724

Accounting data

SAP application number	4000006898
Funds center	BEI LB Private sector development contr (1701U03020014)

Policy data

Aid modality	General Budget Support
Technical assistance	Less than 10 % of the activity budget
Beneficiary location	Country
Country	Lebanon
Location type	
Specific location	
CRS code	31120 Agricultural development
Policy Keywords	
Refugees & host communities	Yes
Team Europe Initiative	No
Policy Markers	
__Trade & The Economy	Not targeted
_Security & Stability	Not targeted
Biodiversity	Principal
Climate change: adaptation	Significant
Climate change: mitigation	Significant
Desertification	Not targeted
Equality between men & women	Principal
Migration	Not targeted
Environmental protection	Principal
Food security	Principal
Integrated water management	Significant
Market access	Principal
Market development	Principal
New technologies	Significant
Physical infrastructure	Significant
Private sector development	Principal
Research and knowledge	Significant
Skills development	Principal
Youth employment	Significant
Explain your choices	The SADDER project aims to support Lebanon in four value chains, namely avocado's, cherries, table grapes and apples. The agricultural sector in Lebanon is in need for robust change in practices and attitudes. Despite Dutch support over the past years to the agri-sector, needs remain high. The self-inflicted socio-economic crisis is providing an opportunity, as imports of basic goods have become too expensive for many. The value chain approach takes into account from the start of the value chain the nexus between water, energy and food. The project contributes to good agricultural practices, follows a do-no-harm principle to people and nature, and is contributing to self-reliance of the sector for both production to the local as well as to the international market. All the above mentioned policy markers are part of the project, but significantly are the policies to strengthen the private sector, food security, skills development and to gain access to new markets, including to Europe.

Policy Appraisal

Policy relevance

Multiple Crises increase need for resilience in the market.

- Lebanon has been struck by several crises since 2019, namely an unprecendented economic and financial crisis, COVID-19, the August 2020 explosion and is currently facing a political vacuum crisis. The economic crisis has resulted in an increase of brain drain, decrease in economic opportunities and a high unemployment rate. Overall the Lebanese economy shrunk by 60% since 2019 and the Lebanese Lira lost 90% of its value. In the World Bank Lebanon Economic Monitor, Spring 2023: The Normalization of Crisis is No Road for Stabilization it shows that the economic contraction is continuing and Lebanon will be in need of economic reforms to get back on the track of economic recovery. The banking sector remains insolvent and therefore the long-term debt sustainability is at risk. Banks are no longer lending to small and medium enterprises, hampering investments and economic growth. The trackrecord on economic reforms by the Government of Lebanon has been lacking, which will be needed to fully unleash the economic potential in terms of private sector productivity and the creation of employment opportunities. To ensure the private sector will not further sink in the sand, supporting the private sector is relevant to maintain economic productivity and to sustain jobs.
- When it comes to Job creation, even before the Syrian refugee crisis Lebanon provided provided limited job opportunities. According to ILO's 2022 Labour survey, Lebanon is faced with an unemployment rate of 30%. Unemployment rates under youth are even higher, estimated at more than 50%. Informal employment is at 60% and becomes the new normal, which increases protection risks.
- According to the MFA/RVO PADEO 2023 study conducted by the Lebanese Executive magazine, the Lebanese agro-food sector is being increasingly acknowledged as a sector that can support the economy and create jobs. The sector can also support with import substitutions and a revitalisation of the productive sector.
- The intended intervention is to create employment in sectors that have proven to be crises-resilient. In addition, it will offer the Lebanese private sector with options it would otherwise not have without this intervention. As the agricultural sector is the main sector for Syrian workers it will also allow to provide a positive response towards the Syrian refugees crisis by supporting both Lebanese and Syrians.
- The intended intervention aligns with the BHOS policy note 'doing what the Netherlands is good at 2023-2026 and the Lebanon Multi-Annual Country Strategy (MACS) 2023-2026. It also aligns with the Department of Sustainable Economic Development (DDE) theory of change and its Result Framework as seen hereunder is incorporated in the project. In the MACS it is written that interventions will focus on creating sustainable and decent jobs in the agricultural sector, as well as providing green transitioning solutions. The intervention with RMF since 2017 has proven to be succesfull in sustaining and creating jobs, while expanding on productivity. Important lessons learned are incorporated, therefore in the next phase there is more focus on the decency of jobs. The project will also focus more intensively on combatting child labor, which is also mentioned as a priority sector under the MACS.
- Using the DDE Result Framework, RMF will be contributing to the following DDE indicators directly and indirectly:
- A: Number of companies with a support plan to invest, trade or provide services.
- B: Average compound annual revenue growth rate of individually supported MSMEs
- C: Value of export of products and services (in euros) by individually supported MSMEs(in developing countries)
- E: Number of MSMEs gaining new or improved access to a value chain
- F: Number of direct jobs supported in individually supported MSMEs
- G Number of direct beneficiaries* supported to have raised income
- H: Number of direct beneficiaries* supported with improved labour conditions in accordance with international agreements
- I: Number of companies (including MSMEs) that meet firm-specific, national, or international sustainability standards
- J: amount of mobilised private finance (in thousand EUR)
- K: Number of end users with access to new or improved infrastructure
- L: number of strengthened organisations contributing to a sustainable local business climate
- M: Number of members of supported organisations
- P: Number of individuals that obtain financial services
- R: Number of improved or introduced new products

