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ABOUT TIME

Women rise to the challenge



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EDITORIAL

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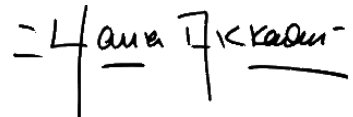
■ Mother Lebanon

Beirut is depicted as a woman by many renowned artists, like Palestinian cartoonist Naji al-Ali, who—during the 1982 Israeli invasion—drew a caricature of his iconic character Handala offering a flower through a hole in the wall to a woman that he named Beirut. She is the patient carrier of our painful history, she is the healer of our wounds, and she has decided to step out of the rubble, grab the flower, and turn her city into the thriving, progressive place that it deserves to be.

Beware the Lebanese mother, she is nurturing, enduring, and wise. Her overwhelming love for her children knows no bounds. She yearns for them to get along and is willing to do whatever it takes for that to happen. She scolds when needed and showers her affection always. She is a relentless realist, capable of forgiveness, but she can also bring the biggest man to his knees with a single glance. She watches her sons self-destruct, disappointed by their endless ability to hate, segregate, sabotage, but she will now roll up her sleeves to fix all that was broken through her strength of wisdom, born from the pains she bore.

It is about time that people acknowledge the powerful, confident, and assertive women that our great Mother Lebanon has conceived. Women that have been holding their own in positions of power in all sectors. Women that we trust to lead the real reconciliation and reconstruction of Lebanon.

Handala's Beirut is a woman. A man would not be able to bear or repair the harm that he himself created.

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

Yasser Akkaoui
Editor-in-chief

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CORRECTION

EXECUTIVE's editorial team apologizes for the error that we made in our previous issue's Q&A with Stéphane Abichaker on page 48. When discussing Bitcoin we incorrectly used "unlimited supply" when Mr. Abichaker had stated "limited supply." This has been rectified on our website.



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Gender equality is necessary for more inclusive and stable societies



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Editor-at-large Thomas Schellen
Hospitality & tourism editor Nabila Rahhal
Economics & policy editor Jeremy Arbid
Deputy editor Sarah Shaar
Executive Life editor Olga Habre
Photojournalist Greg Demarque
(Additional photos from Getty, AFP, Reuters)

Illustration Ivan Debs
Visualization & Infographics Ahmad Barclay
Art direction Tanya Salem
Contributors Mona Sukkarieh, Bettina Bastian, Malek Takkieddine,
Maryline Kalaydjian, Fadi Makki, Begoña Lasagabaster,
Manal Abdel Samad Najd, Talal Salman, Scott Preston,
Lamia Charlebois, Em Khalil

Operations manager Lucy Moussa
Web development manager Magali Hardan
Marketing representative Karine Ayoub Mattar
Print & online advertising Michele Hobeika
Public relations manager Maguy Ghorayeb
Subscriptions manager Roula Emanuel
Subscriptions Gladys Najjar
Distribution manager Katia Massoud
Accountant Fadi Bechara

Published by NewsMedia sal

Sehnaoui Center, 7th floor, Ashrafieh, Beirut
Tel/fax: 01/611-696
editorial@executive.com.lb

Contact us – We need your input.
Please contact us with any suggestions or comments at:
www.executive-magazine.com or
editorial@executive.com.lb

For subscriptions – subscribers@executive.com.lb

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LAST MONTH

ZOOM IN



Lebanese Energy Minister Cesar Abi Khalil celebrating the contract that gave a green light to a consortium of Total, Eni, and Novatek to explore for offshore oil and gas off the coast of Lebanon.

Lebanon kicks off oil and gas exploration despite maritime dispute

At a ceremony on February 9, Lebanese Energy Minister Cesar Abi Khalil declared that an ongoing dispute with Israel would not get in the way of Lebanon's plans for oil and gas exploration. The event was convened to celebrate a contract that gave a green light to a trio of companies—France's Total, Italy's Eni, and Russia's Novatek—to explore for offshore oil and gas off the coast of Lebanon. A portion of one of the areas to be explored, Block 9, is claimed by both Israel and Lebanon. In January, Israeli Defense Minister Avigdor Lieberman said the award of Block 9 was “very provocative.”

Top US diplomats visit Lebanon

US Secretary of State Rex Tillerson arrived in Lebanon on February 15, marking the first visit by a US secretary of state to Beirut in four years. During his visit, which was just one stop in a diplomatic tour of the Middle East, Tillerson characterized Hezbollah's involvement in regional conflicts as a security threat to Lebanon. Later in February, Acting Assistant US Secre-

tary of State David Satterfield shuttled back and forth between Lebanon and Israel in an attempt to broker a compromise over the disputed area in the Mediterranean Sea. Speaker of Parliament Nabih Berri declared that one proposed solution, which would involve dividing the disputed maritime area between Lebanon and Israel, was “unacceptable.”

Wave of cases against press continues

Marcel Ghanem, the host of a popular political TV show, appeared in a Baabda court on February 16 to face charges of contempt of court and obstruction of justice. The charges stemmed from a November episode of Ghanem's show, “*Kalam Ennas*,” in which Ghanem criticized the Lebanese judiciary and the justice minister. In the show, he had been discussing charges that were filed against two Saudi guests who had criticized the Lebanese president in a previous episode. Ghanem was released after questioning and is awaiting a potential indictment as of this writing. The charges against the TV host are the most recent in a series of cases that have targeted journalists, commentators, and analysts, including the comedian Hicham Haddad and Hanin

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LAST MONTH

QUOTE OF THE MONTH

“

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—UNICEF released a blank statement on February 20 to protest the suffering of Syria's children. In notes to editors following the statement they added: “We no longer have the words to describe children's suffering and our outrage. Do those inflicting the suffering still have words to justify their barbaric acts?”

Ghaddar, a US-based researcher who was sentenced in absentia to a six-month prison sentence on charges of insulting the army.

Syria's Ghouta suffers deadliest violence in years of civil war

Syrian pro-government forces began an extended bombardment of eastern Ghouta, a rebel-held district just outside of Damascus, killing hundreds of people and injuring well over a thousand. Rockets, shells, airstrikes, and barrel bombs rained on the area throughout February, intensifying around February 18, as troops gathered nearby in preparation for a possible ground assault. The UN said six hospitals were hit during the attacks. An estimated 127 people were killed on February 19 alone, according to the UK-based Syrian Observatory for Human Rights, marking the deadliest single day of the Syrian civil war in three years. On February 24, the UN Secretary Council voted unanimously in favor of a 30-day country-wide ceasefire, which would also allow for the delivery of humanitarian aid in the district, but the Syrian government's attacks continued after the vote. However, with the bombardment of Ghouta still ongoing, it remains to be seen if the truce will be fully implemented.

Electricité du Liban employees clash with police

Contracted employees of Electricité du Liban, Lebanon's public electric utility,

clashed with riot police in front of the utility's Mar Mikhael headquarters on February 19, following a protest that blocked a highway nearby. The demonstration was a response to an incident the previous week in which an ISF officer slapped a protesting EDL contract worker. The confrontation was captured in a video that spread quickly on social media, prompting an internal ISF investigation. EDL contract workers have been demonstrating regularly for months to ask for long-term contracts and to protest late wages.

