

## **Inaugural Project Bi-Annual Review**

March 1st 2022 - August 31st 2022

### **Context**

Since the eruption of nationwide anti-government protests in October 2019, Lebanon has faced compounding economic, financial, and political crises. The protests reflected an underlying systemic paralysis and the already-unstable nation rapidly spiraled into political chaos, witnessing the broad-scale collapse of both state institutions and the private sector. Lebanon has subsequently been labeled a ‘failing state’ by the UN Special Rapporteur on extreme poverty and human rights. In October 2019, the banking sector imposed crippling, informal capital controls, restricting depositors’ and businesses’ access to their deposits and to international markets, leading to shortages of essential goods, fuel and medication, and extreme price increases due to hyperinflation. Consequently, the Lebanese Lira lost 90% of its value against the USD, an unofficial black market emerged, while unemployment surged due to the widespread collapse of businesses.

The protracted economic crisis has been further compounded by the COVID-19 pandemic and the effects of the August 2020 Beirut blast – the largest non-nuclear blast in history – with a significant proportion of vulnerable households reverting to negative coping mechanisms to meet their basic needs: in May 2022 the UN estimated that four-fifths of the country live in poverty.<sup>1</sup> According to the World Bank “[the] Lebanon financial and economic crisis is likely to rank in the top 10, possibly top three, most severe crises episodes globally since the mid-nineteenth century”.<sup>2</sup> From July 2021 - July 2022, the average monthly cost of essential items has escalated dramatically: food prices have increased by 240%, utilities by 110%, and transportation costs by 354%. According to a survey conducted by UNICEF in June 2022, 84% of households cannot afford basic necessities. Lebanon’s economic turmoil has made it extremely difficult for businesses to continue operating and, consequently, for consumers to access the food and supplies they need to survive. Urgent support is needed at both the household and private sector levels.

To respond to the ongoing needs, Izdihar Libnan has created a socio-economic development strategy to support entrepreneurs in Lebanon with a holistic business package to promote meaningful employment, a positive community impact, and sustainable economic growth. This is accomplished by providing tailored financial assistance, market-driven business expertise, and mentorship from Izdihar Libnan's Global Support Network to increase success, broaden impact, and connect entrepreneurs with local, national, and international markets.

### **Inaugural Program**

In 2021, Izdihar Libnan raised USD 30,000 through private donations to implement the inaugural project. On November 1st 2021, Izdihar Libnan opened a call for applications to encourage social entrepreneurs to apply for the program. Outreach for the call for applications was implemented through social media and partnerships with over 12 peer agencies. The demographics of the application results are in the table below. Out of the 59 applicants, ten were shortlisted for review by the Board of Directors, then seven were selected for interviews. Out of the seven applicants that were selected for interviews, all of the entrepreneurs were women, and six were based outside of Beirut.

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<sup>1</sup> [Lebanon: UN expert warns of ‘failing State’ amid widespread poverty | OHCHR](#)

<sup>2</sup> [Lebanon Economic Monitor. Spring 2021: Lebanon Sinking \(to the Top 3\)](#)

Gender	Total	Percentage	Location	Total	Percentage	Sector	Total	Percentage
Female	49	83%	Akkar	11	19%	Food & Beverage	13	22%
Male	10	17%	Mt. Lebanon	11	19%	Training	8	14%
Age	Total	Percentage	Beirut	10	17%	Agriculture	6	10%
20-30	31	53%	Bekaa	10	17%	Retail	6	10%
31-40	18	31%	Baalbek & Hermel	5	8%	Art & Culture	5	8%
>40	10	17%	North Lebanon	5	8%	Textiles	5	8%
Education	Total	Percentage	South Lebanon	3	5%	Environmental	4	7%
Masters	37	63%	Jbeil and Keserwan	2	3%	Health & Wellness	4	7%
University	12	20%				Eco-Tourism	3	5%
Highschool	8	14%	Nabatieh	2	3%	ICT	3	5%
PHD	2	3%				Transportation	2	3%

After three rounds of interviews conducted by the Board of Directors and Global Support Network team members, Rawane Assi of EcoJoun was selected. On March 1st 2022, Izdihar Libnan and EcoJoun launched the inaugural program.

