



EXECUTIVE ECONOMIC ROADMAP

- DRAFT 3.0 -

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FOREWORD

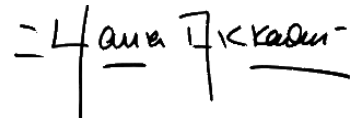
Lebanon stands at a crossroads. The mass popular uprising we have witnessed since October 17 is unprecedented, astounding, and long overdue.

For 21 years, EXECUTIVE has been providing expert analysis on Lebanon's economy, praising the good and raising increasing concerns over the bad. Too long these concerns went unheeded by a political class that has proven itself not fit for purpose time and again—and has now been resoundingly rejected by the street. We need to move forward together as a country. We need to restore confidence in our economy and in Lebanon itself.

EXECUTIVE's Economic Roadmap 3.0 is a comprehensive, collaborative action plan to address the urgent needs of our country. It has not been hastily written following the onset of the civil revolution, but instead builds on over 20 years of analysis and coverage and more than a year of consultations that took place with civil society across the country. This latest iteration, developed with the invaluable input of the experts who took part in our November roundtable initiative, was revised to reflect our new reality and the priorities it brings.

In its pages you will find a step by step approach to addressing Lebanon's needs, some measures now marked as more urgent than before but each with its own exigency. It is a roadmap to a new Lebanon. A starting point to reimagine and rebirth this country.

Our political class had 30 years to fix Lebanon—they failed. Now it's our turn.

A handwritten signature in black ink, appearing to read 'Yasser Akkaoui' in a stylized, cursive script.

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INTRODUCTION

This document—Economic Roadmap 3.0—is the most definitive Roadmap yet in EXECUTIVE Magazine’s ongoing quest for providing a working platform for advancing the Lebanese economy. Building on a first version published in the December 2018/January 2019 issue of EXECUTIVE, and a second version published with an additional 261 measures and three entirely new national priorities in February 2019, EXECUTIVE presents this third iteration at the end of 2019 in the hope that its reflection of fourth-quarter developments will accelerate the discussions seen in Lebanon after October 17 and elevate the economic discussion to one that can generate a new and healthy productive economy. As was the pattern from the beginning, we took a participatory approach in deliberations of Economic Roadmap 3.0—this time by inviting both online recommendations and querying around 50 diverse and qualified individuals in a series of six roundtables conducted in November 2019 (see coverage on starting page 30). The stakeholders at these tables ranged from representatives of civil society and persons with personal commitment to Lebanon’s civil *thawra* (revolution), to economists, industrialists, entrepreneurs, and academics.

As in the two previous Roadmap iterations, there was little or no disagreement on the top priority for moving Lebanon to safe economic ground in the face of a financial liquidity and confidence crisis that erupted from September 2019 in parallel to the October protests. However, while many needs of the Lebanese economy had not been met since we published Roadmap 2.0, priorities were added especially in the Build and Reform pillar as well as in the Combat pillar, specifically in Combat Corruption. The Build and Reform pillar addresses agenda priorities in the areas of fiscal policy, capacity building, state institutions, judicial reform, and regulatory frameworks. Moreover, while the list of pillars and agenda priorities in Roadmap 3.0 is the same as in iteration 2.0, we note that the agenda items discussed at the November roundtables (agenda priorities 1-6, 8, 11-13, and 15-18) saw more additions, new emphases, and modifications than the other five agenda priorities, but want to emphasize that the shifting toward urgent issues and short-term economic survival priorities does not detract from the importance of the remaining components in the Economic Roadmap. The fundamental question over the best economic system for Lebanon is still open but one dichotomy, a line of deceptive argumentation used throughout past periods of governmental vacuums in Lebanon and into the period after the resignation of the Hariri government at the end of October, has been revealed as fake news. This is the argumentation from some political quarters that addressing the economy is more important than adhering to the will of the people, as well as the view of some economic protagonists that political health will follow upon a vigorous private sector performance. In truth, as the last months of 2019 have proven, Lebanon needs a government that implements the will of the people and an economy that serves them. Ultimately, Lebanon has to decide what kind of system it wants to implement and move forward collectively. While the country is seeking to rebalance state and society in a cogent new system, EXECUTIVE is committed to contribute to this vital search by continually striving for a definitive, collaborative, and passion-empowered Economic Roadmap.

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✱ High priority

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Build & reform

Agenda Priority 1

BUILD FISCAL POLICY

In the fourth quarter of 2019, the issues concerning Lebanon's fiscal performance and public debt outlook have become challenges of economic survival. This new urgency only adds to the importance that has been enshrined previously in Article IV reviews for Lebanon by the International Monetary Fund (IMF). The IMF has repeatedly alerted officials that the debt burden could be the prime risk source compromising financial stability, and could prevent the government from attaining its economic objectives, stressing that a sustained and balanced fiscal adjustment is essential.

Many contend that under the conditions observed since the fall of 2019, it will not suffice to stabilize the debt-to-GDP ratio and gradually decrease it with growth-oriented policies, as was done during the first decade of the millennium. In this sense, the revised Agenda Priority 1 notes that the debt impact of economic and fiscal policies adopted since the 1990s still remains to be examined, as does the question of if and how corruption contributed to the escalation of public debt in Lebanon beyond the growth of GDP. These and other historic local and global factors deserve study, but in the immediacy of 2020 it has become paramount for the Lebanese state to reform and develop fiscal measures.

Further inevitable is a reexamination of the banking sector, its ability to support the government, private companies, and households, and the ways in which to implement financially sustainable policies at Banque du Liban (BDL), Lebanon's central bank. BDL's measures of debt management have been innovative, but at a cost. Before CEDRE funds will be made available, genuine structural and institutional reforms are needed at all levels.

Fiscal reform must introduce new instruments that are able to increase social justice and sustainability as well as incentivize private investments and greater economic activity. In addition, fiscal reform needs to be flanked by a proactive approach for aligning and developing the monetary policy and capital markets regime under the auspices of BDL, with the fiscal policies produced and implemented by the Ministry of Finance (MoF).

The fiscal reform policy must be contextualized, with measures that increase the primary surplus and rationalize expenditures; introduce institutional reforms to improve credibility, transparency, and planning; and initiate structural reforms to increase competitiveness and economic growth.

POLICY PRIORITY 1.1***BUILD FISCAL POLICY*****Main Challenges**

- *Research tax base, enhance tax incidence, and strengthen progressive/direct taxation*
- *Update tax instruments improve tax compliance, and penalize tax evasion, including income tax and value-added tax*
- *Rationalize (long-term) debt instruments*
- *★ Fulfill reform pledges linked to the CEDRE process and other commitments of the government*

Proposed Measures***Measure 1.1.1***

Improve deliberation and adoption of state budgets. Implement budgets with strict control, not to exceed spending targets, beginning with the 2019 budget. Commit to public consultations for future budgets, as prescribed in the MoF Citizen Budget 2018.

Measure 1.1.2

Expand comprehension of the size of the Lebanese tax base and incentivize participants in the informal economies to enroll in the formalized economy and pay taxes.

Measure 1.1.3

Improve tax collection and educate citizens on the benefits of taxation.

Measure 1.1.4

Disincentivize tax evasion and smooth the transition from tax evasion to tax compliance with help of grace periods and bridging measures.

Measure 1.1.5

Adopt digital tools to ease tax compliance and make taxation processes, including tax rates, more transparent, and inclusive of all economic sectors.

Measure 1.1.6

Launch work on a new, progressive tax policy and remove tax loopholes for offshore companies.

Measure 1.1.7

Review, expand, and ameliorate existing proposals on achievement of greater tax efficiency and justice (unified income tax draft law).

Measure 1.1.8

Achieve greater transparency of fiscal expenditures and use of tax revenues by making disclosures of fiscal allocations and tax usage mandatory for all ministries and state agencies.

Measure 1.1.9

Introduce new modeling techniques at the MoF that enable better forecasting and evaluation of the impacts of tax measures.

Build & reform

Agenda Priority 1

Measure 1.1.10

Streamline the issuance of new debt instruments and provide the citizens with clear information about new debt needs and measures.

Measure 1.1.11

In the medium term, help smooth out the debt burden through stronger activation of the secondary market. Publicly list all new debt instruments on the Beirut Stock Exchange (BSE) and/or Electronic Trading Platform (ETP).

Measure 1.1.12

Diligently pursue all structural reforms that relate to the improvement of the fiscal performance of Lebanon under existing commitments.

POLICY PRIORITY 1.2

FISCAL POLICY ALIGNMENT WITH MONETARY STABILITY PRESERVATION AND A SOUND EXCHANGE RATE REGIME

Main Challenges

- *Adjust exchange rate regime in accordance with policy needs.*
- *Embellish monetary policy in the form of interest rate and inflation targeting*
- *Refine the relationship between BDL and the MoF*
- *★ Increase the depth of capital markets*

Proposed Measures

★ Measure 1.2.1

Defend the dollar peg in the near term, examine pathways for switching to a crawling peg and depegging after restabilization of the exchange rate and identify appropriate timing and conditions to review the policy with the purpose of revision.

Measure 1.2.2

Establish a process for regular reviews of macroeconomic conditions in Lebanon, focusing on growth and stability.

Measure 1.2.3

Provide more disclosure of the decision and rationales used by BDL for their monetary policy, interest rate decisions, and inflation targets.

★ Measure 1.2.4

Streamline the procedure for interactions between BDL and fiscal policy-makers, to make the decision-making processes and outcomes more transparent.

Measure 1.2.5

Align fiscal policy with the stated objective of deepening capital markets in Lebanon through the incentivization of capital market operations. Encourage participation and investment in the Lebanese economy through usage of the new capital markets tool, the ETP (under design).

Measure 1.2.6

Encourage public listing of family-owned conglomerates and large businesses on the BSE.

Measure 1.2.7

Incentivize the floatation of young companies and startups, as well as small and medium enterprises, on the ETP.

Measure 1.2.8

Increase transparency and awareness of the mandate of the Capital Markets Authority in Lebanon.

Measure 1.2.9

Increase provision of technical support and fiscal incentives for the different classes of companies seeking to be newly listed.

Measure 1.2.10

Mandatory for all companies benefitting from public funds to be listed on the Beirut Stock Exchange with a 51 percent float.

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Build & reform

Agenda Priority 2

BUILD CAPACITIES

Lebanon faces the challenges of a fast-moving globalized economy, but at the same time has a backlog of lost development in economic capacities, brought on by decades of internal and external conflicts and state inactivity. While partial changes to the code of commerce were legislated in 2019, what remains to be overhauled is legislative infrastructure for the public and private economy and the ease of doing business. Processes and potential pitfalls of privatizations of state-owned or state-affiliated enterprises need to be examined. The data foundations for economic and social planning need to be determined, and productivity in the public and private sectors also needs improvement.

Due to long neglect of these, and other economically decisive areas, capacities in the public and private sector must be newly developed. There are experts and professionals with the work ethic and know-how needed for public service, and capacity building is an urgent priority to improve the collection, analysis, and usage of data for public policy formation, fiscal modeling, and social programs. Also necessary is the development of public sector capacities to support productivity and improvements in all sectors, as well as the alignment of public and private entities through completion of public-private partnership (PPP) legislation.

Public sector employees must be trained in governance, assistance, and supervision so that they can not only support the PPP processes that were legislated in 2017, but also achieve proper governance within public institutions. Lebanon continues to lack proper statistics, upon which the formulation of economic policy must be based. So far, efforts to build a statistical database have been sparse, uncoordinated, and insufficient, hence the need for a master plan with the objective of building a long-term database.

The principal objective of privatizing state-owned enterprises is to promote growth and modernize the economy, not to generate revenues. Privatization, which can take several forms (e.g., build-operate-transfer, management contracts, full or partial sale, partnership with strategic international investors, etc.), remains the main bridge that is expected to transform and modernize the Lebanese economy. Privatization, however, should be considered on a case-by-case basis. PPPs can offer a reliable alternative in many instances.

While restructuring state-owned enterprises and legislative development—including the introduction of a competition law and regulatory authority—remain a prerequisite to any successful privatization program, the government must fully commit to the privatization option and announce its intention to resume this program.

Privatization should not be considered as an option to generate revenues to meet short-term fiscal needs, but must instead be viewed as a process that will yield dynamic economic benefits in the long run.

POLICY PRIORITY 2.1
DEVELOP CAPACITIES FOR DATA COLLECTION, ANALYSIS, AND USE

Main Challenges

- *Empower the Central Administration of Statistics (CAS)*
- *Devise and implement a census*
- *Develop a statistical master plan*
- *Coordinate between CAS projects and other stakeholders in the public administration and private sector*

Proposed Measures
Measure 2.1.1

Review the CAS' capacities and invest in development of underpowered areas at the organization. This includes recruiting and training qualified statisticians and staff, and investing in data collection capabilities and software needed for analysis.

Measure 2.1.2

Legislate a census for Lebanon.

Measure 2.1.3

Implement the census.

Measure 2.1.4

Assist the CAS in developing a statistical master plan, and implement any agreements with foreign institutional counterparts. Integrate public and private sector stakeholders into the development of the statistical master plan for participation in its implementation.

Measure 2.1.5

Engage private sector stakeholders to supply anonymized data for statistical analysis needed for policy-making, and provide businesses with access to assist private sector decision-making.