Date set for Cédre donor conference

On February 20, the Lebanese government announced that the Paris IV donor conference—also known as the Cédre conference—will take place on April 6. Lebanon will reportedly seek a \$16–\$17 billion package to overhaul various parts of its aging infrastructure, as well as funds to support the Lebanese Armed Forces and the country's economy, strained under the weight of approximately one million Syrian refugees. Finance Minister Ali Hassan Khalil said on February 19 that Lebanon must pass a state budget for 2018 in order to demonstrate its commitment to reform before asking donors for money. Two other international conferences this year—one in Rome and another in Brussels—will also center on garnering international support for Lebanon. In anticipation of the Cédre conference, an infrastructure-focused conference will be held on March 6 in Beirut to lay out the government's proposals and explain Lebanon's new rules for regulating public-private partnerships.



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LEADERS

WOMEN'S EMPOWERMENT

More than words

Getting women into Parliament

For the first time in almost 10 years, Lebanon is going to have parliamentary elections. This alone is cause for much joy. But what makes these upcoming elections even more historic is the significant number of women who have announced their candidacies—or at least their serious intention to run. Some websites place the figure at 148 female candidates, but a more conservative estimate would be between 80 and 100 women at date of publication.

On the surface, the Lebanese government (through Parliament and the cabinet) is fully in support of women's active engagement in political life—but dig a little deeper, and you will find that what they are offering is merely lip service.

“Half of society, half of Parliament,” is the slogan for a public awareness campaign developed by UNDP's Lebanese Elections Assistance Project in partnership with the Ministry of Women's Affairs. During EXECUTIVE's interview with Women's Affairs Minister Jean Oghassabian (see page 32), he detailed all the training sessions and conferences his ministry has been conducting, in partnership with international organizations, to support women's political empowerment and engagement.

While the ministry's work is arguably laudable, it is nowhere near close enough to the genuine and concrete support that Lebanese women need to get their fair share of seats at the parliamentary table. It is easy for the Lebanese government to come up with slogans to support women in politics, and to hold countless conferences to that effect. But where it really matters—when it comes to the laws and amendments to existing laws that

would facilitate the path for women standing in this election and their representation in Parliament—the Lebanese government has fallen woefully short.

To begin with, the maddening irony of appointing a man—with no experience in human rights or women's rights—to the post of Lebanon's first-ever minister for women's affairs does not escape this magazine. It would have been a much stronger symbolic show of faith in women's ability to actively engage in political life as decision-makers if a woman had been appointed to this position.

When it comes to the new proportional electoral law, none of the amendments or measures proposed (by different groups, from women's organizations to parliamentarians) to even the playing ground for female parliamentary representation were accepted by the government.

MISSING QUOTA

The biggest of these proposed amendments was the introduction of quota for women.

Worldwide, quotas have proved to be a vital tool to ensure that women, who are still battling prejudices and discrimination when it comes to political engagement, are ensured representation in parliaments. “We need to give women this boost because, until today, women don't have all their rights, they are not equal to men in political life, and society's perception of them is not equal to that of men. All this needs work before we reach real equality, and this starts with women being fairly represented in high positions of power, not low-level ones,” says Paula Yacoubian, a former TV show presenter who is running for a seat in Beirut (for more

on women's global, regional, and local representation in Parliament, see article page 14).

In Lebanon, many parliamentarians argued against quotas by saying that Lebanese women were capable enough to make it to Parliament without any preferential treatment. This argument does not hold water. Hayat Arslan, a candidate in the election and founder of an NGO called the Committee for Women's Political Empowerment, points out that globally, quotas have been proven to be the single most effective tool in getting female representation in Parliament. And this has been the case in countries far more advanced than Lebanon when it comes to women's rights.

The proposed quota, explains Josephine Zgheib, a Kfardebian municipal council member and electoral candidate, would have been temporary, remaining in place for just two elections and only to ensure that women have the chance to prove themselves in Parliament, and that voters get used to the idea voting for

■ Quotas are a vital tool to ensure that women, who are still battling prejudices and discrimination when it comes to political engagement, are ensured representation in parliaments

female candidates. But even the idea of temporary quotas did not sway establishment parliamentarians who are probably worried they will lose their seat to a woman.

If a quota was too much for Parliament to swallow, other small measures were proposed by organizations working on women's political empowerment that would have gone a long way in concretely supporting women. One of those measures would have required voters to choose

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LEADERS

one man and one woman from each list as they listed their preferred candidates, forcing political parties to include women on their lists, says Victoria Zwein, another candidate who has worked with ESCWA on women's engagement in politics.

Other proposed measures were intended to lower the financial barrier to entry by either decreasing the LL8 million candidate registration fee for women, or by requiring political parties with female candidates to fund part of their campaign.

STEP UP

But even those measures were not approved. While the Ministry of

Women's Affairs has been talking the talk, it is clear that the Lebanese state is content to simply spew rhetoric on female political engagement while refusing to take action.

Male parliamentarians might still be putting up obstacles, or doing little to help women get elected, but that has not, and will not, stop Lebanese women from entering the political fray. Now is the time for women to rise to the challenge, and more and more are doing so.

This story does not end with the conclusion of 2018's parliamentary race, regardless of the results. The path toward a fair and equal representation of women in Lebanon's

Parliament is a long one, and a quota is an important stepping stone on that path. If the political establishment prefers a step by step approach, then the least it could do is implement the smaller measures, such as preferential votes for women and fee adjustments, that were put forward.

For Lebanon to achieve true gender equality in politics, EXECUTIVE calls for a temporary quota for women in the next parliamentary elections or the adoption of measures and incentives that would support women in politics, period. EXECUTIVE also calls for more female ministers. It is time for the state to walk the walk.

WOMEN'S EMPOWERMENT

International Women's Day

The long road to equality


For several years now, on March 8, International Women's Day, academic institutions, women's organizations, and international NGOs in Lebanon have joined their counterparts worldwide in celebrating the outstanding achievements of women.

The idea of a national women's day is a century old, and its conception was strongly influenced by socialist suffragette movements and labor ideology. The day had initially been commemorated on different occasions in different countries, in either February or March. Protests by women in Saint Petersburg on March 8, 1917 have been credited as a trigger event of the February Revolution in Russia (the first phase in what became known as the Russian Revolution). This genesis led to women's day being celebrated in the

1970s in communist countries and by socialist movements elsewhere. In 1975, the March 8 date was formally adopted by the United Nations, which for the past 22 years has been issuing themes for International Women's Day. The 23rd theme, for March 8, 2018, is: "Time is Now: Rural and urban activists transforming women's lives."

LESS TALK, MORE ACTION

When EXECUTIVE contacted the new Ministry of Women's Affairs at the end of February to inquire about the ministry's plans for International Women's Day or for events throughout March, no information was available. This lack of planning was apparently due to the ministry's resources and human capital being allocated instead to the important matter of training women willing to run for office in the upcoming parliamentary elections. As laudable as these efforts are, they also point to the financial restraints that the ministry is faced with. The women's af-

fairs ministry was not allocated any money for projects in the 2017 state budget, which was passed in November 2017, nearly a year after the ministry was formed. In his interview with EXECUTIVE, Jean Oghassabian, the minister for women's affairs, said that the ministry's budget only covers such basics as salaries for its employees (see page 32). What projects and work that the ministry has undertaken so far have been funded by international organizations and donors. This is not sustainable in the long-run, nor does it suggest that the political establishment is taking the cause of female empowerment in Lebanon as seriously as it must. Our lawmakers cannot rely on outside donations to push forward this agenda. They must put their money where their mouth is and allocate the necessary funds to the women's affairs ministry in the next budget. Only when this ministry is given more priority will it be able to achieve essential steps toward gender equality in Lebanon. 

