WFP Food System Grant Facility

FSSWG BML & South + BB coordination meeting
May 2021
Why set up a grant facility?

• The Food System Grant Facility (FSGF) responds to the economic crisis and related agriculture sector crisis; COVID-19 crisis; Syrian refugee crisis.

• There is a gap in the access to finance for micro, small and medium sized enterprises (MSMEs) in the agricultural sector.

• The Grant Facility encourages innovative solutions to food system strengthening through local actors and on market terms.
What is the FSGF?

• A contribution to agricultural food system development

• An instrument to:
  • Provide cash and technical support directly to businesses as based on competitive process of review and selection of MSME proposals
  • Facilitate food sector business development, innovation, sustainable inclusion of small businesses and smallholder farmers
Two windows of support

Window 1: Relief Objective
To ensure the survival and continued operation of food system MSMEs in the face of shocks.

Window 2: Resilience Objective
To contribute to a food system that 1) can substitute imported commodities with locally produced foods, and 2) create jobs and income generation.
## Window Overview

<table>
<thead>
<tr>
<th>Window 1: Relief</th>
<th>Window 2: Resilience</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Size</strong></td>
<td>Up to $5,000 USD</td>
</tr>
<tr>
<td><strong>Modality</strong></td>
<td>Cash Grant</td>
</tr>
<tr>
<td><strong>Duration</strong></td>
<td>In response to acute needs in the face of specific shocks</td>
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</tbody>
</table>
| **Target businesses** | • Food sector business  
• Primarily microbusiness, registered and unregistered, less than 10 employees  
• Business has sustained physical damage or face business operation obstacles as a result of the Beirut blast | Registered SMEs in the agri-food space including:  
• Input suppliers  
• Smallholder farmers, farmer organisations or cooperatives  
• Collection centers/transporters/storage centers  
• Processors  
• Exporters/importers  
• Retailers |
| **Selection criteria** | • Impact of the blast (Beirut blast response specific)  
• Financial Sustainability  
• Potential Social Impact  
• Vulnerability profile | • Impact: local production for local consumption; employment; inclusiveness of small-scale actors  
• Feasibility  
• Innovation  
• Financial sustainability  
• Team strength, experience and commitment  
• Scalability |
| **Needs to be covered** | Rehabilitation, new equipment, staff salaries, debt repayment, rent | Solid approaches to addressing issues in production, transformation and marketing & consumption streams |
Window Overview: Window 1

• As overall Al Majmoua outreached to 280 food system MSMEs
• The final list of grantees consisted of 222 microbusinesses
• 53 women-owned business
• Grant disbursement takes place in the week of 24 May
## Window Overview: Window 1

<table>
<thead>
<tr>
<th>Business type</th>
<th>Number of selected businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Grocery shop</td>
<td>79</td>
</tr>
<tr>
<td>2 Butchery</td>
<td>10</td>
</tr>
<tr>
<td>3 Bakery</td>
<td>28</td>
</tr>
<tr>
<td>4 Vegetable shop</td>
<td>16</td>
</tr>
<tr>
<td>5 Other (café, home-based catering, etc.)</td>
<td>89</td>
</tr>
<tr>
<td>Grand Total</td>
<td>222</td>
</tr>
</tbody>
</table>
• # employees: 220, 73 are Syrians
• # business with female employees: 31
• # businesses with employees of other nationalities: 24
Window overview: Window 2

- The purpose of the FSGF Resilience Window is to support and strengthen the backbone of the Lebanese food system economy in local communities: small businesses and small-holder farmers.
## Window overview: Window 2

### Production
- Access to finance
- Access to affordable, high quality inputs
- Local production of seeds and manufacturing of equipment (e.g. irrigation, greenhouse),
- Climate Smart Agriculture
- Precision Agriculture
- Water Management
- Seed certification systems
- Traceability
- Business collaboration strengthening coordination & collaboration among value chain actors

### Transformation
- Processing
- Post-harvest loss management
- Food storage
- Food transportation
- Food packaging, labelling, and branding
- Food handling and safety
- Access to finance

### Marketing & Consumption
- Diversification of market linkages
- Supply chain linkages/expansion with local suppliers
  Supply of nutritious school meals and snacks.
- Consumer behaviour
Thank you! Questions and comments?