POLICY PRIORITY 2.2
ENHANCE CAPACITIES IN THE PUBLIC SECTOR

Main Challenges

- *Create an adequate human capital base of technical experts*
- *Create an adequate human capital base of governance and competition experts*

Proposed Measures
Measure 2.2.1

Assess the level of technical competencies and gaps in public sector ministries and agencies, as well as the number of unnecessary or overlapping bodies.

Measure 2.2.2

Devise a plan to train or hire workers to fill identified gaps and determine the associated costs, in parallel to moving or reducing the number of workers in undefined and unnecessary roles.

Build & reform

Agenda Priority 2

Main Challenges

- Address absence of effective financial markets
- Uplift policy framework including privatization program
- Overhaul foreign direct investment (FDI) promotion channels

POLICY PRIORITY 2.3

INCREASE PRODUCTIVITY

Proposed Measures

Measure 2.3.1

In collaboration with commercial banks, financial intermediaries, capital market stakeholders, and Banque du Liban (BDL), Lebanon's central bank, establish various funds and capital markets instruments that will boost access to equity, credit, and investments.

Measure 2.3.2

Incentivize international joint ventures and technology transfer alliances by improving intellectual property rights protection, offering fiscal incentives, and removing non-tax barriers to businesses.

Measure 2.3.3

Invest in the institutional capacities and human capital of regulators that are deemed productivity boosters in financial markets, public services, and the real economy.

Measure 2.3.4

Encourage the attraction of FDI by upgrading investment agencies with more human capital and larger budgets for marketing and advertising in foreign jurisdictions, and increase incentives for inflows of FDI that contain technology transfer components.

POLICY PRIORITY 2.4

ENABLE THE BUSINESS AND INVESTMENT CLIMATE

Main Challenges

- Update legislation
- Facilitate trade
- Streamline interactions with the state and remove red tape

Proposed Measures

Measure 2.4.1

Further modernize existing laws pertaining to competition, anti-dumping, intellectual property, antitrust, small- and medium-sized enterprises, quality-enhancing, bankruptcy and insolvency, code of commerce, and the building code.

Measure 2.4.2

Create legislation that would allow for small debts recovery.

Measure 2.4.3

In the interest of improving trade facilitation, evaluate existing assessments, such as the World Bank's Doing Business report and similar international benchmarks on practices and barriers in Lebanon—act to address issues raised.

Measure 2.4.4

Introduce e-government solutions and improve omni-channel access to governmental procedures, such as customs, to reduce red tape on import and export trade procedures.

Measure 2.4.5

Introduce a government-backed export program with an added mandate of educating companies on how to export.

Measure 2.4.6

Create a trade and finance program and restructure all trade debts.

POLICY PRIORITY 2.5**MAKE PRIVATIZATION WORK****Main Challenges**

- *Remove barriers to privatization of state-owned enterprises*
- *Complete and empower PPP framework*
- *Increase public sector understanding of privatization and PPP*
- *Improve oversight structures and mechanisms*

Proposed Measures**Measure 2.5.1**

Complete and implement PPP legislation and empower independent oversight bodies that can contribute to the efficient delivery of services of PPPs, including the judiciary, regulatory bodies, and civil society.

Measure 2.5.2

Make state-owned enterprises market ready to operate as private sector entities.

Measure 2.5.3

Determine public good priorities to be met by privatized entities.

Measure 2.5.4

Activate capital markets in the context of privatization of state-owned enterprises.

Measure 2.5.5

Review privatization proposals on a case-by-case basis, and implement solutions to provide the services of privatized companies aligned with social and public interests.

Measure 2.5.6

Intensify existing nascent training of municipal, provincial, and national agencies in order to enable them to evaluate and manage PPP projects and procurements.

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Build & reform

Agenda Priority 3

BUILD STATE INSTITUTIONS

Public administration in Lebanon should adhere to meritocratic standards and need to meet paradigms of work ethics and efficiency. To migrate to a healthy public administration, it is of utmost importance that elected authorities reduce the size of the public sector and implement lawful and transparent hiring. On the national level, a civil service revamp should further eliminate inefficient, budget-draining programs, departments, and agencies, continuing steps initiated in autumn of 2019. On the sub-national level (regional and municipal administrations), the aim should be to decentralize decision-making, utilize new technologies, and increase productivity. Prerequisites for decentralization include: reformation of the legal and institutional setup of control institutions (e.g., public audit, civil service board, and central inspection); establishing a digital and transparent system for budget control and management; and restructuring districts according to economic parameters aimed at social cohesion. A merit-driven public administration would be the key to attracting foreign investment, creating jobs, and restoring confidence in the local economy.

POLICY PRIORITY 3.1

MODERNIZE THE CIVIL SERVICE

Main Challenges

- *Tackle decentralization*
- *Overhaul the civil service*
- *Eliminate corruption and dead-end careers*

Proposed Measures

Measure 3.1.1

Develop new legislation to consolidate previous draft laws for decentralization at the municipality level.

Measure 3.1.2

Improve legislation for determining responsibilities and decentralization structures for levels beyond the municipality.

Measure 3.1.3

Decentralize decision-making and institutions by empowering local governments (i.e., with resources, enforcement capabilities, and financial autonomy) and creating regional offices for service ministries.

Measure 3.1.4

Evaluate all holdings and assets of the state to identify and better allocate the use of these resources.

Measure 3.1.5

In the context of overhauling the civil service, examine options for early retirement packages to reduce staff bloat and redundancies of workers, particularly in quasi-public entities providing public services.

Measure 3.1.6

Redesign and rationalize incentives including overtime allowances and non-monetary incentives for civil service employees.

★ Measure 3.1.7

Enhance institutional oversight and accountability bodies with the aim of reducing corruption and improving public sector productivity (more policy targets and measures on combating corruption can be found in Agenda Priority 12).

Measure 3.1.8

Ensure the implementation of whistleblower protection legislation and adequate mechanisms for reporting infractions.

Measure 3.1.9

Align institutional development with a roadmap for e-government, and adjust organizational charts of public entities to comply with an e-government roadmap.

Measure 3.1.10

Restore the sole authority of the Civil Service Board as the oversight body for the examination and hiring of public sector employees.

POLICY PRIORITY 3.2**REFORM MINISTRIES AND AGENCIES**

Main Challenges

- *Remove redundancies in the ministerial space*
- *Align political and economic objectives in distribution of public administration units*

Proposed Measures**Measure 3.2.1**

Examine the allocation of ministries and ministerial portfolios under economic and governance perspectives, eliminate political power distribution as a reason for ministerial appointments, and condense the number of ministries to be more in line with international standards.

Measure 3.2.2

Implement the consolidation of agencies with overlapping authorities and functions as proposed in the October 2019 governmental rescue plan (such as the Council for Development and Reconstruction, the Council of the South, the Displaced Fund, and the Higher Relief Committee) and expand consolidation process further.

Measure 3.2.3

When warranted by economic needs, establish new institutional competencies. For example, independent agencies for export promotion or diaspora relations.

Measure 3.2.4

Ensure the independence of the Special Investigation Commission and appoint a chairman who is independent from, rather than head of, the central bank.

Measure 3.2.5

Improve the disclosure processes of draft legislation and enable greater public participation in the drafting of legislation. Attendance records of all parliamentary sessions and the voting records of parliamentarians should be made easily accessible to the public.

Measure 3.2.6

Institute a credit bureau that has a governmental mandate of collecting information and ensuring adherence to contracts and agreements.

Build & reform

Agenda Priority 4

JUDICIAL REFORM

Lebanon's current judicial system has been in place since the country's independence, but this longevity belies the judiciary's manifold weaknesses. The main points of concern are over weak independence and inefficiency of the judiciary, especially in the time lag on judgments achieved in judicial proceedings. A key demand in this regard is the strengthening of judicial independence. Another aspect of concern is that confessional considerations have influenced the judicial selection process. Military conflicts in Lebanon in the second half of the 20th century affected the political system and the independence of the judiciary, eroding citizens' confidence in both. Critics of the judicial system in civil society cite interference in the courts, particularly internal interference by judges in the Higher Judicial Council (HJC), as "commonplace." These critics argue that every citizen needs to feel protected by the courts, regardless of their sect or standing in society. The current system does not provide this guarantee.

Barriers against the possibility of holding public servants accountable for their actions, and possible infractions, have to be removed. Provision of immunity from legal repercussions for all public servants, including ministers, must be examined and, if necessary, amended to improve judicial accountability.

Incentives for judges to avoid engaging in corrupt activities must be developed. The executive branch has significant influence in the selection process of the HJC, which is a violation of the democratic principle of the separation of powers. Structural problems may also arise from the HJC's authority to transfer judges between posts without the judge's consent. Civil society activists note that judges are appointed as consultants for various administrations, again blurring the lines of the separation of powers. This, moreover, becomes a way to bribe judges, as salaries increase for each additional consultancy position.

In an independent judiciary, the principle of the immovability of judges is an integral factor. A judge's qualifications, impartiality, and experience should be the basis for promotion. Currently, judges operate with little oversight, as no evaluation mechanism is in place to monitor effectiveness and competency after appointment.

POLICY PRIORITY 4.1

INCREASE THE ABILITY OF JUDICIARY TO FUNCTION INDEPENDENTLY

Main Challenges

- Improve access to judicial records
- Institute merit-based evaluation mechanism for judges
- Improve judicial independence
- Build resilience to corruption
- Align standards for Lebanese judiciary with international standards

Proposed Measures

★ Measure 4.1.1

Pass the draft law on judicial independence and transparency as a concrete measure toward building a strong judiciary.

Measure 4.1.2

Adopt periodic evaluation of judges and create a personnel file for each judge to track performance. Establish an objective criteria as a basis for appointments and promotions, and ensure that promotions are based on merit and competence.

Measure 4.1.3

Integrate the principle of immovability of judges into current practices.

Measure 4.1.4

Improve recruitment of competent, quality judges by increasing impartialities in the entrance exam and limiting the weight of the oral exam in the final grade as this assessment is more vulnerable to the examiner's biases.

Measure 4.1.5

Review the judiciary system of the military court and ensure that civilians are treated under civil jurisdictions.

Measure 4.1.6

Strengthen judiciary mechanisms to ensure compliance with international conventions, such as the UN Convention on the Rights of the Child and UN Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.

POLICY PRIORITY 4.2**IMPROVEMENT OF JUDICIAL INSTITUTIONS**

Main Challenges

- *Reform the Higher Judicial Council*
- *Legislate and facilitate the inclusion of officials*
- *Enhance integrity and transparency*

Proposed Measures**Measure 4.2.1**

Restructure HJC to ensure representation and independence of different categories and grades of judges.

Measure 4.2.2

Remove conflict of interest issues by addressing the practice of judges working as consultants for governmental administrative entities.

Measure 4.2.3

Adopt laws to ensure the complete financial and administrative independence of the judiciary.

Measure 4.2.4

Limit immunities of heads of state, ministers, legislators, and other public officials through the empowerment of the appropriate institutions under Article 80 of the Constitution of the Republic of Lebanon.

Measure 4.2.5

Embellish the framework for easing citizens' access to non-court arbitration procedures, for example, by creating the position of ombudsman to support citizens' pursuit of justice.

Measure 4.2.6

Digitize all court records and proceedings, and provide access to these records where warranted.

Build & reform

Agenda Priority 5

BUILD REGULATORY FRAMEWORKS

Legal and regulatory frameworks provide assurance to markets, offering a level and competitive playing field to businesses in an increasingly globalized and complex environment. A healthy legal and regulatory environment is one that continuously adapts local and national practices to international best practices. In Lebanon, many of these frameworks have not been kept up to standard, leaving regulators and the private sector to operate in uncertain business environments, less able to compete in the global economy. In order for the private sector to operate within a steady business environment that also enforces relevant laws and rules, Lebanon must appoint or re-mandate regulators that independently govern their relevant industries. Lebanon should develop alignments with global regulatory standards, as exemplified for financial standards. Other industries should lobby for regulatory frameworks that will allow corporations to embed cultures that are adaptive to change. Beyond these frameworks, buy-in and reinforcement of regulations are key to the success of their implementation.

POLICY PRIORITY 5.1

MODERNIZE REGULATORY FRAMEWORK

Main Challenges

- *Modernize the legislative framework against money laundering and hot money*
- *Assess and improve the enforceability of anti-corruption regulations*
- *Upgrade regulatory frameworks and incentives for small and medium enterprises*
- *Improve regulatory frameworks and incentives for startups, green projects and instruments*

Proposed Measures

★ **Measure 5.1.1**

Review current measurements of risk exposure of banks, modernize the legal framework of credit guarantees and debt recovery procedures, and improve the credit system.

★ **Measure 5.1.2**

Appoint, rejuvenate, and empower the Telecom Regulatory Authority, the Lebanese Petroleum Administration, the Insurance Control Commission, and the Electricity Regulatory Authority to further empower independent regulatory institutions.

Measure 5.1.3

Reinforce the role of the Capital Markets Authority and provide it with the necessary resources to go beyond monitoring and assessing the markets to a market development function. The CMA should be responsive, facilitate enquiries by private investors, as well as establish a system of communication that is user friendly and efficient.

Measure 5.1.4

Proceed in the privatization of the Beirut Stock Exchange (BSE) and the Electronic Trading Platform (ETP).