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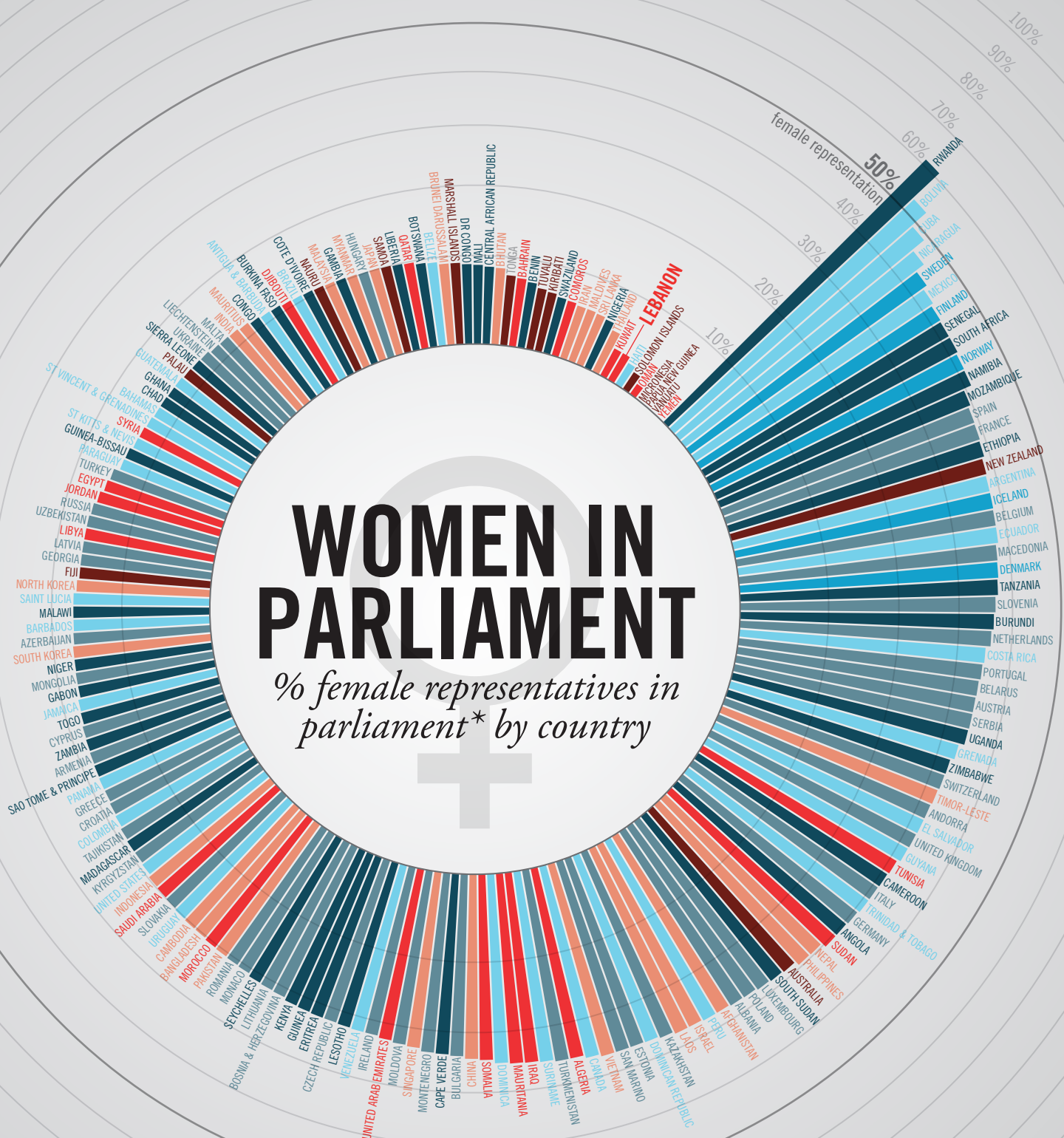


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WOMEN IN PARLIAMENT

% female representatives in parliament* by country



● Nordic countries ● Americas ● Europe** ● Africa*** ● Asia ● Arab States ● Pacific

Figures for December 2017. *Representatives in single/lower house of parliament. **OSCE countries, excluding Nordic countries. ***Sub-Saharan countries only.

Source: Inter-Parliamentary Union

Moving into a new world of parliamentary participation

Women's long rise toward political equality

At the end of February 2018, German women did it again. Chancellor Angela Merkel—supposedly the most powerful woman in the world, if one believes *Forbes*—won her Christian Democratic Union (CDU) party's election overwhelmingly to form a coalition government with the Social Democratic Party (SDP), which had been hotly debated at the party and national level for months. Also, the candidate for the CDU's powerful general secretary position, Annegret Kramp-Karrenbauer, was elected by party delegates with a democratic majority of 98.87 percent. (If she ever comes to Beirut on a political visit, her name will be another tongue-twister for Lebanese anchors.)

Moreover, only days before the CDU met on February 26, Merkel had announced the names of CDU ministers in the coalition government (which at time of this writing still required internal approval of the SDP party) and named three women to be among the six CDU ministers. The SDP, meanwhile, is also led by a woman, Andrea Nahles.

When will Lebanon have a Council of Ministers with a female prime minister, a female minister of defense, and 50 percent or more women in ministerial posts?

Let's keep things in perspective. Numbers, it is said, do not lie. That is very useful for keeping things in perspective, especially when it comes to issues that are extremely contested and fraught with partisan interest, like gender in politics and gender relations in general. Anyone who claims to be free of bias in the issue of men and women at best deceives themselves. Men are biased in gender issues. Women are biased in gender issues. This shouldn't surprise any woman or any man, given that the overwhelming majority of people identify themselves as either female or male, and identifying oneself is, in essence, to be biased.

As opposed to the many ideologies and biases in gender matters, simple numbers can quickly clarify a few things. Even allowing several percentage points for marginal biological and self-identification driven exceptions, global gender proportions differ only in the most minute terms among countries. At birth, boys outnumber girls by

a very small margin—around 1.05 to 1—and with increasing ages, the balances slowly shift until they tilt in favor of women for groups above 55.

THE EQUALITY MANDATE

In the big-picture sense, half of the estimated 7.5 to 7.6 billion people on earth are women. By these ratios, there is every reason for the female share of political representation and decision making to be equal to that of males in a country that is proud of its democratic system—like Lebanon, if you ask any of its overwhelmingly male political leaders. But although the two genders are about equal in numbers, women neither globally nor locally enjoy full equality in terms of healthcare, education, labor, and politics.

For the humanly foreseeable future, it is to be expected that biological gender roles will remain distinct. That, according to the ruling cultural perspective of the 21st century, makes it even more important that gaps between the genders are closed and unjust discrepancies brought down in healthcare, education, labor, and politics. Of these four realms, where gender gaps have been measured

■ Although the two genders are about equal in numbers, women neither globally nor locally enjoy full equality in terms of healthcare, education, labor, and politics

annually since 2006 in the World Economic Forum's Global Gender Gap Report (GGGR), the area with the most pronounced gender inequality is politics. In the GGGR's four categories, education and healthcare have the lowest gaps and show the most countries with

inexistent or very small differences in equality. The distances increase for labor, but they are by far the largest in politics.

Put numerically, the distance between the countries with the smallest and the largest gender gap on national terms in healthcare is merely 0.062 points on a scale from zero (total inequality) to one (total equality). The gap in education attainment is for most countries similarly small and stands at

Women's Empowerment

0.092 points, between 28 countries with full parity score of 1 and Malawi, ranked 126th. Between the top countries and lowest-ranked Chad (144th), the gap is much more significant, at 0.428 points.