Only DDE indicators D, N, O and Q are not part of this project.

Rationale

- The activity aims to support Lebanon through a value chain approach in four different value chains with its production, good agricultural approaches, enhancing quality, enhancing laborers skills and welfare and to allow for Lebanon to

export these products to European and other markets. The chosen value chains cherry, avocado and table grapes have proven themselves during the previous phase of the project. This next phase should help sustain and further develop what has been started more than four years ago. In the new phase of the project a new value chain has been identified namely apples. Apples in Lebanon are a big livelihood provider, but the sector has been neglected. In the next phase the rationale is to also augment this value chain and ensure good agricultural practises to revitalize the apple sector. In regards to the apple sector, it was noted during the quality at entry that this value chain in contrast to the other value chains is not fit for the European market. Therefore there will be more extensive research into other markets, such as the Gulf, Asia and African markets to see where the Lebanese apples fit best.

- The rationale behind the intervention within the agricultural value chains targeted under this project, is that there is a lack of proper agricultural practises and pest management, a lack the international requirements for exports, have high costs of input, limited scientific research and development in the crops, lack of access to finance, infrastructural challenges and many more challenges.
- The Netherlands believes that through supporting the private sector, the economy of Lebanon can at a minimum continue and provide in livelihoods for the people living in Lebanon. However, sustainable economic growth will depend on economic reforms by the Government of Lebanon. Therefore advocacy for economic reforms needs to continue, and while not a policy goal under this project, RMF will also continue to use its channels as part of this project vis-a-vis the government to call for reforms.
- The response of this project is to conduct capacity building within the value chains from farmer all the way to the international market and target every single entity within the value chain. By introducing new and better information, organize, train and empower service providers and specialized teams and rejuvenate orchards, these value chains will be further enhanced. This will allow for Lebanon to create import substitution, provide more local jobs due to the enlargement of the sectors productivity and create more sustainability by linking all the pins within the value chain to each other.
- The goal is ultimately increasing income, self-sustainment of the various agricultural sector, creating and sustaining jobs and reducing the trade balance deficit.