Measure 5.1.5

Put in place incentives and regulatory frameworks to encourage the proliferation of, and financing and investment into, SMEs and startups, including incentives with emphasis on green investments.

Measure 5.1.6

Develop new legislation to consolidate previous draft laws for the insurance sector to promote proper competition and better protect policy-holders.

Measure 5.1.7

Standardize operating procedures and codify health regulations in the hospitality sector.

★ Measure 5.1.8

Fully implement Law 28 (2017) on access to information and coordinate a national plan for combating corruption; issue auxiliary legislation to form the national anti-corruption commission.

★ Measure 5.1.9

Enhance competitiveness in the economy by passing legislation and measures to improve the doing business environment, as per Policy Priority 2.4: Enable the Business and Investment Climate.

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Strategize

Agenda Priority 6

STRATEGIZE EDUCATION

Lebanon faces the need to overhaul its education system in line with current understandings of emotional and social development processes and knowledge acquisition of children and youth. Given the fragmentations of the existing system, especially along the lines of private and public schooling, an improvement of overall education outcomes is needed across institutions, from kindergarten to high school, universities, and vocational schools. Under consideration of the shrinking ability of households to finance quality education from their own resources, and with regard to the importance of education that enables today's youth to sustain themselves in a digital economy, the importance of revising and reinventing education systems from angles of financing and pedagogics is heightened. Academic institutions across the country are generally under-funded and operate with little oversight. There is little consistency in education policy and Lebanon's students emerge into a labor market that is incapable of absorbing the high number of graduates, exacerbating the brain drain. Lebanon's educational system must provide access to all school-age students, a challenge that has become more acute in the face of growing inability of households to finance private education. Academic facilities across the country must be enhanced to accommodate and improve educational access for those with physical and intellectual disabilities.

The Ministry of Education and Higher Education (MoEHE) must build on best practices and existing programs to reform curricula, and build resilient and autonomous academic governing structures and educational institutions. Successful educational reform must focus on the core components of teaching, learning, and preparing children for the digital era. These reforms need to be made under the umbrella of the Center for Educational Research and Development (CERD). But first, the CERD must be rejuvenated to operate at capacity. The MoEHE's human resource strategy and structure also must be urgently addressed.

POLICY PRIORITY 6.1

CREATE A NATIONAL VISION FOR EDUCATION

Main Challenges

- *Ensure national curricula are in line with international standards*
- *Prioritize new knowledge and national libraries*
- *Utilize existing networks and best practices*
- *Pursue integration of special needs student*

Proposed Measures

✱ **Measure 6.1.1**

Redesign a curriculum for schools that puts skill building at the center, and that focuses on the 8 Cs (curiosity, collaboration, composure, compassion, creativity, communication, collaboration, and citizenship).

Measure 6.1.2

Study and emulate the best education practices worldwide, e.g. the Finnish model.

Measure 6.1.3

Review and revise the content of the Lebanese Baccalaureate exams.

Measure 6.1.4

Develop a monitoring and evaluation mechanism that can be used to build a statistical foundation to measure and evaluate the quality of education.

Measure 6.1.5

Using the existing statistical database, incorporate evidence-based policy to review and revise the structure of the public education system, and to strengthen governance and accountability.

Measure 6.1.6

Pursue new international agreements and expand existing agreements for university exchange programs.

★ Measure 6.1.7

Establish an auditing system at the MoEHE so that education standards are equal across public and private schools at all education levels.

Measure 6.1.8

Develop new continuing education initiatives for educators to learn latest practices and incorporate technology into the classroom.

Measure 6.1.9

Ensure enrollment access from kindergarten to high school for all students, regardless of gender, orientation, religion, socioeconomic or residency status, and physical and/or intellectual disability.

Measure 6.1.10

Develop new legislation to consolidate previous draft laws and require all public and private schools to accommodate students, faculty, and staff with disabilities. In addition, this legislation must eliminate discriminatory admission policies and costs, and ensure inclusive curricula, staff training, and reasonable accommodation.

Measure 6.1.11

Require all public and private schools to upgrade facilities with necessary infrastructure—such as ramps, elevators, and accessible restrooms—for students with physical disabilities.

Measure 6.1.12

Develop alternative learning paths for students with special needs, and enhance faculty capacities for inclusive education.

POLICY PRIORITY 6.2
DEVELOP A SKILLED LABOR FORCE
Main Challenges

- *Diversify education*
- *Promote lifelong learning*

Proposed Measures
Measure 6.2.1

Develop and support technical schools and incorporate alternative training across all institutions. Develop night school programs at secondary, technical, and university education levels to provide workers with the opportunity to develop their skills.

Strategize

Agenda Priority 6

Measure 6.2.2

Develop external programs at universities in collaboration with ministries, academic organizations, and other relevant parties to develop skill sets relevant to the private sector.

Measure 6.2.3

Subsidize software and language classes for part-time and full-time workers and those employed at enterprises that have 10 or fewer workers.

Measure 6.2.4

Offer incentives to employers so that businesses invest in their workforce and employees have access to continuing education programs.

Measure 6.2.5

Enhance the matching of labor market and education provision with the collaboration of an inter-ministerial task force.

POLICY PRIORITIES 6.3

STRENGTHEN PUBLIC EDUCATION

Main Challenges

- *Standardize education*
- *Strengthen institutional autonomy*

Proposed Measures

Measure 6.3.1

Establish a national accreditation board to review and, if necessary, revise licenses of academic institutions.

Measure 6.3.2

Amend governance and the legal framework of the Lebanese University to increase its independence with regard to the selection of all administrative posts, recruitment policy of professors, and research.

Measure 6.3.3

Empower the Lebanese University to seek non-governmental sources of funds (e.g., endowment).

Measure 6.3.4

Provide incentives for professors at the Lebanese University to seek research funding (e.g., reduce teaching load and incorporate into promotion policy).

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STRATEGIZE HEALTH

A checkup on the overall robustness of the nation's health infrastructure would show that the vital signs of the country's health sector are generally good, albeit with some lingering concerns, such as reports of malpractice and medical insurance fraud. Further, it must be ensured that access to healthcare is available for everyone in Lebanon.

This examination is in the context of Lebanon's impromptu multi-year stress test—the unplanned influx of Syrian refugees that began accelerating in 2013, placing strain on Lebanon's medical centers, hospitals, and primary health facilities—during which the health system has not buckled. Since the onset of Lebanon's liquidity crisis in the second half of 2019, however, concerns have furthermore been raised with regard to funding imported medicines and medical equipment. The overall diagnosis is that the healthcare sector requires coordinated development between the public sector and the for-profit and nonprofit private sectors. The private sector needs to learn from the experiences of public health institutions and the Ministry of Public Health (MoPH) over the last few years, adopting lessons learned and best practices. Greater attention must be paid to public health issues, like the harmful effects of open waste burning.

On the public sector side, there are any number of improvements that still need to be made. This should begin with a restructuring of the MoPH, where manpower seems to be overstretched and has thus far not been reorganized due to political interference. Working on the issues that the ministry has not addressed—such as closing coverage gaps and eliminating structures that are producing inequalities in these areas—must also be prioritized. The ministry must hone its ability to regulate and supervise, and it has made progress on that front. Greater effort must be made to reposition the MoPH as a regulatory body, pivoting away from its service delivery role.

Both public and private health institutions need to create a better popular understanding of the connections between their work and mutual collaboration, and the benefits to overall public health. Stakeholders seem not to have coordinated their public relations in this regard, and private stakeholders are stuck in a sort of family business mentality when it comes to communication, or the lack thereof, with the media. Awareness building within the general population must become a greater priority, necessitating clear communication strategies and greater transparency from the private sector, the MoPH, and public health institutions.

POLICY PRIORITY 7.1

MODERNIZE THE LEGISLATIVE AND INSTITUTIONAL FRAMEWORK

Main Challenges

- *Define the role and mandate of the MoPH*
- *Improve hospital supervision*
- *Improve patient rights*

Proposed Measures

Measure 7.1.1

Organize a health forum where stakeholders can contribute to support the national strategy and manage expectations and priorities. The forum can also serve as a platform to communicate policy direction and outcomes with the media and public.

Measure 7.1.2

Assess and revise licensing of health facilities and identify new criteria for medical centers to operate under. After institutions are accredited, implement follow-up checks to ensure standards are consistently met.

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Agenda Priority 7

★ **Measure 7.1.3**

Establish an autonomous regulatory agency that collaborates with the MoPH to regulate the pharmaceutical sector, with its main objectives being to ensure high standards, fair competition, and equal access, and to incentivize import substitution of medicines with locally manufactured medication.

Measure 7.1.4

Engage with the Order of Physicians to introduce sanction mechanisms regarding the handling of medical malpractice lawsuits or complaints.

Measure 7.1.5

Digitize personal medical records, starting with first contact at primary healthcare centers, to be used at secondary and tertiary medical facilities.

Measure 7.1.6

Put together a national committee that, in collaboration with the National Council for Scientific Research, the World Health Organization, and international organizations, will define a research agenda for health priorities and seek yearly grants.

POLICY PRIORITY 7.2

IMPROVE SOCIAL INSURANCE SYSTEMS

Main Challenges

- *Public funds and social security*
- *Empower insurance supervision*
- *Private insurance*

Proposed Measures

★ **Measure 7.2.1**

Activate the role of the intra-agency technical committee that represents all healthcare related funds to map the current situation, identify overlaps and forms of abuse, and present a set of recommendations. Publish the report and hold parties accountable to implement the recommendations.

★ **Measure 7.2.2**

Finalize the automation of the National Social Security Fund and introduce web-enabled services, starting with tracking applications and direct wiring of refunds for eligible beneficiaries.

★ **Measure 7.2.3**

Empower the Insurance Control Commission and transform it into an independent regulatory agency.

Measure 7.2.4

Take steps toward the provision of universal healthcare through the expansion of health insurance coverage.

POLICY PRIORITY 7.3

LAUNCH AN EDUCATIONAL AND CIVIL SERVICE CAMPAIGN

Main Challenges

- *Raise awareness on preventive health*
- *Raise public awareness on health-related issues*

Proposed Measures

★ Measure 7.3.1

Enhance the provision of healthcare services to families and individuals who are threatened by poverty in light of the crisis in Lebanon

Measure 7.3.2

Offer free wellness packages at primary healthcare centers for individuals who fit the criteria for extreme poverty. Subsidize an annual general checkup at select hospitals for citizens of low-income status, and all citizens above the age of 50.

Measure 7.3.3

Develop nursing programs and a faculty of nursing as part of Lebanese University, which would include internships at hospitals in rural or impoverished areas, or in mobile clinics.

Measure 7.3.4

Launch year-long public awareness campaigns targeting seasonal, communicable, and non-communicable diseases and ways to prevent and combat them, and run campaigns explaining the right to healthcare and how to exercise it.

POLICY PRIORITY 7.4

IMPROVE PUBLIC HEALTH

Main Challenges

- *Boost recycling efforts*
- *Stop uncontrolled waste burning*
- *Improve food safety and restaurant inspections*

Proposed Measures

Measure 7.4.1

Launch awareness programs in all schools to teach children about recycling and conservation, and ensure that schools recycle.

Measure 7.4.2

Create a comprehensive public health strategy to tackle the health problems resulting from uncontrolled waste burning.

Measure 7.4.3

Implement Law 35 (2015) on food safety, including the Food Safety Lebanese Commission (FSLC). Train inspectors and ensure they have adequate capacity to carry out inspections.

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Strategize

Agenda Priority 8

STRATEGIZE ENERGY

Lebanon's power sector is essential to economic development, yet it has turned into a heavy burden due to inefficiencies. If properly run and operated, it could easily become a major target of foreign direct investment and a primary catalyst for economic growth. Over the past decades, the power sector—primarily because of the public utility, Electricité du Liban (EDL)—has consumed billions of dollars from the treasury, due to annual deficits of \$1.5-\$2 billion, depending on fuel prices, thus contributing more than 40 percent of the public debt. Meanwhile, service provision has worsened over the years (as the electrical grid deteriorates and electricity demand grows). The situation is alarming and necessitates immediate, yet sustainable, action. Lebanon is moving forward on oil and gas exploration, and hopefully the country will find and extract enough natural gas resources to at least fuel domestic power generation, although this will take on average eight years, even if exports to foreign markets prove elusive. While the power sector requires that sustainable solutions be implemented sooner rather than later, switching to natural gas in anticipation of the discovery of local reserves will not only provide the necessary infrastructure and prepare the power sector for that phase, but is also cheaper than the heavy fuel oil and diesel oil currently being used, and more environmentally friendly, reducing the sector's greenhouse gas emissions. To uphold commitments to the 2015 Paris Agreement on climate change, Lebanon must invest heavily in renewable energy generation, taking advantage of the country's abundant renewable resources, thus diversifying the country's energy sources, decreasing its dependence on fossil fuels (with their price volatility), and improving the country's energy security.

POLICY PRIORITY 8

DEVELOP AND IMPLEMENT A SUSTAINABLE ENERGY POLICY

Main Challenges

- *Improve sector's governance, regulation, and procurement processes*
- *Sustainably increase power generation*
- *Cut down on technical and non-technical losses*
- *Reduce the cost of power generation*
- *Equitably increase the electricity tariff*
- *Restructure EDL*
- *Strategize for offshore and onshore exploration*
- *Develop regional partnerships and grid networks*

Proposed Measures

★ **Measure 8.1**

Revise the April 2019 electricity policy paper to propose optimal solutions in light of the economic crisis and liquidity shortage, and amend the timeframes and issue a fiscal analysis showcasing the soundness of the proposed solution.