In the labor realm, where economic participation and opportunity are measured, the distance between top country Burundi's 0.911 score and 126th-placed Mali is 0.393 points. However, across the 18 countries with the lowest index rankings, the economic participation and opportunity gap amounts to another 0.244 points, which translates into a total top-to-bottom gap of 0.673. In the political field, the gap is a whopping 0.736 points between Iceland, topping the sub-index at 0.750 points, and 144th-ranked Yemen, with a dismal 0.014 points.

At the same time, politics is the realm where women need the most support and arguably can affect the most to change the status quo and improve realities—and relatedly, conflict management and reconstruction. This is reflected in the adoption of a resolution by the United Nations Security Council, Resolution 1325, in the year 2000 (see box). This resolution was not only approved in a unanimous vote by the 15 Security Council members at the time, it has also been translated into National Action Plans adopted by over 70 UN member countries as of the end of 2017, according to the NGO Women's International League for Peace and Freedom.

Under the influence of Resolution 1325 and also of the UN's Millennium Development Goals (adopted in 2000 for a 15-year timeframe) and Sustainable Development Goals (adopted in 2015 for the 15 years till 2030), concerted global efforts for mitigating gender inequality, in the political spheres of UN Member States and the world organization itself, have visibly increased and shown numerically measurable results.

An organizational effect on the UN level was the creation of UN Women as the international body's consolidated entity working for the empowerment of women. Another effect was the boosting of the political participation of women in the parliaments and cabinets of member countries around the world. The Middle East and North Africa region, which had lagged behind the rest of the UN's regions in terms of political participation of women, actually showed the largest gain percentage-wise in the political participation of women in this period, at nearly 400 percent (see graph).

UN SECURITY COUNCIL RESOLUTION 1325 (2000)

In summary, SCR 1325 calls upon UN Member States and UN agencies, as well as all parties to conflict, conflict resolution, and humanitarian aid, to adopt perspectives that recognize the special needs of women and girls during repatriation and resettlement, rehabilitation, reintegration, and post-conflict reconstruction. It further calls, for all above parties to take measures toward ensuring the human rights of women and girls, particularly in relation to the constitution, the electoral system, the police, and the judiciary.

(Partial text) The UN Security Council in this resolution, among other provisions, urged

- Member States to ensure increased representation of women at all decision-making levels in national, regional, and international institutions, and mechanisms for the prevention, management, and resolution of conflict;
- The Secretary-General to appoint more women as special representatives and envoys to pursue good offices on his behalf, and in this regard calls on Member States to provide candidates to the Secretary-General, for inclusion in a regularly updated centralized roster;
- The Secretary-General to seek to expand the role and contribution of women in United Nations field-based operations, and especially among military observers, civilian police, human rights and humanitarian personnel;
- Member States to increase their voluntary financial, technical, and logistical support for gender-sensitive training efforts, including those undertaken by relevant funds and programs, such as the United Nations Fund for Women and United Nations Children's Fund, and by the United Nations High Commissioner for Refugees and other relevant bodies.

LEBANON IN GLOBAL GENDER CONTEXT

By the ratio of female MPs, Lebanon is one of the countries with the lowest female representation. This is fact. But whether it will remain so is very much in question. For all its specificities,

■ Lebanon is one of the countries with the lowest female representation. This is fact

communal juxtapositions, and cultural diversity, Lebanon is no different from other countries when it comes to gender ratios at birth. The question

of whether the country is disadvantaged in closing the gender gap because of its political structures, or if it is merely slower than most other countries, including many Arab neighbors, in adapting to the



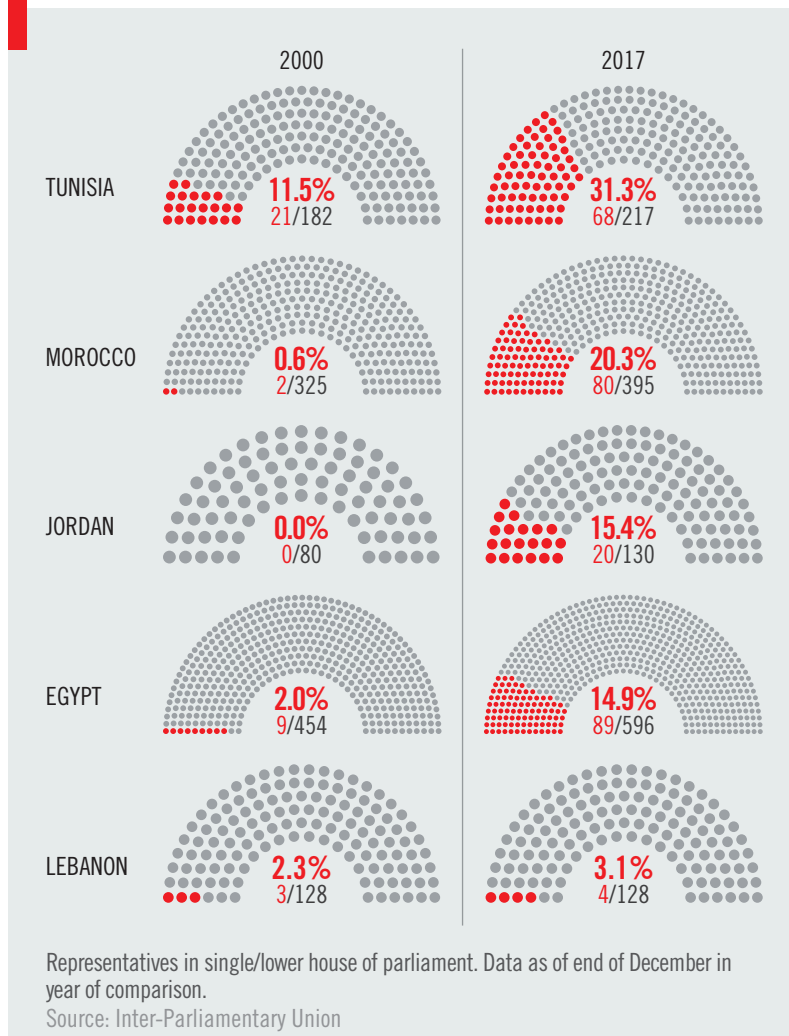
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Women's Empowerment

CHANGE IN FEMALE REPRESENTATION IN SELECT ARAB PARLIAMENTS, 2000-2017



■ “It is almost impossible for qualified and independent women to make it into Parliament under Lebanon’s confessional system.”

21st century’s global gender realities, is a matter of perspective.

Sofia Saadeh, a professor of political science at the Lebanese University and a lifelong advocate of women’s political inclusion, sees it is almost impossible for qualified and independent women to make it into Parliament under Lebanon’s confessional system of governance with patriarchal organization. “Historically, so far, we have had very few women in Parliament, and those who are there are not really there on their own merit. This is because we don’t have modern parties, but sectarian parties which are based on a patriarchal system, so unless the patriarch wants you, you are not in. In the patriarchal system, those who vote are mainly male, or [are] led by a male, so they will not easily

vote for a woman,” she tells EXECUTIVE.

Women who registered to run in the upcoming parliamentary elections have no misgivings about the challenges they face, and the extra barriers that stand in their way, from the lack of a quota system to the high costs and missing support that female candidates have to deal with even when registering their candidacies. But as campaigns have been getting underway for the 2018 elections, women nonetheless are appearing in unprecedented numbers and with extreme determination, sharing in interviews with EXECUTIVE their aims and ambitions (see story page 24).