Target groups, location and stakeholders

- This activity aims to strenghten private sector development in Lebanon by providing technical assistance to value chain actors from farming cooperatives to post-harvest facilities. Therefore the main target groups differ from the farmer all the way to the exporter. The MEAL team within RMF has gathered significant data that is being used to target the right people and regions. By strengthening the development of the agricultural value chains, the activity works on enhancing market access to international and other markets. The market study provided by CBI in 2018, and revalidated in 2023, is the backbone of the chosen value chains cherries, avocadoes, table grapes and apples. To meet international market requirements the four value chains will be in need of enhancement through better certification (SMETA, GGAP), and farmers will be receiving higher income, therefore creating more opportunities for sustainability. To enhance efficiency also new technologies will be introduced. And to reduce the use of water and pesticides, more environmental awareness and protection will be part of the project. Therefore only farmers that are willing to meet these new requirements will be benefitting from the project.
- RMF has identified segments of beneficiaries who will be selected through an open tender, each beneficiary based-on specific criteria. RMF will encourage women and youth to apply by setting a percentage of at least 50% for women service providers, and 15% overall women beneficiaries. With the majority of the targeted beneficiaries being farmers, the 15% of overall women beneficiaries is realistic as many of the farmland owners are male. Part of the project as has been proven in the previous phase is focusing on more female employability options, for instance in the post-harvest units.
- Within the different value chains, there are private stakeholders who are relevant other stakeholders. To avoid a notion of market distortion, RMF is assisting in enhancing and expanding the sector. There will be an open tender call for all parties to receive support given under this project. There is no regional limitation, meaning that the intervention will be across Lebanon.
- Other stakeholders are other donor programs, research centers and the national and local governments. Several stakeholders have been interviewed as part of the project design. This is described in the project proposal under chapter **1.3 Alignment and Synergies**. As part of the project appraisal a Quality at Entry was held. Also other donors like CAN and USAID have been contacted by the Embassy to ensure complementarity of the intervention.

Dutch added value and cost-share

- The Netherlands has a strong reputation in Lebanon when it comes to Agriculture. The added value in this project is through Dutch institutions like CBI and PUM. Through their expertise, the project can build upon specific Dutch knowledge. This has helped for instance picking the right types of avocado's that the European market is interested in.

- As agreed with RMF, the cost-share of this project has been increased. Over the past few years there have been a lot of in-kind programs in Lebanon providing 'free' equipment. The cost-share under this project will vary, but some kind of contribution will be required from the beneficiary.

Lessons learned

- The project is building upon the lessons learned from the mid-term review and lessons learned have been included in the project description where relevant. To ensure continued learning during the project there is a dedicated MEAL person on the project. The MEAL team at RMF will continue to ensure that relevant data will be used to adapt the program. At the beginning of 2024 the final evaluation of the first phase should be ready and these findings will also be included and where necessary will lead to adjustments of the program.

Durability

- RMF has designed the project with long-term sustainability as the forefront objective. As such, RMF adopted a market-led value chain approach, identifying markets and assessing their specific needs, required varieties, pricing structures, agriculture calendars, norms, and certifications in line with the CBI research of 2018 and revalidated in 2023. This approach ensures that RMF's endeavors align with market demands, thereby having positive impact on its success. In fact, with increased market demand, and solving value chain bottlenecks, the project is engaging additional PHUs, farmers, processors, and service providers.
- The project aims to successfully export, while showcasing the importance of implementing technical and social standards in production, as well as operating within a unified cluster structure with clear scope, organizational breakdown structures, operational procedures and departmental structure. This will allow for smooth exit strategy after mediation, empowerment and knowledge transfer and will generate enhanced investment confidence in the sector, paving the way for the private sector to replicate and scale-up such activities, ultimately leading to a selfsustained exporting infrastructure. RMF will ensure to train, where applicable, beneficiaries and structures on proper management and legal advisory, while ensure that all assets are handed over to their respective owners.

Climate change

- The proposal acknowledges the impact of climate change and therefore in outcome 1 it is explicitly mentioned to strengthen the resilience to climate change. In line with the Lebanon Crisis Response Plan indicators, farmers will be supported in adopting climate-smart and good agricultural practises.
- To ensure good use of water, energy and food, RMF has outlined several sectorial challenges. For instance, Lebanon's water is rationed, infrastructure is aging and energy sources are mostly coming from fossil fuels. Therefore the project will invest in proper water management, renewable energy and innovative models to ensure more sustainable agriculture.

Cooperation, harmonisation and alignment

- RMF has several connections with Dutch organisations. RMF is working closely with CBI and PUM. It also plans to further expand possibilities of collaboration with RVO. There are no other cooperations planned for the moment, but the activity was assessed by FAO. FAO is also working on an intervention in the apple sector funded by CAN and will ensure together with RMF to complement efforts. In other value chain projects provided by other donors, the focus is on other crops. The project will add to the indicators as set in the Lebanon Crisis Response Plan (LCRP) and RMF is an active member of the Food Security and Agricultural group under the LCRP. As part of the pre-discussions for this new intervention, RMF has had several talks with important stakeholders including EU, USAID and also Prospects partners like UNICEF and ILO to ensure complementarity, find harmonisation and synergies, for instance in the area of decent jobs.