★ **Measure 8.2**

Improve governance in the sector through a consistent regulatory and procurement framework, limiting the monopoly of any entity and promoting healthy competition and transparency.

★ **Measure 8.3**

Reduce the fiscal deficit in the power sector through the reduction of technical and non-technical losses and the gradual removal of subsidies in line with an increase in permanent power generation, as well as significantly reduce illegal connections, and implement more efficient bill collection, so that all Lebanese have equal access to electricity and pay their fair share. A hike in tariff prior to a drastic cut in non-technical losses will result in increased losses.

- *Increase competition in the gas and fuel import markets*
- *Boost the share of gas in the energy mix*
- *Remedy absence of comprehensive national energy strategy*
- *Develop integrated strategy that covers fossil and renewable energy resources*

✱ **Measure 8.4**

Fully implement Law 462 (2002) by appointing an independent regulatory authority with full authority and an independent fiscal and managerial mandate, to regulate the sector and restructure EDL into an optimal governance structure. The electricity utility should be unbundled and separated into generation and distribution companies, potentially keeping the transmission component under the auspices of EDL. The strategy should draw on lessons learned from previous policies and other countries' case studies to develop and implement solutions to modernize the sector and turn it profitable by, among other things, involving the private sector through a public-private partnership. This may reduce the size of the workforce needed at EDL, while improving the mandate.

✱ **Measure 8.5**

Fully implement EDL's Master Plan for grid reinforcement. An increase in additional capacity prior to necessary grid improvement would result in additional fiscal losses.

✱ **Measure 8.6**

Revise downwards the plan to implement the three unnecessary floating storage and regasification units and the timeframe for project completion, as the previous plans of switching to natural gas are no longer realistic in light of the long delays in contract award and signature.

Measure 8.7

Promote transparency and access to information at the level of the Ministry of Energy and Water (MoEW) and all administrative units relating to energy issues, and make studies, tenders and contracts publicly available.

Measure 8.8

Specify clear mandates for each institution operating in the sector, and ensure that all operating entities are official departments of the MoEW.

Measure 8.9

Conduct a full audit for EDL and all institutions operating within the sector.

✱ **Measure 8.10**

Develop a comprehensive energy strategy, through a process of stakeholder engagement, that increases power generation and distribution efficiency at optimal cost to secure Lebanon's long-term energy needs and improve overall sector governance.

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✦ **Measure 8.11**

Develop a national oil and gas strategy that would forecast different scenarios and assess them based on: market prices, sizes of discoveries, types of hydrocarbons found, development solutions for fields, costs of exploration and production, market conditions, geopolitics, and domestic politics and market.

Measure 8.12

Fully integrate Lebanon into the six-nation power grid and regional gas pipelines, in addition to networks linking the Middle East with the European Union. This presents vast opportunities for Lebanon in terms of imports and, potentially, future exports if Lebanon discovers oil or gas, and employ electricity generated from renewable energy sources for better grid integration and balancing of the systems.

Measure 8.13

Implement plans to enhance transparency and improve competition in the upstream, midstream, and downstream gas and fuel import markets.

✦ **Measure 8.14**

Incentivize the development of an upstream market and develop services and logistics across the entire extractives value chain, promoting Lebanon as a regional hub for international companies active in the Eastern Mediterranean.

Measure 8.15

Increase the share of gas in the energy mix, starting with power production. In case of commercial gas discoveries, encourage consumption of local gas in the transport sector and in the development of a petrochemical industry.

Measure 8.16

Implement clean energy production incentive tools. This can be done by amending Law 462 (2012) to allow feed-in tariffs (FIT) to be introduced, or by introducing net metering that would allow consumers to inject power generated at their premises into the grid.

✦ **Measure 8.17**

Issue and implement a renewable energy and energy efficiency law, which would provide the MoEW with a framework for mainstreaming energy efficiency and renewables management in Lebanon.

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STRATEGIZE WATER

Lebanon is blessed with substantial natural water resources, including surface water, groundwater, and spring water, but little has been accomplished in the way of conservation or sustainable exploitation of these resources. Mismanagement, outdated storage infrastructure, inefficiencies across the sector, and the influx of Syrian refugees have increased water stress and water scarcity. Currently, the Ministry of Energy and Water (MoEW) is largely understaffed and past attempts to reorganize managing bodies have fallen short. The confluence of these factors has left most of the country to rely on costly private distribution networks. Further, tap water is not safe to drink. The development of the water sector and related transportation infrastructure is crucial to the future diversification of the Lebanese economy.

While Law 221 (2000) reformed the governance of the water sector, creating four regional water authorities under the supervision of the MoEW, this restructuring has not been successful and mismanagement still runs rampant. Outdated storage facilities lead to leaks and lost water, and Lebanon's karst topography makes leakage from artificial reservoirs common. Further, of the 12 planned dam projects as of 2015, only two are operational today: the Qaraoun dam and the Chabrouh dam. While there are laws that govern well digging, it is estimated that 80 percent of wells in Lebanon were dug illegally, diminishing the supply from public wells. In the agriculture sector, which accounts for 61 percent of the country's water usage, inefficient irrigation practices are another cause for concern. All these inefficiencies equate to a colossal waste of water, and efforts must be taken to upgrade storage facilities, and transport networks, and rethink current practices regarding pricing and distribution.

Beyond inefficiencies and mismanagement, a flat rate is charged for water usage that does not reflect actual consumption. There is consequently little incentive to conserve water, and there is a lack of public awareness about water conservation.

The last national water strategy, drafted in 2010, is outdated and must be altered to address the current challenges in the sector. The construction and maintenance of an efficient water distribution system would improve delivery to citizens. It is imperative to upgrade storage facilities and existing delivery systems and networks.

POLICY PRIORITY 9.1

UPDATE WATER STRATEGY AND SECTOR GOVERNANCE

Main Challenges

- *Create a coherent national plan with the participation of the Lebanese public*
- *Define organizational structure of governing entities*
- *Revise current water pricing regime*
- *Explore hydropower options*

Proposed Measures

Measure 9.1.1

Create a more coherent Water Master Plan, building on the National Water Sector Strategy (2010) and reassess water infrastructure projects for politically-induced projects, e.g. dams.

Measure 9.1.2

Follow up on the consolidation of the regional water authorities and define their organizational structure and mandate. Increase coordination between the Regional Water and Wastewater Establishment, the MoEW, and other relevant government agencies.

Measure 9.1.3

Modernize existing hydropower generation units and study potential for additional power generation, taking into account development plans and ecological needs.

Strategize

Agenda Priority 9

Main Challenges

- *Improve access to drinkable water through licensing, distribution, and health regulations*
- *Upgrade storage facilities and water transport infrastructure*
- *Enforce laws regarding well digging*
- *Increase efficiency in the agriculture sector*

Measure 9.1.4

Reassess the current pricing scheme and introduce a new water tariff regime that is connected to the actual usage of water by the consumer. To do this, water metering must be implemented throughout the country.

Measure 9.1.5

Support and modernize water-based energy plants and identify other opportunities to generate power.

POLICY PRIORITY 9.2

MAXIMIZE EFFICIENCY ACROSS THE SECTOR TO REDUCE LOSSES

Proposed Measures

Measure 9.2.1

Revise all licenses granted to mineral water firms and introduce quality control and regulatory criteria. Manage all drinking water companies under this regime.

Measure 9.2.2

Assess and strategize optimal efficiency of water transport infrastructure.

Measure 9.2.3

Review and assess the capacity of the existing water distribution systems in urban and rural centers to reduce waste and transport costs, and improve usage efficiency.

Measure 9.2.4

Assess and optimize efficiency of water use by factories and industry.

Measure 9.2.5

Ensure continuous access to quality water by enforcing the prohibition of illegal well drilling, and incentivize efficient management of groundwater resources in urban and rural settings. Reduce extraction from private wells and ensure responsible usage of public wells.

Measure 9.2.6

Mandate relocation of all water-intensive industrial processes into specifically designated industrial zones.

Measure 9.2.7

Assess and optimize efficiency of water use by farms and the agricultural sector. Reduce inefficiencies in the agriculture sector by increasing the usage of more efficient irrigation systems, such as drip irrigation.

Measure 9.2.8

Research, design, and launch a public awareness campaign that teaches conservation in schools.

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STRATEGIZE TRANSPORT

In the second half of the 20th century—while Lebanon was in the throgs of internal strife—the diversity, intensity, and overall importance of global trade increased tremendously. All mobility categories—land, sea, and air—benefited from technical innovations that ranged from the rise of container shipping and efficiency gains in commercial aviation to the introduction of electric, alternative mobility, and sharing solutions in landbound and urban transport. Having remained partially isolated from new transportation developments during the civil war (1975-1990), Lebanon has, in the three post-conflict decades, failed to catch up—achieving only partial inclusion in recent global transportation sector developments.

Missed opportunities for reaping greater economic and social benefits relate to infrastructure and operations across all modes of transportation. This translates into lost economic benefits thanks to the sub-optimal utilization of the country's geographic location, which gives it an advantage in areas such as commercial shipping. Additionally, transportation infrastructure inefficiencies have obstructed the realization of tourism potentials in a variety of segments, from religious and ecological to leisure and cultural tourism, and have also limited Lebanon's potential as an aviation hub. Moreover, inefficiencies and infrastructure problems in domestic mobility, as well as over-reliance on individual and quasi-individual transport in and between urban centers, are contributing to social risks (for example, medical and environmental) and to high direct losses and opportunity costs in the economy (due to traffic congestions, above-average vehicular damage incidents, etc.).

To address its weaknesses in all modes of transportation, Lebanon must develop maritime and aviation transportation infrastructure, motorways, secondary roads, urban transport nodes, and rail networks. Improvements to domestic mobility infrastructures—such as internally linking Lebanese ports and cities, and externally improving connections to neighboring countries—would not only create important direct revenues and translate into indirect opportunities for economic gains in inbound tourism and regional transit trade, but also make Lebanon a regional transit hub in the Eastern Mediterranean. The lack of a coherent strategy for cross-border and national transport in general, and the absence of plans for more specific domestic needs, such as preventive maintenance of inter-urban and urban mobility infrastructures throughout the country, has been identified as a drag on the Lebanese economy. Knowledge of the insufficient and fragmented allocation of funds to transportation infrastructure developments makes it even more important to strategize mobility and transportation as one pillar of a national economic plan.

POLICY PRIORITY 10.1

DEVELOP A TRANSPORT POLICY FOR NATIONAL AND CROSS-BORDER MOBILITY

Main Challenges

- *Reinvent public transport: intercity and intracity*
- *Enable maritime, air, and commercial transport*

Proposed Measures

★ **Measure 10.1.1**

Develop a comprehensive national policy for sustainable transportation that will regulate passenger and freight transport by road, sea, and air, and incentivize the development of public transportation in both urban and rural areas. Policy will address

Strategize

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critical issues facing the sector such as road traffic congestion and the environmental and health impacts of road transport, taxi and bus service licensing, trucking operations and safety issues, public parking, and implementation mechanisms for all provisions of traffic Law 243 (2012).

Measure 10.1.2

Prioritize intracity transportation development with a strong public transport component for Greater Beirut, including an intracity public bus service network proposed by the Railway and Public Transit Authority (RPTA) of the Ministry of Public Works and Transport (MoPWT), and an intra and intercity rapid bus service proposed by the World Bank under the \$295 million Greater Beirut Public Transport Project that was adopted as Decree 66 (2017) by the Council of Ministers and approved by Parliament in June 2019.

Measure 10.1.3

Enhance intercity public transport by expanding bus transport networks and rehabilitating the railway line between Beirut and Tripoli.

Measure 10.1.4

Develop frameworks organizing commercial transport and integrating all Lebanese ports and airports into advanced digitized traffic management systems and modern, durable traffic networks.

Measure 10.1.5

Improve urban mobility through the designation of bus lanes and the demarcation of routes for those using alternative modes of transport especially dedicated bike lanes that facilitate bike riding to work in urban centers, as well as on a municipal level and between Beirut and major cities.

Measure 10.1.6

Implement advanced toll road and traffic guidance schemes for highways outside of Greater Beirut that can satisfy requirements for the control of traffic flows and the mitigation of accident risks, and that can also generate revenue to finance road maintenance.

Measure 10.1.7

Develop Rene Mouawad Air Base as a commercial airport, and link the terminal to the Tripoli Seaport and the planned Tripoli Economic Zone via a rail and road network.

Measure 10.1.8

Rehabilitate the Tripoli-Abboudieh (Syrian border) freight rail line and construct an extension link to the port of Tripoli.

POLICY PRIORITY 10.2
IMPROVE URBAN MOBILITY AND THE ENVIRONMENTAL COMPATIBILITY OF TRANSPORT

Main Challenges

- *Develop standards and ethics in enforcement of transportation behavior*
- *Enforce driving codes and public parking*
- *Incentivize environmentally compatible modes of transport*

Proposed Measures
Measure 10.2.1

Empower the national police force and municipal police departments to strictly enforce Law 243 (2012) on traffic regulation by installing speed cameras at major intersections and on highways. Amend the law to penalize littering and automate the public safety monitoring and enforcement mechanism for the prosecution of traffic violations.

