



Funded by the European Union



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

“Private Sector Transition to a Green and Circular Economy in Lebanon”: 2Circular



2Circular is funded by the EU.

Implemented in partnership with:



REPUBLIC OF LEBANON
MINISTRY OF FINANCE

In collaboration with:



The “Private Sector Transition to a Green and Circular Economy in Lebanon” project or “2CIRCULAR” is funded by the European Union with a total budget of **3.7 million EUR as contribution to the Lebanon’s reform, recovery, and reconstruction framework (3RF)**. The project started in 2022 and will run until the end of 2025.

New business models, new technologies and short-term low-risk innovations, particularly those that allow reduction in costs, have revealed to be key for countries to emerge from economic downturns and for getting back on a path of sustainable and smarter growth.

Through the project, the EU and the United Nations Industrial Development Organization (UNIDO) will collaborate and provide **Technical Assistance and in-kind grants of 15k and 40k for a total value of 280.000 EUR to SMEs for scaling up and accelerating the uptake of resource efficiency and innovative circular economy solutions** as business opportunities, for reducing production costs and fostering resilience and sustainable growth of the food and beverage industry (F&B) in Lebanon.

The project is implemented in partnership with the Ministry of Industry, the Ministry of Environment, the Ministry of Economy and Trade, and the Ministry of Finance, and in cooperation with the Association of Lebanese Industrialists (ALI) and the Federation of the Chambers of Commerce, Industry and Agriculture. Other stakeholders such as national and international financing institutions, development organizations, service and technology providers, and academia are expected to be part of the different initiatives promoted through the project for the benefit of the food and beverage industry and respective value chain.



Objectives

- Promote sustainable production practices in the food and beverage industries
- Foster cost reduction through efficient use of resources
- Reduce environmental impact
- Create new economic opportunities and jobs through the adoption of circular business models
- Strengthen the market for sustainable production consulting services



Strategic Outcome: Increase competitiveness of industry through new resource efficient and circular business models.

2CIRCULAR envisions building an enabling environment through a combination of integrated actions including technical assistance and training for industry and service providers; awareness raising, dissemination of good practices, disbursement of grants (in equipment) and investment promotion, policy analysis and capacity building for policy makers to improve the regulatory framework. These strategies aim to support the development of forward-looking structural measures to improve adoption of resource efficient and circular economy practices, reduce production costs and inject innovation into the policy-mix and tackle the economic downturn.



What can 2Circular do for you?

1

Support industrial enterprises in the identification and implementation of short-term, low-risk, cost-cutting and environmentally sound projects.

This component of 2Circular builds on the successful achievements of the EU-funded regional initiative SwitchMed MED TEST and addresses challenges faced by industries to become more resource efficient, less-polluting and more competitive through lower production costs, increased technical capacities and better company image in Lebanon and the region.

2CIRCULAR will provide free technical assistance by applying **TEST - transfer of environmentally sound technologies methodology** - in a set of 50 F&B industries, supporting them in the identification of low-risk, short-term innovation for cutting costs through resource efficient solutions, and demonstrating the business case of improved resource efficiency and sustainable production and identifying.

“The TEST methodology developed by UNIDO is a systematic way of identifying and exploring the most feasible potentials for resource efficiency and continuous improvement of the use of materials, water and energy within a company, building on its specific needs and internal capacities. It combines the essential elements of a set of tools for sustainable production, namely Resource Efficient and Cleaner Production Assessment (RECPA), Material Flow Cost Accounting (MFCA), and Environmental and Energy Management Systems (EMS/EnMS) within the framework of the Deming learning cycle (Plan, Do, Check, Act)”.

Resource efficiency as demonstrated by **15 industries** from the **food and beverage sector in Lebanon**

Payback period of the identified measures in Lebanon

1.35 year

194 Resource efficiency measures identified during the evaluation phase

Leading to higher competitiveness, lower environmental footprint and better access to international markets.

Important benefits for health and environment.

Reducing CO2 emissions by around

12,000 Ton/year

Annual savings of **€ 4.2 million**

31,596.89 MWh in annual energy savings (energy savings of 34%)

72,132.00 m3 of water savings (between 10% to 30%)

5,000 tons of solid waste avoided

2

Support the design, development, and implementation of innovative and viable circular business initiatives.

The project will incorporate promotion of circular economy initiatives that prioritize resource efficiency and waste reduction while encouraging recycling opportunities within or outside the company's operations.

The project is supporting the identification, promotion and demonstration of innovative viable circular business opportunities along selected value chains in the Food and Beverage (F&B) sector. It thus supports the implementation of studies aiming at the identifications of technical solutions for closing material loops through recycling, reusing, redesigning and capturing more value from products and materials, reducing costs, mitigating risks in material supply, and reducing reliance on imports.

The project strengthens capacities and mobilize Lebanese stakeholders to invest into 5 viable business models along and across selected value chains in the F&B sector. The project provides interested investors with technical assistance for the preparation of full feasibility studies as well as with financial assistance in in kind GRANTS.





3

Facilitates SMEs access to finance and disburses grants.

The 2CIRCULAR project provides support to beneficiary companies to develop their bankable project proposals, thus gaining access to financing mechanisms through national and international institutions, and financing low-risk investments. The objective is to facilitate companies' access to financial resources needed to invest in greener resource efficient and circular solutions identified through the dedicated technical assistance in component 1 and activities for match-making project promoters and investors.

The project is disbursing a total value of 280.000 EUR in grants to 10 selected companies for contributing to investments for the implementation of the identified resource efficient and circular economy business opportunities.



4

Assists the Ministry of Industry in leading the green and circular transition of the Lebanese industrial sector.

2CIRCULAR assists the Ministry of Industry in addressing operational challenges by installing a 44Kwp solar PV system with battery on its premises. The project will also help the Ministry develop a framework for data collection and reporting on industrial energy demand and greenhouse gas emissions, using a sector-specific Measurement, Reporting and Verification (MRV) system. The aim is to test an institutional MRV framework for the industrial sector complementing the national MRV system currently being developed by the Ministry of Environment and UNDP. An effective MRV system is an essential tool for generating validated carbon credits, hence enabling carbon trade and mobilizing international finance.

Additionally, research centers will be strengthened to promote sustainable businesses and support the long-term adoption of best practices in the sector.

RESOURCE EFFICIENCY SCALE-UP

- 25 new TEST engineers trained
- 50 companies supported
- Resource saving indicators (Energy, materials, water) created

1

CIRCULAR ECONOMY BUSINESSES

- 5 businesses with Circular Economy (CE)-related technologies
- Stakeholders with gained knowledge about CE
- Policy recommendations on CE

2

WHAT CAN 2CIRCULAR DO FOR YOU?

3

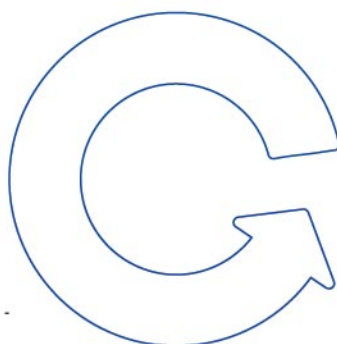
ACCESS TO FINANCE

- 10 Bankable project proposals created
- Facilitated access to finance
- Raising stakeholders' awareness on green investments
- Disbursement of 280,000 EUR in grants to 10 selected companies

4

MONITORING GREENHOUSE GASES EMISSIONS

- Piloting a monitoring reporting and verification system for industry



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