Digitalisation

- There is limited digitalisation involved in this project. While introducing new techniques, including precision farming which require digitalisation skills to a certain degree, the project will not include a major digitalisation component.

Additional remarks (if applicable)

Results

Private Sector Development

2. Strengthening trade for development

SDG target(s): 8a, 8.1, 8.3, 8.4, 8.5, 8.8, 8.10, 10.2, 17.11. Short description: In the result area 'strengthening trade for development' the focus is on improving market and trading systems, where conditions for economic activity to cross borders more easily are created. We also encourage transitions to more sustainable production and trade practices through economic and social reforms (market transformation) in lower middle income countries. We contribute to increased and more sustainable trade between the EU and lower and middle income countries.

Indicators

2.G. Number of direct beneficiaries supported to have raised incomes. (IATI code XXX0007)
Measurements: Baseline: 0 Target: 793

Description how the activity contributes to the result area, strengthening trade for development
Measurements: By enhancing the capacities of farmers, clusters, agro-enterprises, and post-harvest facilities to meet local and export market requirements. This is achieved through interventions that improve quality, efficiency, and access to markets.

Monitoring and evaluation

Monitoring

In 2022 the Netherlands Embassy held a two-day training with the Dutch MFA MEL team. As a result of the training, the Embassy used the training lessons to ensure that the Monitoring, Evaluation, Accountability and Learning paragraph of the project proposal is strong and inclusive. There is also for 0,5 FTE a dedicated MEAL person on the project. During the Dutch MFA MEL TEAM visit, an extra day was also held for partners of the Embassy. The RMF MEAL person participated in this training.

Most important under the new project will be monitoring of the progress through project monitoring visits. As part of the monitoring visits, there will be specific attention to monitor whether new jobs are created with good working conditions,that there is no child labor, and how the collaboration is with other Dutch partners like CBI, PUM. Based on the activities per year it is expected that at least once every quarter a monitoring visit will be needed to follow-up with the different value chains. In addition,there will be flagship events such as the certification of companies and grand opening of PHU units. Also visits from the Hague as part of the PADEO strategy can be used to optimise monitoring of this project.RMF will be requested to report on its progress through an annual IATI report. Finally, narrative and financial reports and bilateral meetings with RMF will be used. The main role for monitoring will be with the policy officer and controller of the Embassy.

Evaluation

There will be a mid-term and a final project evaluation. RMF Is the largest funded program by the Netherlands Embassy and with its size it is important to ensure a good and independent evaluation. The TOR of the evaluations will first be drafted by RMF and be shared in advance with the Embassy. The Embassy will assess the ToR and will select the evaluator. The scope of the evaluation will call for an assessment based on the six OECD-DAC criteria, which looks at the overall coherence, relevance & design, implementation, effectiveness, input-to-results efficiency, and project sustainability. The consultant will report their findings directly to the Embassy, the cost of the evaluation is provisioned in the project budget.

Finance

Budget breakdown

- Include an overview of the activity budget, including overhead costs.

	USD	YEAR 1 - 4	USD
	TOTAL BUDGET	REQUESTED FUNDS	COST SHARE
SALARIES	3.048.708,26	3.048.708,26	
FRINGE BENEFITS	669.839,28	370.550,87	299.288,41
TRAVEL & TRANSPORTATION	55.200,00	55.200,00	
EQUIPMENT & SUPPLIES	35.000,00	35.000,00	
TECHNICAL CONSULTANTS	381.100,00	381.100,00	
OTHER DIRECT COSTS	692.792,00	620.792,00	72.000,00
COMMUNICATION COSTS	126.200,00	126.200,00	
PROGRAMME ACTIVITIES	9.407.850,00	6.676.912,50	2.730.937,50
TOTAL DIRECT PROJECT COSTS	14.416.689,55	11.314.463,63	3.102.225,91
OVERHEAD	848.584,77	848.584,77	
TOTAL BUDGET	15.265.274,32	12.163.048,41	3.102.225,91

- Is the budget arithmetically correct?