Measure 10.2.2

Develop the ethics of traffic control officers, whether municipal or national police, and incentivize ethical behavior by introducing performance metrics and a feedback mechanism for motorists.

Measure 10.2.3

Introduce build-operate-transfer (BOT) financing for underground public parking projects, to be covered at the ground level by greenery and gardens or other public spaces that meet environmental, urban planning, and urban living standards in cities. Standardize rates for long-term and residential parking.

Measure 10.2.4

Regulate the valet parking industry and impose heavy penalties on restaurants whose valets monopolize residential parking spots or drive unsafely.

Measure 10.2.5

Require all municipalities and authorities supervising highways to uphold road safety maintenance in every sense, including: the upkeep of security barriers, the development and maintenance of signage, and the upgrading of road surfaces.

Measure 10.2.6

Require municipalities to develop and accommodate safe pedestrian environments, by, for instance, clearing sidewalks and enforcing their use for pedestrian traffic by removing vehicles and other structures that impede pedestrian movement on sidewalks. Municipalities must impose and enforce pedestrian right-of-way in all urban areas with zebra crossings and places for pedestrians to cross major thoroughfares, in order to improve walkability and safety.

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Measure 10.2.7

Protect mobility of pedestrians and secure zones with special rights for traffic participants with impaired mobility. Develop infrastructure for rentable e-bikes and protect pathways reserved for non-motorized users, such as bicycles or persons pushing baby strollers.

Measure 10.2.8

Exempt from customs and excise taxes, registration, and road usage fees on all new, fuel-efficient and alternative-fuel compact cars, with the aim of shifting toward smaller, less-polluting vehicles.

Measure 10.2.9

Provide private households with incentives for adopting less-polluting modes of transport, through measures ranging from tax rebates for buyers of electric vehicles and daily users of public transport, to increases in annual road taxes for old and polluting vehicles. Incentivize private vehicle owners to replace old, polluting vehicles with new vehicles that comply with advanced emission standards.

Measure 10.2.10

Replace all existing gasoline and diesel buses with newer model bus technologies running on clean fuels, such as natural gas and electricity, with the needed refueling and recharging infrastructure.

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Combat

Agenda Priority 11

COMBAT GENDER INEQUALITIES AND GENDER-BASED VIOLENCE

Violations of women's rights are not just detrimental to society, human rights, and the dignity of women, but are also extremely damaging to a country's prospects for sustainable economic development. Lebanon has made some inroads toward correcting the injustices inflicted on women, but substantial work is still needed. Lebanon has a reputation for openness, liberties, and freedom, but in reality the country lags behind others in the region, such as some North African Arab states that have introduced laws that have considerably improved the social and economic status of women. There are some positive indicators concerning Lebanese women's level of education and engagement in decision-making positions (namely in the judicial and public administrations), but these do not reflect their real status or participation in the labor force, their role within the family, or the general attitude of society—attitudes that are not only problematic for gender equality but also for gender or sexual orientation. Lebanon still lacks proper civil laws guaranteeing equal rights for women, and there are various legal constraints that discriminate against women at home and work. Societal attitudes and perceptions continue to subordinate women, suppressing their innovation, creativity, productivity, and—most importantly—their basic freedoms. Lebanon still has reservations about some major international conventions—such as the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)—and has yet to reform domestic laws, change unfair customs (e.g., unequal employment opportunities and family status laws), and combat gender-based violence (GBV), including harassment in schools, universities, and the public and private spheres. There are insufficient laws protecting the rights of women, and insufficient institutional support when women are facing the judiciary. Lebanese laws must be brought in line with international conventions, and stakeholders must work together through a grassroots campaign to cement equality in practice. Empowering women is not only a fundamental social and human right, but also a pillar of sustainable economic development—we need gender equality at all levels to develop the country further.

POLICY PRIORITY 11.1

REFORM LAWS TO FOSTER PROTECTION FOR WOMEN

Main Challenges

- *Enforce legislation designed to protect women*
- *Provide additional legal and social protections and cost-effective quality service for victims of GBV*
- *Adopt, without reservations, international conventions on women's rights*

Proposed Measures

Measure 11.1.1

Amend and reinforce the operationalization of Law 293 (2014) related to protection of women and all family members from family violence.

Measure 11.1.2

Support and develop projects with civil society to influence attitude and behavioral change on women's issues (e.g., wage gap, personal status, sexual harassment in the workplace and public spaces) and to train and support women for merit-based advancement in the workplace and in political life.

Combat

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Measure 11.1.3

Mandate by law a further increase in parental leave—maternity and paternity—allow flexible work schedules for parents and advocate for child-friendly spaces/nurseries in the workplace.

Measure 11.1.4

Introduce new legislation or amend the criminal code to outlaw and increase sentences against sexual gender-based violence (e.g., marital rape, incestuous rape, sexual harassment). Adopt a unified civil personal status law, guaranteeing gender equality that is compliant with the constitution and the international commitments of Lebanon.

Measure 11.1.5

Lebanon has adopted CEDAW, but maintains reservations about some articles. Lebanon should adopt CEDAW in its entirety, without reservations. The Optional Protocol, which was included as an addendum to CEDAW, has still not been adopted by Lebanon. Additionally, UN Security Council Resolution (UNSCR) 1325 on women, peace and security must be integrated into state legal and regulatory policies to better protect women during and after armed conflicts. Hence, operationalization/rollout of the June 2019 national action plan on UNSCR 1325 must be prioritized.

Measure 11.1.6

Review and create the most feasible institutional setup that can serve for protection and advancement of women in the context of Lebanese budget constraints.

Measure 11.1.7

Support existent women's emergency safe shelters across the country to provide standardized-quality, safe temporary accommodation in which women along with their children can seek life-saving refuge and receive specialized help in crisis situation.

Measure 11.1.8

Amend Decree 15 (1925) on Lebanese nationality to ensure that children and spouses of Lebanese women have the same right to citizenship as those of Lebanese men.

Measure 11.1.9

Abolish Article 534 from the Lebanese penal code. Article 534 compromises the safety and protection of LGBTQ individuals and groups by subjecting them to physical, psychological, and economic harm.

Combat

Combat

POLICY PRIORITY 11.2

EMPOWER WOMEN AND ENCOURAGE PARTICIPATION

Main Challenges

- *Build professional capacities of women*
- *Provide opportunities for women to increase technical and life skills*
- *Implement programs that promote economic reform and empowerment*

Proposed Measures

Measure 11.2.1

Put in place systems to provide women with a path to leadership positions in public and private institutions. For example, staffing police departments with trained policewomen and social workers to provide assistance and protection against any kind of harassment, discrimination, and GBV. Protect and encourage structural and societal changes to make this possible.

Measure 11.2.2

Introduce capacity building and code of conduct measures to train judges, lawyers, and journalists/media personnel on gender and GBV issues, international conventions, and cultural discrimination.

Measure 11.2.3

Offer specialized training/soft skills building to women to foster their competitive employability opportunities in the labor market.

POLICY PRIORITY 11.3

INCREASE THE NUMBER OF WOMEN IN LEADERSHIP ROLES

Main Challenges

- *Remove social barriers that prevent women from accessing leadership roles in their homes and the public and private sector*
- *Ensure women are not discriminated against in political and business appointments*

Proposed Measures

Measure 11.3.1

Establish a ministerial committee with additional stakeholders from the judiciary, private sector, and civil society to develop and monitor the progress of a national plan aimed at women's empowerment.

Measure 11.3.2

Ensure political appointments are merit-based, and that women are not excluded from being considered for these roles on the basis of sex.

Measure 11.3.3

Encourage the private sector to appoint women to senior posts by increasing awareness of women's equal leadership capabilities through public awareness campaigns.

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Combat

Agenda Priority 11

COMBAT POVERTY

Targets to eradicate extreme poverty and hunger were ranked as goal number one when the global community adopted the Millennium Development Goals (MDGs), at the United Nations, in the September 2000 Millennium Declaration. Accomplishments toward poverty eradication—such as the reduction of extreme poverty rates by more than half when comparing 2015 to 1990, and the reduction of undernourishment by almost half in the same period—encouraged UN member states to declare ending poverty “in all its forms everywhere” as Sustainable Development Goal 1 (SDG 1) in September 2015. Poverty data in Lebanon is insufficient but a high increase in incidents of poverty have been predicted for 2020 (post the mid-October 2019 economic crisis). The 2018 SDG progress evaluation report notes, “While extreme poverty has eased considerably since 1990, pockets of the worst forms of poverty persist. Ending poverty requires universal social protection systems aimed at safeguarding all individuals throughout the life cycle. It also requires targeted measures to reduce vulnerability to disasters and to address specific underserved geographic areas within each country.” While other agendas pushed by special interest groups in politics, business, or civil society may be controversial in the national debates of many countries, the validity and urgency of SDG 1 is undisputed by the global community. Lebanon is generally understood as needing to make more progress toward the implementation of SDG 1 by the SDG target year, 2030. Due to fiscal, monetary, or political constraints, successive Lebanese governments have failed to devise a comprehensive social safety net plan, dumping most of the workload on NGOs and international donors, and intervening only to meet the bare minimum of needs, with limited resources allocated to line ministries. Lebanon’s government must detail policy on human and social development in its Ministerial Declaration, with clearly defined objectives and concrete proposals, as well as timelines for poverty reduction. The exploration and expansion of poverty reduction efforts on the national level deserve the attention of political stakeholders, civil servants, and elected officials, but also need support from religious institutions (as the traditional providers of poverty alleviation in Lebanese communities), wider civil society (including charitable and humanitarian non-governmental organizations), and private sector individuals and institutions (from schools and microfinance institutions, to manufacturers and banks). The years since the adoption of the MDGs and SDGs have witnessed increasing participation of private sector businesses, with the rise of corporate citizenship or corporate social responsibility (CSR). This commitment of the private sector needs to be maintained even as the economic restraints of a contraction in GDP are anticipated for 2020. Evaluation, encouragement, and further development of public and private sector efforts toward the achievement of SDG 1 must be integral to the process of designing any plan for the Lebanese economy.

POLICY PRIORITY 12.1

TARGET AND SUPPORT THE EXTREME POOR AND THE DISADVANTAGED

Main Challenges

- *Address the lack of a poverty eradication strategy for Lebanon*
- *Modernize the legislative framework*
- *Protect vulnerable population groups against modern slavery*

Proposed Measures

★ Measure 12.1.1

Rapidly advance development of the National Social Protection Policy.

★ Measure 12.1.2

Immediately expand coverage and effectiveness of existing social safety nets such as the National Poverty Targeting Programme.

★ Measure 12.1.3

Establish a permanent ministerial committee, including participants from civil society and international development organizations, to develop and implement a poverty reduction strategy.

Measure 12.1.4

Create/empower a poverty eradication task force that links together members of Parliament and parliamentary committees whose purviews include working on populations that are vulnerable to poverty (e.g., women and children, displaced and refugees, disabled or aged persons, and all those in need of medical support).

Measure 12.1.5

Legislate, adopt, and finance, with the collaboration of the development partners, Office of the Prime Minister, the Central Administration of Statistics, and the Ministry of Social Affairs, direct support schemes for the poor in all categories mentioned in Measure 12.1.4.

Measure 12.1.6

Combat illegal child labor and trafficking, and the abuse of children, by cracking down on violators.

★ Measure 12.1.7

Implement (i.e., pass implementation decrees for) the ratified law on disability.

Combat

Agenda Priority 12

Measure 12.1.8

Align legal and operational frameworks for poverty eradication with frameworks for labor (Agenda Priority 17) and health strategy (Agenda Priority 7).

Measure 12.1.9

Develop contingency and emergency response plans for economically induced shortages in food, shelter, medical services, etc.

POLICY PRIORITY 12.2

DEVELOP FISCAL AND PRIVATE SECTOR FINANCIAL MECHANISMS FOR THE SUPPORT OF THE POOR

Main Challenges

- Ensure safety nets exist for those below the poverty line
- Expand and modernize existing rudimentary social security
- Upgrade safety nets for dealing with poverty in old age
- Implement targeted support schemes and microfinance
- Improve NGO financing legislation to ease ability to donate

Proposed Measures

Measure 12.2.1

Develop mechanisms to alleviate poverty in old age by improving social security and health or medical care provision schemes for those above 65.

Measure 12.2.2

Improve economic mobility by targeting and enabling financial inclusion and by providing incentives to the poor to enroll in nano and microfinance schemes.

Measure 12.2.3

Incentivize organizations in the microfinance institutions sector to further extend their reach, including building on updated regulations and the increased financing options made possible by 2018 circulars from Banque du Liban (BDL), Lebanon's central bank. Incentivize use of digital tools, such as mobile applications, in the provision of services of microcredit, microsavings, and microinsurance.

Measure 12.2.4

Make corporate and personal donations tax deductible for those who donate to qualifying public utility organizations, charities, and NGOs.