There is also the matter of international support and the extension of the global pro-political participation mindset and organizational frame-



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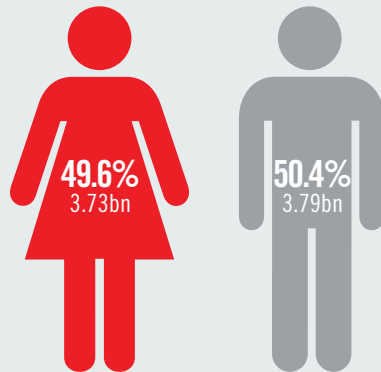
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Women's Empowerment

WOMEN AND GOVERNMENT

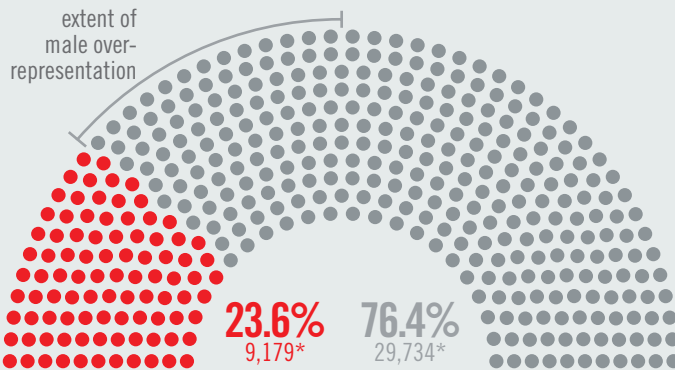
WORLD POPULATION

Estimated world population = 7.52 billion



REPRESENTATION IN PARLIAMENT

● = 100 female representatives in parliaments around the world



Figures for December 2017. *Totals for lower/single house parliaments around the world where gender breakdown is known.

Sources: World Bank, Inter-Parliamentary Union

■ Stakeholders in Lebanese institutions and society all fundamentally know that things in the country have to change

TOP 10 COUNTRIES WITH MOST FEMALE REPRESENTATIVES IN PARLIAMENT

TOP 10 COUNTRIES, 2000 % female representatives*

1	Sweden	42.7%	
2	Denmark	37.4%	
3	Finland	36.5%	
4	Norway	36.4%	
5	Netherlands	36.0%	
6	Iceland	34.9%	
7	Germany	30.9%	
8	New Zealand	30.8%	
9	Mozambique	30.0%	
10	South Africa	29.8%	

TOP 10 COUNTRIES, 2017 % female representatives*

1	Rwanda	61.3%	
2	Bolivia	53.1%	
3	Cuba	48.9%	
4	Nicaragua	45.7%	
5	Sweden	43.6%	
6	Mexico	42.6%	
7	Finland	42.0%	
8=	Senegal	41.8%	
8=	South Africa	41.8%	
10	Norway	41.4%	

LEGEND

● Nordic countries ● Europe** ● Asia ● Pacific
● Americas ● Africa*** ● Arab States

Data as of end of December in year of comparison. *In lower/single house of parliament. **OSCE countries, excluding Nordic countries.

***Sub-Saharan countries only.

Source: Inter-Parliamentary Union

work to Lebanon. The Special Representative of the Regional Director at UN Women, Begoña Lasagabaster, conversed with EXECUTIVE in the new UN Women office across the street from the Lebanese Parliament. According to Lasagabaster, UN Women, working in coordination with the whole UN system, seeks to accompany all stakeholders in member nations, from national institutions and the public sector to civil society, and academia. This appears, in the case of Lebanon, to involve developing the national action plan for implementing UN Security Council Resolution 1325, which calls for greater participation of women in security forces, peacebuilding, prevention of conflicts, and efforts to protect weak or disenfranchised strata of society.

In spite of Lebanon's political system, which as Lasagabaster acknowledges, complicates the achievement of change, she expressed having a sense that the stakeholders in Lebanese institutions and society all fundamentally know that things in the country have to change in favor of increased female political participation. In her view, a transformational attitude is present in Lebanon, and change is therefore a very real possibility, as long as it is approached with sensitivity to stakeholders' need to maintain political equilibriums and implemented in small steps—which according to her, does not need to take a lot of time.



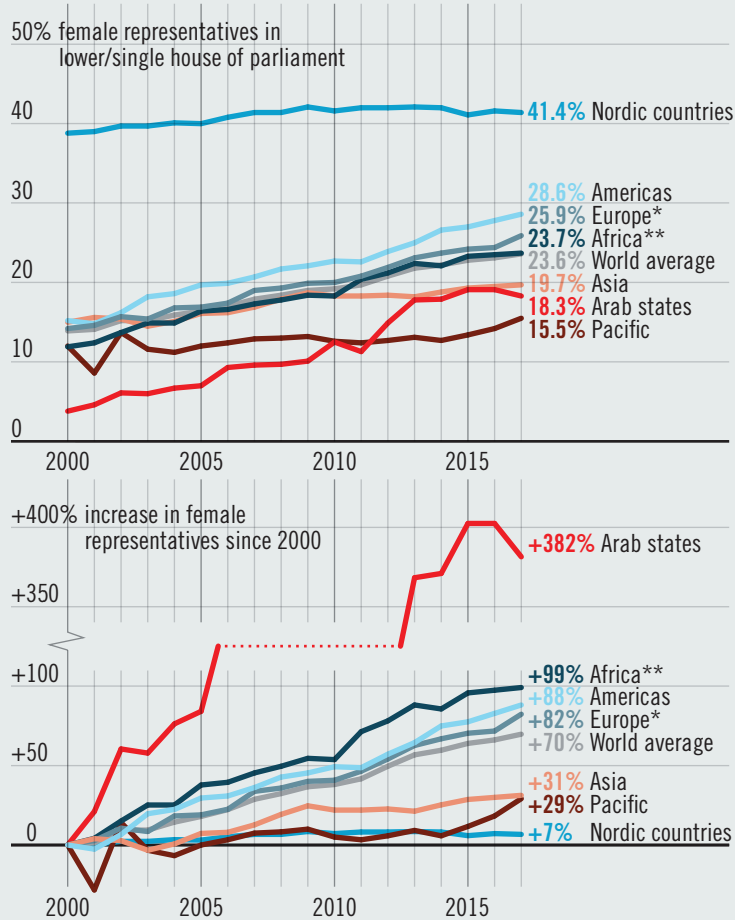
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Women's Empowerment

FEMALE REPRESENTATION IN PARLIAMENTS BY WORLD REGION, 2000-2017



Data as of end of December in each year, for single/lower house of parliament.
 *OSCE countries, excluding Nordic countries. **Sub-Saharan countries only.
 Source: Inter-Parliamentary Union

A STRUGGLE OF MORE THAN 100 YEARS

The philosopher Aristotle said that “man is by nature a political animal.” The concept of politics has indeed been ingrained in human societies since the days of the ancient Greeks—but so has the human struggle of comprehending the sexes and their political equality. The very example of Aristotle illustrates this, as he thought men superior and rulers by nature and women inferior and men’s objects. His views on women and their political inferiority to men influenced (other male) thinkers in the advancement of male-centric civilizations over many centuries.

When the political systems that today are called liberal democracies began to take shape in the 19th century, the battle for equality had its form in the quest for female voting rights. It helps explain the enormous difficulty of this struggle that it took what were considered to be the most advanced countries of the age half a century or longer to establish female voting rights.