### EcoJoun Business

In Lebanon, waste management has become a critical issue as the waste management infrastructure cannot keep up with the demand. This is proving harmful to the environment. Plastic forms 10-13% of municipal waste<sup>3</sup>, with the toxicity affecting the soil, groundwater, and people's health. Food waste decomposes naturally in a landfill, but it releases methane, which is a potent greenhouse gas. To limit these risks and the amount of landfill waste, EcoJoun is collecting, sorting, and processing organic and recyclable waste and then reselling it to local plastic manufacturers, and feeding the organic waste to red wiggler worms to produce organic compost and fertilizer (vermicomposting). From inception, **EcoJoun has hired two employees, collected, sorted, and processed over 14.8 tons of waste, and provided 1.8 tons of organic vermicompost to local farmers and agricultural businesses.**

### **EcoJoun Partnership**

Izdihar Libnan is supporting EcoJoun for one year from March 2022 to April 2023, providing EcoJoun with up to USD 20,000 of financial support for asset procurement and ongoing business costs, access to expert business consultants, and a mentorship team that is supporting EcoJoun with monitoring and evaluation technical assistance to measure project impact, financial management support, and solid waste management and recycling expertise.

### Consultations

EcoJoun has received dedicated support from three local and international consultants to date; Finance, Graphic Design, and Online Engagement.

**Finance:** At the onset of the project, EcoJoun worked with a finance consultant to develop a financial feasibility study to project business expenses and revenue through 2024. During this exercise, EcoJoun learned how to accurately project business expenditure for initial one off costs to start the business, ongoing costs to maintain the business, and projected revenue to

<sup>3</sup> [Guide to Municipal Solid Waste Management](#)

ensure that the business will be self-sustaining by the end of the program. EcoJoun, along with the finance consultant, presented multiple ways forward that included different financial obligations for Izdihar Libnan to select. The Board of Directors reviewed the financial projections and in collaboration with EcoJoun and the finance consultant, chose a financial support structure that was deemed best suited for EcoJoun to build a sustainable business.

**Graphic Design:** A Global Support Network member that has expertise in graphic design worked with EcoJoun to support the creation of a new business logo. The graphic designer and EcoJoun worked together on a design and color scheme to develop the logo that is in line with the vision of EcoJoun. EcoJoun received their new logo that is used for all external communications and labeling assets.



**Online Engagement:** In May 2022, Izdihar Libnan and EcoJoun jointly identified that there was a need to improve EcoJoun’s online presence. Izdihar Libnan solicited support from a Lebanese content strategist consultant to support EcoJoun’s online communication strategy. The consultant supported EcoJoun to develop a content strategy that would be implemented across their social media platforms. This strategy has led to an increase in online engagement for EcoJoun and supported EcoJoun to increase their household business reach (to increase access to waste inputs) and recruitment of volunteers for community projects.

Financial Support

To date, Izdihar Libnan has supported EcoJoun with \$9,989 of financial support.

FINANCIAL SUPPORT		
ECOJOUN FINANCIAL COSTS PROVIDED BY IZDIHAR LIBNAN		
<b>SALARY</b>	<b>PROCUREMENT</b>	<b>CONSULTATIONS</b>
<b>\$2600</b>	<b>\$5989</b>	<b>\$1400</b>
3 Employees 3 Months Salary Inclusive of Stipend for Business Owner	\$4060: Baler Machine \$853: Community Waste Management \$576: Work Site Set-Up \$500: Organic Shredder	Cost of Local Business Consultants
<b>Total: \$9,989</b>		

An aspect of the socio-economic development strategy that is being implemented is the financial contribution from the business itself. EcoJoun is currently reinvesting the profits

from the business back into their expenses. **EcoJoun has made \$1,900 in profit since the inception of the business** and has been paying the salary of the three member team since July 2022. Also, EcoJoun has been paying for the electricity costs of the business since its formation from their initial operating capital. Izdihar Libnan is currently projecting to continue supporting EcoJoun financially till the end of the program with operational and legal costs if needed.