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COMBAT CORRUPTION

Corruption—defined in this case as the misuse of public posts for personal gain—is a popular and recurring talking point in Lebanon. It regularly finds its way into political speeches, media reports, street demonstrations, and the day-to-day small talk of the Lebanese at home and abroad. Corruption in Lebanon is perceived as pervasive. Meanwhile, international research into corruption indicates that grand and petty corruption—meaning incidents involving large spending measures on a national and sub-national level as well as citizens’ inability to obtain services without “greasing the wheels” when dealing with public servants—can significantly distort economic performances at the national as well as individual level. Citizens and political leaders have long been emphasizing that something must be done in Lebanon to curb these forms of corruption. Despite many years of complaints from citizens and lipservice from politicians, up until the fourth quarter of 2019 very little was done to achieve concrete progress in this regard, let alone engage in serious dialogue on wider issues of corruption such as nepotism and communal favoritisms. Instead, corruption has been discounted in public discourse as someone else’s vice. When public figures were confronted with evidence implicating them, the standard response was political manipulation against the backdrop of prevalent public complacency (“Everybody else is doing it!”). This chronic lack of self-reflection and systemic inaction was enabled by a combination of factors, all of which have in 2019 been challenged by the Lebanese polity. Instead of serious legal loopholes, persistent institutional failures, blatant political interference, and the systemic exploitation of confessional and regional identities, the seachange of the civil protests in Lebanon at the end of 2019 has done its utmost to destroy the state of impunity that fueled corruption and sent the wrong message to Lebanese society and the world at large. After baby steps in the right direction of reducing corruption in the past two years before the *thawra* (revolution), new anti-corruption forces have come into existence and the pursuance of decisive measures in the fight against corruption has become possible. Steps that include the passage of laws (e.g., access to information) after more than a decade-long process and the announcement of the country’s first national anti-corruption strategy after nearly seven years of incremental work behind the scenes need to be empowered so that they can induce a tangible change for Lebanon. Barriers that still hinder the combat against corruption, such as the country’s poor law enforcement, and the fact that the national strategy has not been formally adopted, or provided with the necessary financial and human resources, are now in closer reach and can be challenged decisively.

Combat

Agenda Priority 13

POLICY PRIORITY 13.1

PROMOTE AND INCREASE TRANSPARENCY

Main Challenges

- Increase ease of access to information
- Uphold international agreements against corruption
- Modernize legislation on the declaration of wealth

Proposed Measures

★ **Measure 13.1.1**

Support and regularly monitor compliance with Law 28 (2017) on access to information, including the appointment and training of information officers in all administrations and the publication of all information required by the law.

Measure 13.1.2

Set up an independent permanent committee grouping governmental and non-governmental experts to track and publicly report on Lebanon's implementation of the UN Convention against Corruption and make recommendations for enhanced implementation.

★ **Measure 13.1.3**

Adopt and support the effective implementation of legislative amendments that modernize the country's system for the declaration of wealth by public officials to make it more efficient, and ensure that the declarations are submitted periodically, made more comprehensive, and are able to be audited for completeness and correctness.

Measure 13.1.4

Establish and train a working group in each administration to regularly assess corruption risks created by the lack of transparency in procedures and costs, and to propose ways to mitigate those risks, with an annual progress report aggregated by the Office of the Prime Minister for all administrations. Submit the report to the public.

POLICY PRIORITY 13.2

STRENGTHEN LEGAL AND JUDICIAL ANTI-CORRUPTION FRAMEWORKS

Main Challenges

- Define crimes and sanctions for specific forms of corruption
- Revise banking secrecy rules
- Improve alignment of government procurement, tendering, and project awarding processes with anti-corruption priorities
- Increase punishments for those who are caught in corrupt behavior

Proposed Measures

★ **Measure 13.2.1**

Amend Law No. 154 (2009) on anti-illicit enrichment to introduce a proper definition of crimes such as graft, grand theft by public officials, embezzlement, influence peddling, and other variants of political corruption, in line with the UN Convention against Corruption, and legislate adequate sanctions and judicial prosecution and enforcement mechanisms, while also eliminating barriers for triggering and conducting related investigations.

★ **Measure 13.2.2**

Amend the laws and regulations necessary to lift bank secrecy on Lebanese public officials, including the president, members of Parliament, ministers, judges, ranking public servants, and their relatives.

Measure 13.2.3

Finalize and adopt the law on conflict of interest, including the establishment of a national committee that reviews existing and proposed legislation and sets limits and regulations of potential conflicts of interests.

Measure 13.2.4

Make all requests for proposals and tendering processes related to projects and contracts transparent to the public; they should include the clauses of the final contract to be signed.

★ **Measure 13.2.5**

Speed up the implementation of Law 83 (2018) on whistleblower protection and adopt the needed regulations and complementary legislation to bring it into force, including the establishment of a national anti-corruption agency.

★ **Measure 13.2.6**

Amend laws and regulations that will help to combat the petty corruption of civil servants and municipal officials, and improve protection and verification of whistleblowers who expose instances of petty corruption.

Measure 13.2.7

Introduce transparency and accountability measures in all public-private partnership (PPP) contracts and arrangements, including the establishment of independent project-based audit committees to ensure compliance with those measures.

Measure 13.2.8

Establish and maintain a portal, supported by a mobile application, to publicly report in a timely manner on the receipt and expenditure of all international funding for projects that will be financed by contributions made through CEDRE.

Measure 13.2.9

Legislate links between serious corruption convictions and restrictions on convicted persons or judicial persons in their ability to hold positions of public office, participate in government procurement, or bid for governmental and PPP contracts and projects.

Combat

Agenda Priority 13

POLICY PRIORITY 13.3

IMPROVE INSTITUTIONAL AND SOCIETAL RESILIENCE AGAINST CORRUPTION

Main Challenges

- *Improve institutional control mechanisms in the fight against corruption*
- *Enhance integrity of public and private sectors*
- *Create anti-corruption interface tools between the public and private sectors*

Proposed Measures

✦ **Measure 13.3.1**

Maintain existing anti-money laundering (AML) policy at Banque du Liban (BDL), Lebanon's central bank, and introduce a random investigation mechanism of accounts and transactions.

Measure 13.3.2

Provide the Central Inspection Bureau and the Audit Bureau with IT systems to track complaints and files from beginning to end, and double the number of their inspectors and auditors respectively, while providing them with certifiable training and proper financial incentives.

Measure 13.3.3

Set up an independent national corporate governance program for private sector companies. This program should be aligned with international best practices and incentivize those corporations that adopt and adhere thereto.

Measure 13.3.4

Require corporate staff and civil servants to take part in regular awareness raising and training, prepared in coordination with civil society and international organizations.

✦ **Measure 13.3.5**

Launch a program that educates adult citizens on methods to identify corruption, whistleblower responsibilities and protections, and channels for raising corruption concerns. Develop new channels through which citizens can alert judicial and administrative authorities to suspected incidents of corruption, and empower forums and mechanisms where anti-corruption organizations in civil society can advise citizens and take corruption-fighting actions in their support.

Measure 13.3.6

In educational institutions, from schools to tertiary education providers, strengthen curricula and programs that range from awareness building on the negative social impacts of corruption in civil education curricula to dedicated programs to train students to become experts in compliance with anti-corruption and governance mechanisms.

Measure 13.3.7

Implement and empower programs and forums to incentivize citizens who demonstrably practice behavior indicating civil integrity—challenging or counteracting incidents of petty corruption and societal corruption in their community, for instance—and institute programs that further encourage and reward exemplary behaviors.

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COMBAT POLLUTION

Pollution in Lebanon is pervasive. The air and water are contaminated and noise levels are high as a result of heavy traffic, reckless driving, and unregulated noise levels for bars and clubs. For a resident of Keserwan, acid rain has become part of everyday life, thanks to the Zouk power plant; for a resident of greater Chekka, the likelihood of developing asthma or allergies is increasing.

Car emissions, in particular from red diesel-powered vehicles, are a primary source of pollution, despite a law prohibiting this diesel's use. The law must be enforced and should be amended to remove the exemption for commercial vehicles or agriculture machinery. Lebanon also suffers from a waste management crisis. The country dumps its waste at facilities located along the seashore, polluting the water. This has health consequences for humans and marine life, and, among other effects, has had negative impacts on the country's fishing industry. Open air dumps destroy Lebanon's natural beauty, contaminate drinking water, and threaten the environment and wildlife, while the burning of garbage fills the air with contaminants that make life unbearable for residents living nearby. Even though Lebanon is not a country with highly polluting industrial activities or resource extraction as bases of the economy, the lack of environmental protections against illegal industrial practices, quarrying, construction, and real estate development activities has exacerbated the country's trouble with maintaining minimal environmental integrity and quality of life for its population. The degradation of environmental integrity, the violation of common sense and legal standards on environmental preservation and industrial pollution, the impunity of many individual and corporate violators, and the excessive overuse or profit-seeking impairment of scarce natural resources—such as intact forests and small ecosystems—have contributed to increasing direct and indirect costs to the Lebanese population. These costs can be seen in the proliferation of chronic medical conditions, such as cancers and respiratory diseases, and in negatively impacted economic activities, such as tourism.

Over the last 25 years, Lebanon's environment has suffered rapid degradation—from the seashore to the mountain top—as well as the destruction of many symbols of Lebanese heritage. It is ironic when one considers that, in many ways, Lebanese citizens and companies, blinded by easy money, share the blame with the politicians and government entities that fail to punish those who violate environmental protection regulations. The number of traditional homes and buildings in major cities is dwindling. In fact, neighborhoods are being erased and replaced by vertical structures, and there are few public spaces in the capital. Lebanon's environment is, put plainly, in a catastrophic state, and partial or ad hoc measures to change this trajectory will not suffice. The government must declare the state of the environment a national emergency, and devise, adopt, and enforce relevant legislation. Public and private stakeholders need to stand united in the fight against pollution.

Combat

Agenda Priority 14

POLICY PRIORITY 14.1

COMBAT AIR AND WATER POLLUTION

Main Challenges

- *Nudge, incentivize, and penalize citizens and households to encourage a shift from polluting to virtuous environmental behaviors in their daily lives*
- *Improve and enforce corporate and micro, small and medium-sized enterprises' behaviors that comply with existing legislation and international standards*

Proposed Measures

Measure 14.1.1

Adopt and enforce legislation regulating acceptable fuels for use in vehicles, and introduce incentives for adoption of less polluting vehicles.

Measure 14.1.2

Incentivize the purchase of eco-friendly cars and penalize usage of highly polluting or energy-inefficient vehicles, through means ranging from technical requirements and inspections to taxation tools.

Measure 14.1.3

Incentivize households to reduce consumption of fossil fuels and use low-energy devices and/or alternative power in heating, air conditioning, and personal mobility.

Measure 14.1.4

Take efforts to minimize household waste through cost-recovering waste collection fees and by introducing financial incentives and campaigns that encourage sorting at source and recycling. Encourage customers to use reusable eco-friendly bags in supermarkets. Impose a green tax (a small fee) on usage of plastic bags in supermarkets and other retail outlets, and place a tax on elaborate and wasteful packaging.

Measure 14.1.5

Adopt legal codes setting specific and adequate standards for limiting and regulating emissions and solid waste generation across all industries.

Measure 14.1.6

Outlaw quarries permanently, and revoke temporary licenses and special exemptions.

Measure 14.1.7

Apply and update real estate development rules and municipal building and zoning codes to better reflect environmental preservation and cultural heritage preservation. Enforce development regulations and real estate codes across Lebanon.

Measure 14.1.8

Require industrial producers to be located in licensed industrial zones that are equipped for the treatment of pollutants generated by the occupants.

Measure 14.1.9

Legislate and supervise the mandatory treatment of industrial waste, including solid waste, effluents, and aerial emissions. Prescribe new methods of proper collection and treatment, and penalize industrial violators with harsh and escalating punishments, ranging from fines to company closures and the imprisonment of noncompliant business owners and managers.

Measure 14.1.10

Legislate and implement workable waste treatment schemes, end the dumping of waste in the sea, and enforce compliance with Lebanon's international obligations. Develop waste management solutions based on the reduce, reuse, and recycle principle, and develop sanitary landfills for non-recyclable waste.

POLICY PRIORITY 14.2
COMBAT NOISE POLLUTION

Main Challenges

- *Regulate admissible noise levels for noise emitters*
- *Enforce prohibition of fireworks outside of regulated usage*

Proposed Measures
Measure 14.2.1

Introduce legislation regulating noise emissions from nightlife, private households, garden parties, and other events that typically have a high noise level.

Measure 14.2.2

Legislate permissible noise emission levels and, if applicable, times for operation of construction machinery and water pumps in residential zones.

Measure 14.2.3

Enforce noise limits on motor vehicles and make the modification of vehicles with noise-increasing devices illegal if those devices generate noise above set decibel limits.

Measure 14.2.4

Enforce the prohibition of fireworks outside of preset periods and special exemptions for social events. Limit the sale of fireworks to adults and ban the risky use of fireworks by children. Penalize the unauthorized use of fireworks by households or event organizers and mandate municipal supervision and operation of fireworks in urban centers and in residential areas.

Measure 14.2.5

Set up municipal hotlines for complaints against all kinds of noise pollution.

Measure 14.2.6

Train (and raise awareness) of police officers on noise pollution regulations and issue fines to violators.

Combat

Agenda Priority 14

Main Challenges

- Revitalize existing public spaces and create new ones
- Preserve green parks and forestry
- Encourage municipalities to introduce recycling programs

POLICY PRIORITY 14.3

STOP ENVIRONMENTAL DEGRADATION AND PROMOTE GREEN LEBANON

Proposed Measures

✳ **Measure 14.3.1**

Preserve forested areas, outlaw any construction in areas ravaged by fires, and regulate wood collection and charcoal production. Maintain firefighting equipment.