In Great Britain, it took decades of protests and demonstrations for women to win these political rights. In Finland and the Nordic nations, which are leaders in female political participation to this day, female voting rights were established beginning in 1907. In Germany, active and passive voting rights of women were first instituted in 1918. In the United States, it took from the 1870s until 1920 for a proposed constitutional amendment prohibiting discrimination in suffrage on the basis of gender to be adopted. Even when one discounts outlier countries among parliamentary democracies that were comparatively early or late in introducing them, the implementation of female voting rights came to pass from the aftermath of World War I up to the period right after World War II.

Compared to the length of the struggle for political equality in terms of women winning the right to vote, the ongoing momentum in the development of female political participation

with the UN, international civil society, and many national governments as proponents, appears to be deeper, wider, and much more comprehensive than in previous periods of societal evolution.

The question is thus: Will Lebanon and its sovereign, the people, remain in denial of the many advantages that significant progress toward greater women’s inclusion in Parliament and the Council of Ministers can realize? Or, will Lebanon implement greater equality in political decision making, furthering national progress and giving hope that solutions could be found to problems that have not been solved under previous political structures? This spring, the people will give us their answer, and the world will take note.





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Women's Empowerment

By Nabila Rahhal and Thomas Schellen

The countdown to political progress

Women gear up to run in Lebanon's 2018 parliamentary elections

This year will see some economic actors sitting in the sun. It does not require special astrological powers to predict that the first half of 2018 will be good for the bottom lines of local advertising companies, social media platforms, billboard operators, pollsters, and audiovisual companies. Driving down any urban highway or country road and browsing through their favorite media, the Lebanese political consumer is being bombarded with messages about the upcoming parliamentary elections.

State institutions set the stage in late 2017 by booking advertising and media space for several public awareness campaigns to encourage voting. Also, since early this year, campaigns by political parties, new movements, and individual candidates are coming out in increasing numbers, as contenders enter the contest for winning public attention, and ultimately, voters. This, too, is only normal, and even gives room for hope that the next Parliament will enjoy a double blessing of greater diversity and less stagnation and political paralysis.

The May 6 vote will be important for economic and social peace and development. Lebanon's first elections in almost a decade will be conducted under a new election law, and marks—for the first time in most citizens' political memory—an opportunity to challenge an equilibrium of interest-mongers that has blocked the nation's advancement internally almost as much as the external phenomena of regional violence and international power plays.

Within the mix of election campaigning and politicians' positioning to look attractive to voters, one novelty stands out, and could even be more hopeful than the general bombardment of promises. It is the presence of female candidates in the elections. More women have announced their candidacies—or at least their strong intent to run for Parliament—than in 2009, when the last elections were held, or in any previous election in living memory. According to figures from the Inter-Parliamentary Union, only 1.7 percent of the candidates for parliamentary elections in 2009 were women.

While no assessment of registered parliamen-



tary candidates can be made before the official lists are published after the March 7 registration deadline, political officials in Lebanon have spoken out publicly and in interviews with EXECUTIVE for more women in Parliament (the Ministry for Women's Affairs adopted the slogan, "Half of society, half of Parliament;" see interview with Minister Oghasabian, page 32), while other sources within the political class have for several months been speaking of expectations that more women will run. No one interviewed for this article placed the figure lower than 80 women candidates.

EXECUTIVE reached out to women who had announced their candidacy for the upcoming parliamentary elections in early February in an effort to gain a deeper understanding of what motivated them to run for Parliament, and of their experience in what some prejudiced parts of society have viewed as a men's arena for far too long.

NOT NEW TO THE GAME

Hayat Arslan, a candidate for the Druze seat in the Chouf, says she has worked for women's political empowerment since 2001 through an NGO called the Committee for Women's Political Empowerment, which she founded that year to lobby for a quota for women in politics. As one of the NGOs encouraging women to run for the elections

in 2013, which were later postponed, the organization counted 40 female candidates at the time, including Arslan. She says that some of these women stepped up to the plate again as soon as the current elections were announced.

Many of the female candidates that EXECUTIVE spoke to built up public experience doing social work at charity organizations or NGOs, while others got their start in municipal politics. Victoria Zwein, a candidate in the Metn district, was one of the first women to run for—and win—a municipal council seat. She was elected to the municipal council in Sin El Fil, a district adjacent to Beirut, in 2004. Adding to her experience were activities in the areas of urban development and women's empowerment, as well as projects with the international UN body ESCWA.

A breakthrough into politics on the municipal level also provided an important stepping stone for Josephine Zgheib. She is currently a municipal council member in Kfardebian, in the mountain area to the north of Beirut, where she was the first woman to win a seat, she tells EXECUTIVE. Her biography also contains experience in the NGO field, through an organization she founded.

Nada Zaarour enters her race with experience in the national political scene: She is a candidate in Metn, and one of four parliamentary contenders—two women and two men—nominated in four different electoral districts by the Green Party of Lebanon. Zaarour is in her second-term as president of the Green Party of Lebanon, which was founded in 2004 to advocate for environmental protection and sustainable development, as well as human rights.

BREAKING POINT

It is perhaps these women's interaction with their communities' challenges through public service work, and with the challenges of their own daily lives, that drove them to decide to run for Parliament. Kholoud Wattar, a candidate for Beirut 2, recounts an incident that occurred during her charity work, where she was trying to raise money for someone who needed urgent medical care and had to sweet-talk a certain politician to secure his help, despite the fact that healthcare is a basic right for citizens. "I decided to run for elections because I never again wanted to be in a position where I had to beg for my rights in my country," she says. Wattar tells EXECUTIVE that she aims to assemble a com-

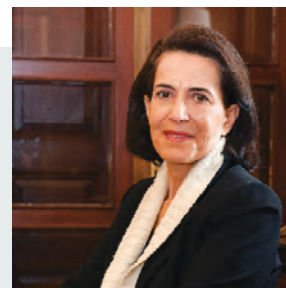
HAYAT ARSLAN

Slogan: None yet

District: Chouf–Aley

Seat: Druze

Party/List: Arslan is forming her own list which she will head as an independent



Platform: Arslan will focus on the independence of the judiciary system, proposing that membership of the Higher Judicial Council be apportioned by a vote of the judges themselves and not by appointment. She plans to encourage Parliament to play its role in holding ministers accountable. She wants to work on improving social justice, out of the belief that every person has the right to a home, healthcare, and education. She will also work to apply the Taif Agreement in full, to invigorate anti-corruption ministry, and to solve the environmental issues plaguing the country.

plete women's list that can compete for the seats allocated to Beirut 2.

Every female candidate who spoke to EXECUTIVE identified the country's dire economic, environmental, and social state as the main motivation for their candidacies. "It's a sin if we don't run for Parliament in these elections because the situation in the country has become very dangerous. The level of pollution is extremely high, there is no greenery in the mountains to speak of, [and] our constitution is not being respected. We can no longer watch from the sidelines," says Zgheib.

According to the candidates, it would be futile to complain about the political establishment's performance without providing voters with an alternative. "The situation [in the country] has deteriorated badly, and no one has the boldness to stand up

■ "It's a sin if we don't run for Parliament in these elections because the situation in the country has become very dangerous."

against the establishment and say enough is enough. We have reached a critical point where we either initiate positive change through this election and give future generations

hope in the country to work further for it, or continue [on our current path], with generation after generation of people in the establishment holding on to power," says Paula Yacoubian, a former

Women's Empowerment

political show presenter for Future TV who is running in Beirut 1 with Sabaa, a party formed last year.