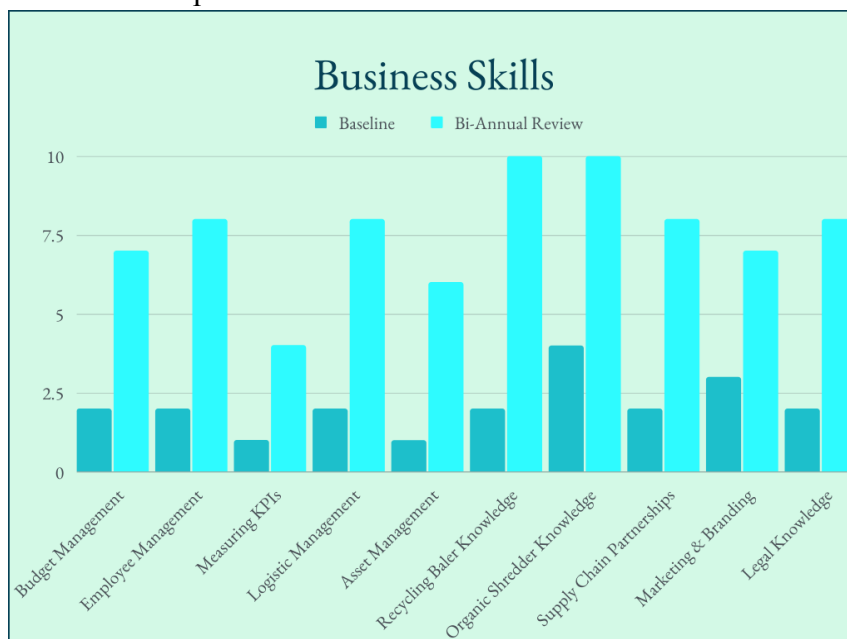
### Mentorship

EcoJoun is being supported by a mentorship team from Izdihar Libnan’s Global Support Network and in partnership with LIFE Lebanon. Following the selection of EcoJoun for the inaugural program, Izdihar Libnan’s Board of Directors strategized on what type of mentorship would be needed to ensure the sustainability of the business. After thorough review from Izdihar Libnan’s Board of Directors, the three areas of expertise were selected for mentorship; Monitoring & Evaluation, Cash Flow Management (LIFE Lebanon mentor), and Solid Waste Management & Recycling. EcoJoun has received nine mentorship sessions and will continue to receive mentorship support through the longevity of the program.