Measure 14.3.2

Develop public parks, public spaces, and playgrounds, particularly in Beirut and residential suburban areas. Provide tax credit to municipalities that secure green areas.

Measure 14.3.3

Provide incentives (tax credit) to households and private sector entities that recycle, and to municipalities that introduce recycling plants or recycling programs.

Measure 14.3.4

Enforce laws protecting historic buildings and natural sites (e.g., certain neighborhoods in Beirut, or the natural rock formations in the Keserwan-Faitroun mountains), and introduce more barriers against the demolition of historic buildings and natural sites.

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DEVELOP COMPETITIVENESS

Lebanon has been active in negotiating a large number of framework trade agreements with Arab states, as well as Eastern European countries. However, trade agreements have not gone beyond simple tariff reductions, which have been demonstrated by economic literature to offer little to no gain. Moving to eliminate tariffs is not the main objective: Non-trade barriers remain the main obstacle facing the flow of merchandise, and these barriers have been erected by both Arab and EU trading blocs, which constitute over 60 percent of Lebanese export destinations. Moreover, the liberalization of agriculture and services, two sectors that are important to Lebanon and other developing countries, has been put on hold by developed countries, starting with the EU and more so by the imposition of trade wars in 2019.

At the multilateral level, Lebanon has held observer status at the World Trade Organization (WTO) since 1999 but effectively launched the accession process in May 2001, as part of the Doha round of trade negotiations. The WTO can be seen as a mechanism to protect small economies and to resolve international trade disputes, in addition to ensuring that small economies are not marginalized in a globalized world. Deeper integration offers dynamic long-term benefits and provides opportunities, notably to developing economies with the potential to grow, such as Lebanon. However, integration and harmonization under globalization require major reforms and efforts to upgrade and improve efficiencies that are inherently costly, especially to sheltered sectors or firms hidden behind protectionist measures.

The international trade liberalization process must thus be accompanied by internal measures to increase competitiveness. Because the Lebanese economy is overwhelmingly composed of micro, small, or medium-sized enterprises (MSMEs), any long-term plan to promote economic growth must target MSMEs and include *mise à niveau* programs to upgrade national competitiveness and enable local producers to penetrate foreign markets. The factors behind the high cost of production and resulting lack of competitive edge in Lebanon are many. A rise in the price of petroleum is a persistent danger as long as the country depends wholly on oil and gas importation. However, the liquidity problems experienced by Lebanese importers in context of pressure on the lira-dollar peg have taken center stage in 2019. As lira devaluation implies more expensive imports (inputs), the high cost of services (telephones, power, transport, etc.) coupled with an uncompetitive internal market translate into economic inefficiencies and, therefore, above-market prices. All these factors, and others, increase the burden on producers. In addition to revised monetary policies such as a switch to a crawling peg, remedies for decreasing producer costs lie mainly in major structural reforms, such as introducing competition or improving access to capital for MSMEs. Importation tariffs and import substitution incentives appear to be mandated in order to reduce trade imbalances in the short to medium term. However, competitiveness needs to be developed in ways that are compatible with the international obligations and trade agreements that have been signed by the Lebanese state and able to avoid pockets of inefficient economic production. In the long term, protectionism and other state measures to shelter domestic producers must be studied, wielded very cautiously and limited in size and duration, lest they will cause more harm than good.

Develop

Agenda Priority 15

POLICY PRIORITY 15.1

MAINTAIN A FREE AND FAIR TRADE POLICY

Main Challenges

- Reassess trade policy, domestic and international
- Negotiate new agreements
- Improve interaction with the European Union

Proposed Measures

Measure 15.1.1

Set up a new inter-ministerial and sectoral committee, under the leadership of the Ministry of Economy and Trade, to reassess and negotiate bilateral trade agreements and examine protective tariffs that were instituted in 2019 as well as tariffs that entered into discussion in the last quarter of 2019.

Measure 15.1.2

Adopt legislation relating to WTO accession. Negotiate new agreements with the GCC and emerging economies, such as Africa, China, and India, that go beyond merchandise trade to include services, investment promotion, and natural resources.

Measure 15.1.3

Establish an EU unit that is linked directly to the Office of the Prime Minister and includes representatives of all relevant ministries. Mandate this EU unit to strengthen cooperation, stressing issues such as market access, transfer of know-how, and regional infrastructure networking (e.g., electrical, maritime, etc.).

POLICY PRIORITY 15.2

UPGRADE THE COMPETITIVENESS OF THE NATIONAL ECONOMY

Main Challenges

- Establish committee to improve competitiveness and enhance new comparative advantages of exports
- Reduce manufacturing costs
- Ease access to markets (e.g., port, airport, etc.)
- Create the national board for competitiveness
- Identify and develop new niche markets
- Conduct foreign market research and promote exports

Proposed Measures

Measure 15.2.1

Set up a committee grouping public and private sector representatives to develop a two-year and five-year plan (mise-à-niveau programs) to improve competitiveness by identifying targets and performance indicators.

Measure 15.2.2

Seek to maximize comparative advantages related to changing monetary realities and support export productivity gains through appropriate measures and incentives on the level of manufacturing and agro-industry production.

Measure 15.2.3

Reduce the cost of manufacturing production temporarily by, for example, providing solutions such as low power rates during off-peak hours for energy-intensive industries, or other innovations that are not socially distortive.

✦ **Measure 15.2.4**

Set up an agency focused on export promotion and research in foreign markets, and in the immediate term train staff and diplomats across the globe to promote Lebanese businesses.

Measure 15.2.5

Build the capacities of specialized Lebanese institutions, namely the standards entity Lebanese Standards Institution and the Industrial Research Institute, to provide support services to all industries and incentivize development to export-oriented enterprises.

Measure 15.2.6

Further revise legislation of exclusive agencies and implement stronger antitrust legislation.

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Develop

Agenda Priority 16

DEVELOP ENTREPRENEURSHIP SUPPORT

Since independence, Lebanon has adopted liberal economic policies whereby market forces dictate the behavior of economic agents. During the country's 15-year civil war, state intervention in the economy increased, though often in a chaotic manner. Instead of adopting a regulatory framework that facilitated investment and encouraged growth, the state created obstacles for the private sector, imposing a heavy burden on the fiscal budget, and indirectly reducing economic efficiency and productivity. Over a quarter century after the war's official conclusion, the outcome for Lebanon can be summarized as follows: Economic infrastructures have fallen behind, living standards have declined, poverty rates have increased, wealth distribution has become polarized and inequitable, the economy has become less diversified, markets have become dominated by oligopolies, the behavior of a large number of agents has been marred by corruption, and the government has failed to play its proper role as a visionary and a market regulator.

The Lebanese enterprise environment has been strung between the state's underlying concept of entrepreneurship in a free-market economy and the corruption of the economy into fragmented silos with clientelistic structures under the control of competition-distorting oligopolies.

After years of slow growth, the economy picked up from 2004 and into 2010, with an average economic growth rate of 7 percent, only to suffer again from severe external shocks that curbed growth and accelerated the rate of young talent leaving the country—the brain drain.

Efforts to reinvigorate the Lebanese entrepreneurship potential—often referred to in reports on the successes of Lebanese migrants and, more recently, in assessments of the involvement of Lebanese individuals in tech entrepreneurship in the emerging digital age—were kickstarted in the 2010s with Circular 331 issued by Banque du Liban (BDL), Lebanon's central bank, which aims to encourage and support the channeling of deposits from commercial banks into knowledge economy ventures by way of venture capital funds and intermediaries. However, by the end of 2019 new limitations to the financing formula under Circular 331 became evident alongside a larger need to review and further upgrade the entire tech entrepreneurship ecosystem. In this context, new impulses for funding, development, and exits in the ecosystem are urgently needed for 2020 and beyond.

For the Lebanese economy to leverage the growing entrepreneurship successes in this ecosystem into wider gains—in the form of job creation, financial growth, capital markets opportunities, and the transition into a digital economy that can compete internationally—sustained efforts need to be further increased to develop knowledge economy capacities, the tech entrepreneurship ecosystem, its financial and legal support systems, and the encouragement of the entrepreneurial spirit of all Lebanese.

POLICY PRIORITY 16.1**PROMOTE INNOVATION AND DIVERSIFICATION****Main Challenges**

- *Further develop the knowledge economy ecosystem*
- *Improve access to financing for new enterprises*
- *Provide support to nascent exporters that incorporate digital technologies*

Proposed Measures**Measure 16.1.1**

Integrate the entrepreneurship vision for Lebanon into the national economic vision and enable capital-guaranteed funding for companies that meet predetermined criteria in line with this vision.

Measure 16.1.2

Develop complementary projects to accompany and eventually succeed BDL Circular 331 and complete the knowledge economy building blocks across the country: set up hackathons, pre- and post-accelerators, incubators, angel/seed and VC funds, and provide mentorship and coaching.

Measure 16.1.3

Support increased links among actors in the Lebanese entrepreneurial environment, particularly activate new international funding mechanisms for investment funds based in Beirut, and incubators, chambers of commerce, and growing enterprises nationwide, to enhance cluster development and promote investment in businesses inside and outside Beirut.

Measure 16.1.4

Develop schemes to better subsidize pilot projects of new entrepreneurs and further enhance coordination mechanism between universities, funding stakeholders, and state entities (e.g., Euro-Lebanese Centre For Industrial Modernization and the Industrial Research Institute) to support innovative ideas.

Measure 16.1.5

Support incubated and accelerated projects and new firms' move from ideation into phase two, enterprise building, by providing access to early-stage finance (seed funding, angel investors) to successful graduating companies.

Measure 16.1.6

Provide incentives to first-mover firms with future-oriented technology that export innovative and competitive tradable goods (meaning products or services not previously exported by the firm or from Lebanon).

Develop

Agenda Priority 16

POLICY PRIORITY 16.2

STRENGTHEN LEGAL AND INSTITUTIONAL FRAMEWORKS FOR ENTREPRENEURSHIP

Main Challenges

- *Invest in research and development*
- *Strengthen intellectual property protections*

Proposed Measures

Measure 16.2.1

Provide fiscal incentives to firms that allocate budgets for research and development (R&D).

Measure 16.2.2

Incentivize R&D budgets in universities and encourage the creation of technology transfer offices with grants to support spin-offs. Foster technology transfers between universities and the private sector.

Measure 16.2.3

Facilitate broader reforms in the judicial and legal systems (bankruptcy law, private equity and venture capital law, employee stock ownership plans, etc.), and continued education programs for lawyers on investor protections.

Measure 16.2.4

Enforce intellectual property protection through better laws and regulations.

POLICY PRIORITY 16.3

WIDEN ECONOMIC REACH OF MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES

Main Challenges

- *Extend nascent support frameworks for MSMEs*
- *Link startups and MSMEs to diaspora investors*
- *Provide incentives for participants of microfinance institutions*

Proposed Measures

Measure 16.3.1

Develop various schemes in support of MSMEs, such as revolving and guaranteed funds that build on existing schemes such as the Kafalat and IM Capital equity guarantee scheme and potentially incorporate new schemes.

Measure 16.3.2

Create a one-stop-shop portal for MSMEs and startup entrepreneurs to access information and inquire about financial support and other incentives for startups.

Measure 16.3.3

Facilitate access to advisory services, such as strategic and financial planning for MSMEs. Legislate dedicated channels where MSMEs can bid for public procurement opportunities and public project tenders.

✦ **Measure 16.3.4**

Integrate entrepreneurship and diaspora energy flows by activating diaspora channels for international market access, and transfer of knowledge through mentorship or coaching. Prioritize linkage of resources between diaspora and local entrepreneurs on levels of investment and financing.

Measure 16.3.5

Continue capacity building with Lebanese customs authorities to increase transparency and efficiency of customs processes and reduce barriers that hinder growth of MSMEs.

Measure 16.3.6

Develop incentives for investors to participate in microfinance institutions, an approach that has proved successful around the world and is profitable to the investor and beneficial to the microenterprise.

Measure 16.3.7

Create a special legal form and structure for social enterprises. Introduce a means for the incorporation of not-for-profit and social enterprises.

Measure 16.3.8

Subsidize programs and nonprofit cooperatives aimed at consolidating small farmer communities and boosting their productivity.

Measure 16.3.9

Incentivize sector-specific funds in promising sectors, such as agro-food, film, and media, and social impact enterprises.

Measure 16.3.10

Incentivize business associations and business chambers to strengthen governance and types of business services, including information sharing to foster business development and growth in targeted sectors and sharing of market information.

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Develop

Agenda Priority 17

DEVELOP LABOR

Labor, described by economic historian Karl Polanyi in 1944 as a “fictitious commodity,” is the lynchpin of any economy. As human capital is bound up in questions of justice, prosperity, dignity, and national identity, the issue of labor intersects with many of the agenda and policy priorities in this Economic Roadmap.

According to a recent international assessment of holistic wealth by the World Bank, human capital constitutes Lebanon’s biggest wealth-generator. However, estimates of the size and composition of the Lebanese labor market remain uncertain due to the lack of watertight data. Likewise, labor policy, as well as projections of future Lebanese labor realities, needs, and opportunities—in the context of rapidly evolving global digitization, or the digital transformation of economies—leaves much to be desired. This makes it crucial to develop our human capital and preparedness for the labor uncertainties of coming decades.