Most of the women EXECUTIVE profiled say they are running as independents on lists that are not from establishment political parties—groups with current representation in Parliament—but rather have been put together by coalitions of “anti establishment” political actors who come from civil society, protest movements such as the anti-garbage groups of 2015, or political backgrounds that are otherwise separate from the mainstream establishment.

While establishment political parties spoke positively about the potential increase in female candidates in the early run-up to the elections, several of them announced candidate lineups in late February that did not include a single woman. Of the three parties who announced their candidates at that time, one—Hezbollah—had already stated that it did not consider fielding female candidates to be coherent with its positions; another, the Druze-dominated Progressive Socialist Party, presented a female-free list; and the third, the Shia Amal party founded by cleric Musa al-Sadr in the 70s and for decades led by Speaker of Parliament Nabih Berri, announced a sole female candidate, sitting Minister of State for Administrative Reform Inaya Ezzeddine.

The difficulties that female candidates face in the machines of political parties were further illuminated at a Beirut conference about female candidacies in late January, where the overriding tenor of established parties was revealed to be power-cen-

tric, prioritizing their perceived short-term chances to win or defend parliamentary seats over the idea of diversifying their candidate lists by including more women.

Some women who were still contemplating their candidacies when they spoke to EXECUTIVE said, speaking on condition of anonymity, that they had been pressured by political parties when discussing the possibility of running. One businesswoman with NGO experience who was leaning toward running as an independent revealed that a political party had pressured her to either join its list or not to run at all. This sort of behavior by political parties is hardly surprising, given that power

■ One woman revealed that a political party had pressured her to either join its list or not to run at all

pressures and entrenched practices in systems all over the world rarely fully deserve their “democratic” labels, but it seems specifically note-

worthy in the Lebanese context because of two factors.

First, many female candidates relate more to independent agendas and feel more represented and equal in the political company of other independent candidates. “Women and men are equal as activists outside of this circle or club of politicians,” says the Green Party’s Zaarour. And Zwein, who began her political career in 2004 with the National Liberal Party that was established by the venerated politician Camille Chamoun in 1958 and has been led by his son Dory—today an octogenarian—since 1990, said she can no longer identify with a party which revolves around a patriarchal leader.

Zwein declares that she will be running with Sabaa in the parliamentary elections. “I’m a person who believes in political parties as major stakeholders for positive change in any country. But I couldn’t find any party in Lebanon which I believe I can work with. Most of the time, it’s a family business or a family political party, or it’s really extreme religion. It’s hard to believe that political parties will actually allow women to be present as ministers or as candidates, and the proof is that till now there are no women on the parties’ lists,” says Zwein.

Secondly, in cases where political parties do embrace female candidacy, the support structures for women aspiring to political roles appear to need much more development. Rindala Jabbour, a

VICTORIA EL KHOURY ZWEIN

Personal Slogan: *Bi gheir tari2a* (In a different way)

District: Metn

Seat: Maronite

Party: Sabaa

Platform: Zwein says she will focus on national problems like environmental issues, corruption, and government mismanagement, relying on her reputation as an honest broker to assure others that she will not succumb to corrupt practices. She will also adopt the Sabaa platform, which she noted will likely focus on issues like submitting a law to reclaim stolen funds from the national debt, as well as improving healthcare and creating jobs.



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Profiles

Women's Empowerment

high-ranking member of the Free Patriotic Movement who won the party's internal elections to run for parliamentary elections in West Bekaa-Rashaya, tells *EXECUTIVE* that men and women are treated as equals in the party, but that she would have hoped for affirmative action to support qualified women like herself. "In some areas, you feel there is no difference between men and women, and it's all about having the right personality [and skills] for politics, such as being able to negotiate and present your ideas clearly. In other regards, however, you feel that there should be some positive discrimination," she says.

"Today, we're fighting for women's representation in politics in Lebanon. Thus, as a party, you should support your female members, and maybe give them some privileges over men to level the playing field, so to speak. I believe there should be some initiatives to support qualified women within their parties to help them rise to power. This is not the case, and you run for party elections like a man," Jabbour elaborates, adding that one such initiative could be to assist female candidates with campaign financing, as she herself comes from a working-class background and not from a rich family.

OUTSIDE OLD BOXES

Beyond the internal realities of anti-establishment movements and political parties alike, the rise of independent women in Middle Eastern politics is noteworthy on another level. This level is the political context of a region where many countries that are not equipped with one of two conventional power-transmission mechanisms.

Conventional wisdom in past research of women's entry paths into political arenas worldwide was that overcoming gender barriers in parliaments required either the support of a political party or the presence of a gender quota, said Bozena Welborne, a researcher and professor of Middle Eastern politics and the role of women in politics at Smith College in the United States, at a conference panel on political inclusion hosted by the American University of Beirut's Issam Fares Institute at the end of January. Curiously, this perception matrix is not necessarily as applicable in the Middle East, she explained. "The Middle East and North Africa lead the world in terms of the number of women who have been elected as independents," she said.

Her findings about independent female MPs in the Middle East showed that they succeeded in

RINDALA JABBOUR

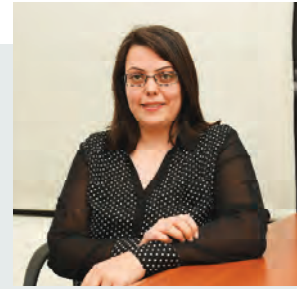
Party Slogan: *Mkamleen* (We're persevering)

District: West Bekaa-Rashaya

Seat: Maronite

Party: Free Patriotic Movement

Platform: In addition to her party's platform, Jabbour is focused on her own personal priorities. She wants to work on behalf of her area, Rashaya, on several issues, including to improve healthcare facilities in the area, to strengthen and promote both agriculture and agro-industry, and to develop rural tourism. She says that fostering both rural tourism and agro-industry will create jobs in Rashaya. She will also follow up on the pollution of the Litani River. On the national level, she says she wants to tackle reforms on public spending and parliamentary term limits.



many countries of the region because of quotas, but without any party support. Welbourne later elaborated by email. She and a student had conducted research into the allegiances of parliamentary women in countries around the world between 2015-17.

That MENA leads the world in this regard, when seen in the context of the often weak roles of political parties in the formation of popular will in MENA countries, suggests that highly educated

■ "As a party, you should support your female members, and maybe give them some privileges over men to level the playing field."

women with well-developed personal social networks (educators, for example) who compete for office in countries with flexible, parallel, or mixed electoral systems (thus outside of completely

closed-list electoral systems), have a comparatively higher chance of succeeding as independents.

In the wider context of ongoing change in the political environments of professed democracies, the increasingly effective use of social media hints at an evolution in politics where non-party-dependent agenda-setting mechanisms and access roads to politics are gaining importance, functioning either as an alternative to or in conjunction with political parties.

Underrepresenting women in their lists might backfire on political parties, but so too might any

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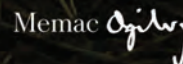
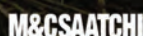
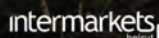
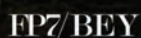
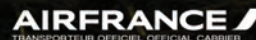
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Women's Empowerment

KHOLOUD MOUAFK WATTAR

Personal Slogan: Wattar says she does not believe slogans are realistic or sincere

District: Beirut 2

Seat: Sunni

Party/List: A list of six independent women from Beirut 2 that she will head



Platform: Wattar believes that many of the social problems and the sectarian rhetoric in Lebanon today stem from poverty and a lack of social justice. Her aim, therefore, is to decrease poverty and ensure access to quality education and healthcare for all. She will also work to create job opportunities in Lebanon for young graduates, in order to keep them from having to emigrate to find better opportunities abroad.

attempts to use women as insincere tokens of pretend-equality, or stooges of interests of whatever partisan group, tribe, or sect, and not as equal decision makers. When such attempts of utilization or political exploitation of female authority are made, they are not missed by politically astute women. "Parties are choosing dull women who are not prominent in their communities to be on their lists because they don't want women to challenge them or compete with them on the preferential vote," Wattar notes with disdain. "These parties need to show that they have women to appear as 'politically correct,' but who are these women?" she asks.