### **Impact**

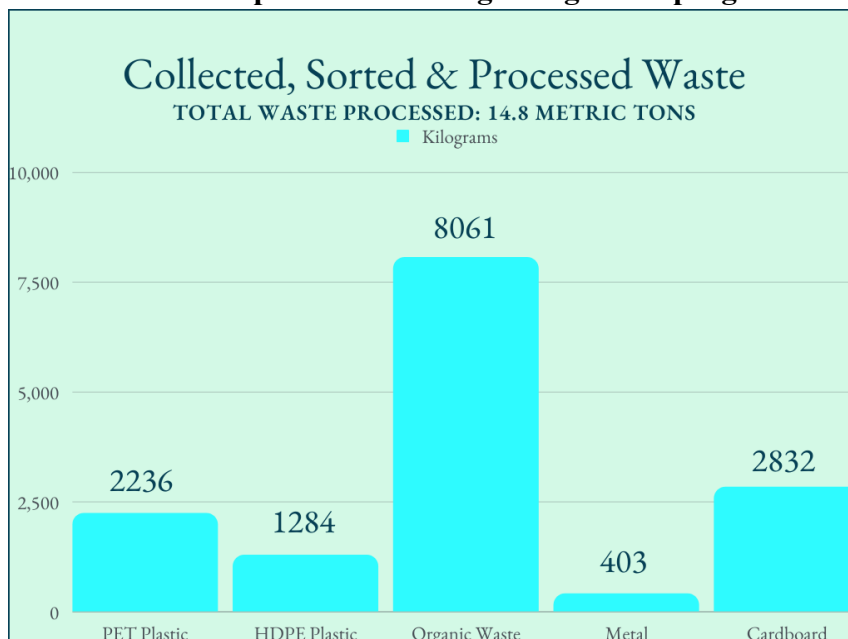
#### Personal Impact

The following skills were self assessed by EcoJoun’s owner, Rawane Assi, at the beginning of the project in March 2022 and then re-self assessed in August 2022. The survey assesses her business knowledge and the practical skills that are needed to operate EcoJoun. Each skill is assessed on a scale from 1-10, 1 being not knowledgeable to 10 being proficient in the skill. **On average, Rawane increased her business skills by 293% from the beginning of the project till the Bi-Annual Review.** The improvements have been credited to Izdihar Libnan's approach, access to expert business consultants, and the mentorship EcoJoun received from the mentorship team.

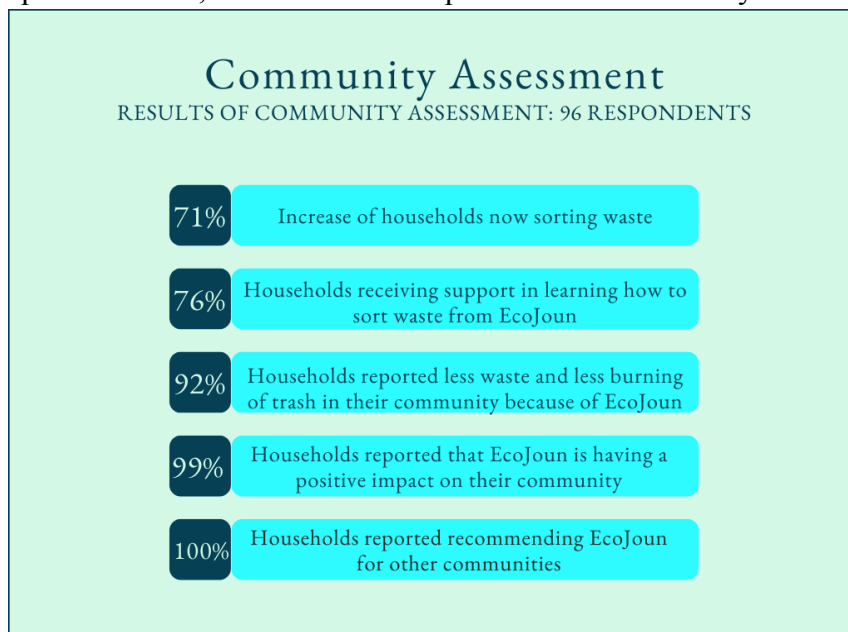


### Community Impact

EcoJoun has been working with the community and government officials to emphasize the importance of recycling and waste management through Whatsapp groups and community activities. This has led to partnerships throughout the community that support EcoJoun in their business mission. Through this outreach, community members, businesses, and government entities have learned how to better properly sort their waste and put it into action. EcoJoun’s community outreach and partnerships include; **1 Municipality, 2 Villages, 2 Schools, 4 Restaurants, 13 Organizations, 35 Waste Containers distributed, and 308 Households.** These partnerships have led to a massive reduction of waste going into landfills, increased the amount of recycling, and contributed to less burning of trash on the streets. **In total, EcoJoun has collected, sorted, and processed over 14.8 metric tons of waste and produced 1.8 tons of vermicompost since the beginning of the program.**



In September 2022, Izdihar Libnan implemented a community assessment.