To understand already predictable risks, shore up responsive capabilities to unpredictable elements, and enhance the supply of work, Lebanon needs to develop its knowledge base on labor issues in the 2020s in order to maximize creation of sustainable jobs and minimize losses to digital destruction of work. It may be best served in this by measuring the labor force participation rate, and the gap between actual participation and potential participation. The last official measurement of Lebanon’s unemployment rate, in 2007, settled on 9.7 percent. However, the International Labour Organization (ILO) modelled unemployment at just under 7 percent in 2018, and unemployment for Lebanese youth (which the ILO defines as those between 15 and 24), is estimated at almost 18 percent. Total labor participation by Lebanese nationals older than 15, the portion that is defined as being economically active, stood at 47 percent, with the number of people in the labor force just above 2.2 million in 2018.

A labor issue with additional data uncertainty and many troubling implications is the presence of exploitation and the very poor integration of temporary foreign labor (which is linked to voluntary and involuntary migrations). Among the nearly 1 million UNHCR-registered Syrian refugees, according to the Lebanon Crisis Response Plan 2017 (LCRP), an estimated 36 percent were unemployed. Meanwhile, the count of non-nationals employed as “domestic workers” (providing services to Lebanese households) was estimated in a 2018 study by Human Rights Watch at 250,000 persons. Although some limited coverage of the social insurance needs of domestic workers is mandated under Lebanese law, domestic workers do not have access to labor law protections and many social safety nets.

Determinants of current and future labor markets and processes—such as labor unionization, collective bargaining, regulation of specific labor market admissions, evolution of social insurance in reflection of social and human conditions (such as increasing longevity)—are in need of new assessment. This assessment must be completed before it is possible to develop a new national labor policy. Such a policy, however, must be devised and function as the cornerstone of the sustainable future of Lebanese labor, as much of the existing regulatory framework governing Lebanon’s labor-related social insurance system is radically outdated. Against the background of job losses and company closures in the weakening Lebanese economy at the end of 2019, new urgency has emerged to improve the labor market organization as well as social safety nets and relevant institutions. The framework for the National Social Security Fund (NSSF) and other retirement benefits date to the 1960s and are inadequate for managing today’s radically different and rapidly changing role of human capital.

POLICY PRIORITY 17.1**ESTABLISH IMMEDIATE MEASURES FOR LABOR INFLUX****Main Challenges**

- *Take measures to quantify the labor pool*
- *Provide incentives for local job creation in the context of planned public-private partnerships and infrastructure projects with international financing and corporate involvement*
- *Design and extend incentives for job creation by Lebanese entrepreneurs returning from abroad*
- *Increase diversity and productivity of expatriate and diaspora entrepreneurship and job creation ventures, and ease integration of qualified foreign labor into Lebanese enterprises*

Proposed Measures**★ Measure 17.1.1**

Restructure and strengthen the mandate of the National Employment Office to rapidly and efficiently collect information from Lebanese residents and Lebanese returning from abroad, as well as Syrian and Palestinian refugees, and create a file for each applicant.

Measure 17.1.2

Qualify and quantify the labor pool as well as its social development levels, and match it with available demand for labor and with the planned public works projects under the expected CEDRE frameworks.

Measure 17.1.3

Develop a participatory framework involving ministries for approved employment programs. Expand the diversity of the qualified labor pool and enhance the development of local business establishments by revising the regulations for foreign labor participation in Lebanese enterprises, and provide preferential treatment to entrepreneurs and qualified returnees with Lebanese roots by approving foreign licenses, degrees, and other specialist qualifications.

POLICY PRIORITY 17.2**STRENGTHEN WORKERS' RIGHTS****Main Challenges**

- *Define the role of labor unions*
- *Modernize labor laws*
- *Improve work-related social insurance reach and coverage*

Proposed Measures**Measure 17.2.1**

Draft new bylaws for unions and implement legislation with the aim of promoting a more constructive and independent role for unions.

Measure 17.2.2

Develop and fund training and development programs to provide new skills to the unemployed, and all whose jobs have been made redundant by technological developments.

Measure 17.2.3

Amend the Lebanese labor law to include all foreign workers, unifying the rules for local and foreign workers, thereby integrating current special rules applied to migrant workers into the labor law. This will include access to registration and ability to receive compensation from the NSSF.

Measure 17.2.4

Review and, if necessary, revise financial inputs to, and benefits packages of, work-related social insurance systems.

Measure 17.2.5

Legislate provisions on the rights of workers to continual on the job training and incentivize employers to provide this.

Develop

Agenda Priority 18

DEVELOP DIASPORA OUTREACH AND INTERACTION

Each year Lebanon consistently produces more university graduates and workers than its economy can absorb. Together with cultural and political factors, the lack of opportunities at home has pushed Lebanese to migrate abroad for over a century. These outflows and migrations to countries in Europe, Western Asia, the Americas, Africa, and Oceania have translated into a huge diaspora—Lebanon has one of the world’s highest ratios of expatriates to residents.

Since the end of the Lebanese civil war in 1990, the attraction and integration of the diaspora’s human capital financial energies was a—sometimes informal and sometimes more formal—political paradigm aimed at boosting economic development.

One element the state must work to ameliorate is the current inability of the public and private sectors to provide adequate job and career opportunities to highly qualified graduates of tertiary academic institutions. This brain drain has been a concern over the past 25 years and remains one, as the country is unlikely to generate enough career options for highly qualified graduates in the foreseeable future. However, while the state may be unable to completely stop emigration, it ought to develop the means—through designing policies and engineering institutional capacities—to make inroads toward helping more Lebanese find jobs in their homeland. While such efforts would likely be futile as standalone political or fiscal initiatives, they could generate multiple benefits if done in conjunction with improvements in Lebanese competitiveness and strengthening heritage preservation and increasing national identity appreciation (see Agenda Priorities 15 and 19 in this Economic Roadmap).

Furthermore, one must not overlook the complexities that come with trying to engage a large diaspora that collectively holds considerable (indeed, potentially vast but so far unquantified) amounts of financial wealth, human capital, and entrepreneurial energies. The economic and social impacts, or embedded upside and downside risks, of the imbalance between the national and expatriate population groups seem to be not sufficiently understood. Downsides of the strength of the diaspora, according to research by economists at the World Bank, are suspected to include factors such as a “remittance curse,” whereby (data suggests) remittance inflows are not necessarily translated into investments, as they are predominantly channeled into consumption. Another repercussion of the Lebanese economy’s dependence on remittances potentially relates to the distortive impact on the relation of tradable to non-tradable goods and services—such distortion emerged in 20th century research as the “Dutch disease.”

Policy-makers and influencers must, therefore, focus on developing means to reduce the brain drain, as well as policies to improve the utilization of remittances and generally redirect capital inflows from fueling unproductive consumption and asset inflation toward providing development capital that creates high-skilled jobs. It has been established in the past 25 years that the financial inflows from and links to the diaspora have been instrumental to Lebanon’s ability to absorb financial shocks. Development needs in the efforts to reach out to, and maintain relations with, the diaspora extend far beyond the issues of financial inflows, remittances, and the construction of villas in the ancestral villages of diaspora members.

Opportunities in diaspora relations that are worthy of exploration and development

include accessing the human capital pool as well as attracting technology transfers. Government policies are needed to enhance connections between the diaspora and the homeland and to capture them in the formal economy. Relying on emotional appeals of love for the homeland and long-distance patriotism have not been enough to convince Lebanese diaspora members of the opportunities they could enjoy in Lebanon. Diaspora outreach and relations, therefore, represent an underutilized opening to widen the economic reach of Lebanon in ways that could augment the Lebanese economic sphere beyond its geographical confines and balance the country's internal and external political risks.

POLICY PRIORITY 18.1

CAPITALIZE ON DIASPORA RESOURCES

Main Challenges

- *Develop a registration protocol and conduct a census*
- *Incentivize and attract diaspora tourism*
- *Optimize existing outreach channels and increase the strength of diaspora network*
- *Incentivize the use of remittances to fund sustainable investment projects*
- *Promote opportunities for diaspora investors to develop export-oriented ventures in Lebanon and make efforts to rebuild trust lost during the financial crisis in the second half of 2019*

Proposed Measures

★ Measure 18.1.1

Clearly define “resident” and “expatriate” and create a census of expatriates.

Measure 18.1.2

Mandate the tourism and economy ministries to develop and implement a strategy to attract diaspora tourism and investment in Lebanon. This should include incentives to visit Lebanon, as well as incentives to invest.

Measure 18.1.3

Involve Lebanese embassies, and especially the economic attaches appointed by the Ministry of Foreign Affairs and Emigrants at 20 major embassies, to more actively disperse information on investment opportunities in Lebanon for diaspora members. Work to mitigate land price increases that deter diaspora members due to their negative impact on housing markets.

Measure 18.1.4

Provide fiscal incentives to universities and centers that link expatriates with Lebanon (e.g., that hire Lebanese expatriates living abroad for short- or long-term contracts and/or offer courses specifically for members of the diaspora).

Measure 18.1.5

Incentivize the channeling of remittances to investment projects in Lebanon by providing tax incentives and exemptions for new and sustainable ventures, such as eco-resorts, and heritage and rural tourism projects, as well as all commercial establishments with high invested remittance amounts that are compliant with national priorities set by the Lebanese government.

Develop

Agenda Priority 18

Measure 18.1.6

Encourage, specifically, diaspora investments into Lebanese startups, through companies such as Berytech and Beirut Digital District.

Measure 18.1.7

Create a database—including a list of supported target markets and a list of legal requirements, such as fees and certifications—for all tradable services and goods that can be exported from Lebanon to regional and international markets.

Measure 18.1.8

Standardize Lebanese products and certification norms in order for goods to readily comply with standards in target countries.

POLICY PRIORITY 18.2

INSTITUTIONALIZE RELATIONS WITH THE DIASPORA

Main Challenges

- Empower diaspora access to e-government services in Lebanon
- Increase support for Lebanese clubs and boost capacities
- Develop outreach campaigns

Proposed Measures

Measure 18.2.1

Build e-government access to enable the diaspora to easily apply for official documents.

Measure 18.2.2

Remove or reduce red tape at Lebanese ministries bearing in mind the needs of diaspora investors and their desire for transparency, fair pricing, and a reduction of corruption. Develop and simplify procedures that diaspora investors can follow when embarking on an investment process in Lebanon. Empower embassies to provide free and competent legal guidance to potential diaspora investors.

Measure 18.2.3

Build trust among diaspora communities abroad by promoting Lebanon as a safe place for investment, not only by the implementation of administrative incentives (see Measure 18.2.2), but also through soft measures, such as outreach campaigns, sponsorships, and events.

Measure 18.2.4

Enhance ministerial support for Lebanese cultural clubs abroad and promote alliances and partnerships with foreign universities and think tanks.

Measure 18.2.5

Incentivize syndicates and professional associations in Lebanon to reach out to diaspora communities when looking for partners, honorary members, or investors. Promote large investment projects such as job-creating real estate ventures and sustainable or heritage-enhancing real estate projects, through targeted discounts for diaspora members.

Measure 18.2.6

Better communicate loans from BDL that are tailored for expatriates (e.g., BDL Housing Loan under Circular 475, and the BDL loan for expatriate investors that is capped at \$15 million).

Measure 18.2.7

Expand collaboration between Lebanese and diaspora organizations in the economy and civil society, while ensuring that links are outside the realm of politics and free from political and sectarian interference.

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Develop

Agenda Priority 19

PRESERVATION OF HERITAGE, CULTURE, AND IDENTITY

Lebanon is globally respected for its cultural history as the homeland of a people who were among humankind's innovators in trade, use of money, and expression of identity through architecture and writing. Cities in the Eastern Mediterranean region may disagree on which can claim to be the world's oldest continually inhabited settlement, but it cannot be denied that urban settlements in this region have histories and identities that are more than deserving of protection and preservation for future study and enjoyment. Until today, however, the Lebanese state has not shown a universal understanding and political will to improve and enforce existing laws on the protection of antique treasures. Nor has the country shown any signs of developing and pursuing a national strategy to preserve our natural and built heritage. In matters of heritage, Lebanon still relies on outdated legislation—Law 166 (1933) issued under the French Mandate. The country's architectural identity is being lost as chaotic real estate developments are pursued for profit motives but in total absence of any vision to preserve heritage clusters and integrate them into a Master Plan for future development. Our natural heritage, including our coast and historical landscapes, are being disfigured.

POLICY PRIORITY 19.1

LEGAL REFORM FOR HERITAGE PRESERVATION

Main Challenges

- *Update the legal code*
- *Create a central plan for preservation*

Proposed Measures

Measure 19.1.1

Issue implementation decrees for Law 37 (2008) on the protection of cultural property.

Measure 19.1.2

Pressure Parliament to revise and pass the law on the preservation of heritage sites and buildings that was approved by the Council of Ministers in October 2017.

Measure 19.1.3

Pressure the Directorate General of Urban Planning to work on a comprehensive updated Master Plan that preserves what is left of our cultural natural and built heritage.

Measure 19.1.4

Pressure the Ministry of Culture and the Directorate General of Antiquities to have a clear stand on the protection of all heritage sites.