Yes the budget is arithmetically correct

- Are the amounts/rates in the budget acceptable?

The total amount/rates are accetable. The salary component in the budget is 22% of the Total Direct costs.

RMF is a known and respected NGO in Lebanon, with many experienced staff who deliver high quality on their many projects for different international donors, including USAID, EU, GIZ, UNHCR, UNICEF. We also compared our budget with the most recent project budget of RMF with USAID. USAID sent us their approved budget including the agreed salary matrix between RMF and USAID (filed in Sophia under MINBUZA-2023.1119425 and MINBUZA-2023.1119427).

In view of the continuity of the project and the excellent reputation of RMF, the choice of RMF as our contract partner for this important project is more than justified.

- Briefly explain the structure of the budget.

The structure of the budget you can see in the overview above at the first question. The budget for the program activities is divided in 4 categories/products, one for each specific value chain of : Avocado's, table grapes, cherries and apples. In this way it is easier to monitor the budget per product.

- Are overheads proportional to outputs? What is included? What is recharged?

Overhead is 7.5% of the total direct project costs. This includes all the normal budget items, but also some of the costs for the field offices. Because of the nature of the project the field offices are absolutely necessary and therefore the costs (see specified budget) of the field offices can be seen as direct costs.

- Is implementation conditional on the budget being amended in an inception phase? (Specify the requirements that the budget must satisfy and the date by which the budget must be amended)

No

Earmarking

- Is the Dutch contribution to the programme earmarked (i.e. reserved for a specific purpose)? If so, specify the reasons why.

The Dutch Embassy is the only donor, however there is also an amount of costs sharing (22% of the total budget)

Prepayments

- Based on the prepayment decision tree (see Help), do the payments need to be entered as prepayments and why? In the case of a lump sum, assess this against the applicable criteria and give the reasons for your choice.

Yes payments need to be entered in our system as prepayments. It concerns payments for a specific acitvity.

- What is the maximum percentage that can be paid as prepayment, and why?

Prepayments will be made up to a maximum of 95% of the total budget of the activity.

- Which are the reporting obligations on the basis of which prepayments can be closed?

Prepayments can be cleared based on the approval of the annual narrative, financial AND audit report.

Available resources

	USD	EUR
Implementing organisation's own contribution	1.652.225,91	
Firm commitments by other donors (e.g. farmers)	1.450.000,00	
Dutch contribution	12.163.048,41	11.554.895,00
Total available resources	15.265.274,32	
Budget needed	15.265.274,32	
Still to be financed	0,00	0,00
Soft commitments by other donors (for each donor)		
Uncovered balance	0,00	0,00

- Are there any non-financial contributions relevant to implementation of the activity, such as deployment of volunteers, availability of buildings, materials, etc.?

No

- If there is an uncovered balance, how will this affect implementation of the activity (e.g. proportional reduction in outputs, omission of regions) and how will this affect the decision whether to fund this activity?

N/A

Grant with a repayment obligation, loans, equity investment or guarantee

- Does the Dutch contribution take the form of a grant with a repayment obligation, a loan, an equity investment or a guarantee (either in whole or in part)? If yes, briefly set out the consequences for accounting and how correct processing in the financial records will be ensured.

No

- Are there revolving funds? If yes, please explain what will happen to any residual funds, how closure will take place and which agreements should be made.

Yes, RMF will use a revolving fund to pay an advance to importers at international market fairs. This will allow for the companies from Lebanon to participate at the fairs. Once the goods arrive, the payment will be done in full by the recipient which means money will be returned to RMF. To ensure a depletion by the end of the project, the money will be used to participate in other international fairs therefore slowly depleting the fund. There is a risk that by the end of the project some money might be left because of this usage of funding. This risk is small and is mitigated through (1). by the end a small part of the funding is not spent or (2). the remaining funds will be reallocated to another activity.

Audit opinions

- Is an audit opinion required for the activity (see Help)? Briefly explain.

Yes, budget is over 5 million EURO so an audit opinion is required. We will add in the contract that this time the Embassy will be involved in choosing which auditor will perform the audit.

- Should the audit opinion be accompanied by an additional auditor's report (for example, on the risks set out above, or on monitoring that the organisation carries out on its prepayments to other organisations)?

No