In parallel to the community assessment, Izdihar Libnan implemented a consumer survey for the consumers of the vermicompost from EcoJoun.



**Community Assessment quotes on what other services they would like EcoJoun to provide (\*translated from Arabic).**

- *“Organize awareness campaigns of waste sorting and expand your business to cover the entire Chouf region.”*
- *“Making compost from food waste and selling it to residents for a cheaper price.”*
- *“To have big street waste sorting bins for glass, plastic, paper and cans.”*
- *“Daily food waste sorting, weekly cleaning up day, organizing environmental activities for young people, and especially for teenagers.”*
- *“More street bins and awareness flyers”*

**Community Assessment quotes on what kind of positive impact EcoJoun has had on the community (\*translated from Arabic).**

- *“Our village has become more beautiful and cleaner.”*
- *“Sorting waste is positive and it makes a more civilized community.”*
- *“Healthy environment = Healthy community.”*
- *“Protect the environment and educate people on the positive use of our waste.”*
- *“People are committed to sorting their waste for a cleaner, more beautiful and better community.”*

**Consumer Assessment quotes on what kind of positive impact EcoJoun has had on the community (\*translated from Arabic).**

- *“Promotes local products and reduces waste in the streets.”*
- *“Educates the population on the importance of sorting waste.”*
- *“By encouraging residents to sort their waste and reduce waste in the town's streets”*
- *“Waste reduction.”*
- *“Reduce pollution from waste”*

## **Challenges**

Over the course of the project, challenges have been identified in limiting the expansion of EcoJoun.

### Fuel Crisis

As previously reported, monthly transportation costs have increased 354% from July 2021 - July 2022. A direct correlation from the fuel crisis in Lebanon to the impact on EcoJoun is most notably the reduction in purchase price for baled recyclables. In March 2022, it was assessed that baled PET & HDPE plastic could sell from \$320-\$360 per metric ton. Once EcoJoun had acquired enough recyclable materials to sell in July 2022, the purchase price of PET & HDPE plastics had reduced to \$200-\$250 per metric ton because of the increase in cost to transport and process the recycled material. The change in purchase price has caused EcoJoun to change their business projections to being a self-sustaining business by December 2022.

### Partnerships

At the beginning of the project, EcoJoun had received commitments from large organizations that EcoJoun would be their main waste management supplier. These commitments have not been fulfilled to date. This has caused EcoJoun to rely heavily on their community outreach to increase awareness on the importance of waste sorting and recycling, while also encouraging community members to implement waste sorting and the household level. While this approach has proven successful in the short term and has increased community acceptance of the business, EcoJoun will continue to work with municipalities and larger organizations to secure sustainable contracts.

### Vermicompost

The vermicompost methodology that EcoJoun is implementing with the collection of organic waste includes producing solid compost and liquid fertilizer. Since the original business model included the projection of partnerships with large organizations, the amount of organic waste that has been collected is reduced. This challenge is coupled with operating during the summer months in an outdoor workplace, which has made it so EcoJoun has not been able to produce liquid fertilizer. The production of liquid fertilizer is critical to the sustainability of EcoJoun. Izdihar Libnan and a member of the mentorship team is working with EcoJoun to find solutions in the production of liquid fertilizer in the coming months.

## **Moving Forward**

Izdihar Libnan will continue to support EcoJoun with consultancy sessions, financial support, and mentorship until April 1st, 2023. It is forecasted that Izdihar Libnan will support EcoJoun with the costs and process of legal business registration, act as a financial backstop for EcoJoun if there are unforeseen business costs that occur in the future, and connect EcoJoun to local and international opportunities to expand their business. At the end of the project, Rawane Assi of EcoJoun will give back to Izdihar Libnan by acting as a mentor for the next cohort of entrepreneurs.