SUPPORT A SISTER

While encouragement for women's participation in Lebanon's political life has come a long way since 2004, it still has some way to go. Zwein was pregnant when she ran for municipal elections in 2004, and she recalls people telling her that she should go take care of her family instead of campaigning. Zgheib was single when she ran for municipal elections in 2010—she was the only female candidate—and people attempted to discourage her by asking her what she would do if she got married and left town. Wattar says that when she told her family that she had registered for the 2013 elections, her husband was shocked and her seven brothers threatened to disown her. For these women, things have changed a lot: Now, the three of them have the full support of their families and communities, and Zgheib

proudly recounts that four women ran for the Kfardebian municipal elections in 2016.

Confirming a philosophical maxim from Friedrich Nietzsche—a man perceived as deeply misogynistic but perhaps also an indiscriminate hater of homo sapiens—that says, "What does not kill us makes us stronger," Lebanese women in politics say they have turned the opposition to their dreams into whetting stones to hone their individual strengths. Wattar says she feels certain that she can influence a whole legislature of men just as she turned her own male relatives from opponents to supporters of female participation in politics.

The women profiled for this article say they were largely supported by the women in

■ "Parties are choosing dull women who are not prominent in their communities to be on their lists because they don't want women to challenge them or compete with them on the preferential vote."

their communities when they announced their candidacy. Jabbour says she was worried about the response from other women inside the party because she had the misperception that women tended to be jealous of each other's successes,

but the response was the exact opposite, and she

PAULA YACoubIAN

Slogan: None yet

District: Beirut 1

Seat: Armenian Orthodox

Party: Sabaa

Platform: Yacoubian says Sabaa is currently working with the Li Watani coalition to develop a unified

platform, along with the other civil society candidates on the list. She would not share any details of the platform with *EXECUTIVE* at the time of the interview, but based on her answers, it seems that the party intends to fight establishment corruption and aims to increase accountability. Yacoubian says she wants to promote women's rights by having equal representation for women in Parliament.



NADA ZAAROUR

Party slogan: *Ya akhdar ya yabis*
(Either green or stale)

District: Metn

Seat: Maronite

Party/List: Green Party of Lebanon

Platform: The Green Party's main priority is to protect Lebanon's environment and end the environmental violations currently taking place. Zaarour believes that an environmental agenda encompasses a range of issues, so she will also focus on social justice—including human rights in general and women's rights in particular—green jobs, and a green economy.



counts the women of the FPM as her biggest allies and supporters.

“Being aware of our role and power as women started with the 2013 elections, and many of the same women are running today for Parliament. So we have already started to work together and have already decided that we will empower each other. Although some of these women are from contradicting parties, we are working together

■ “Although some of these women are from contradicting parties, we are working together for the welfare of women, and it's amazing.”

for the welfare of women, and it's amazing,” explains Wattar.

Despite progress, elements of a patriarchal mentality still abound in Lebanon, and despite the vocal support they have been given, some of the candidates EXECUTIVE spoke with worry that the prevailing cultural environment will sway voters into voting for male establishment types. “Voters say they want to vote for women, but so far, the fearmongering has been stronger in instilling fear in these people that they should vote according to their sect so that the *za'ëm* will not lose. This mentality is stronger than the motivation to have more women in Parliament and to vote for women,” says Yacoubian.

The road of women candidates to Election Day on May 6 is by no means easy. “There are many handicaps for women running for elections. To begin with, women are not rich in their own right; their husbands, fathers, or male relatives are rich, and they prefer to spend [money]

on men who are running. You also have the patriarchal mentality that still prefers men to run, not women. And you also have the media, which is very partisan and controlled by the politicians,” cautions Arslan.

The bottom line is whether female candidates—be it as full independents, anti-establishment, or establishment members—will have succeeded very convincingly or only “fought respectably” in this good fight for increased presence in Parliament.

Hopefully, Lebanon will at least move forward enough to no longer be among the countries ranked lowest for female representation in their national legislatures, a ratio that neither reflects the skill and leadership abilities nor the many achievements of Lebanese women over the decades in different areas.

The upcoming election will be a step toward better governing if it results in higher rates of inclusion for women. Hopefully, the bedtime stories that the first-time Lebanese voters of 2018 will one day tell their granddaughters and grandsons about the political dominance of men in Parliament and cabinet will all start with, “Once upon a time ...” ■

JOSEPHINE ZGHEIB

Personal Slogan: *Musta'eda* (I'm ready)

District: Keserwan

Seat: Maronite

Party: *Muwatineen wa muwatinoon nahwa dawla* (Citizens for a State)

Platform: The party will work toward a true and real application of the Lebanese constitution, which states that Lebanon is a civil state where all citizens are equal under the law. This requires the banishment of religion and sectarianism from both politics and public life, which Zgheib says is a return to what the constitution decrees. At the personal level, Zgheib says she wants to work on municipal development to foster engagement between the citizen and the government in the interest of good governance. She also intends to work for effective and transparent management of the oil and gas portfolio.



Women's Empowerment

By Nabila Rahhal and Jeremy Arbid

A community effort



The man putting women first

EXECUTIVE sat down with the country's first-ever minister of state for women's affairs, Jean Oghassabian. The ministry was launched one year ago with a mandate to empower and protect women and promote and develop gender equality in Lebanon.

E *This is the first term for you as minister of women's affairs and, in fact, the first time that a women's affairs ministry has existed in Lebanon. Why was there a need for such a ministry?*

This ministry was formed because Prime Minister [Saad Hariri] is convinced that [women's rights] need to be put in the spotlight [as issues] related to human values and respect for all people. This ministry is showing that women's rights are the responsibility of the whole society, and men should participate on many levels to reach complete equality because, for me, women's issues are not limited

to women only. For that reason, the prime minister, with the approval of the president of the republic, decided to establish this ministry.

What I tried to do [during my term in office to date] is to create momentum all over the country. I always wanted to prove that the Lebanese woman has huge capacity and potential. As she has succeeded in the private sector in all levels and industries, she also has the capability to succeed in [state] institutions. For the upcoming elections, we have a campaign [to increase] female involvement in politics. We conducted a conference, and [recently] organized a workshop for [female] candidates in the elections, [both for] candidates representing political parties and for independent candidates. We have a media campaign, "Half of society and half of Parliament," and, so far, I have attended maybe 15 to 18 conferences everywhere in Lebanon to promote the idea that women in Lebanon have potential. When we talk about half of society, it's not a question of number; it's a question of power. It is a question of the future. If you don't have women in Parliament, it's not [only] a loss for women; it is a loss for Parliament, a loss for the government, and a loss for the whole country, because the country is not benefiting from a big part of the potential [that exists].

E *You say that there has been progress, but what guarantees do the Lebanese people have that this ministry will continue to exist after the elections and the formation of the new cabinet?*

This is a question that is even asked by different stakeholders in Lebanon working on women's issues, such as UN agencies, NGOs, embassies, and donors. I could perhaps accept such a question if upon my appointment as minister I had said, "Okay, I am a minister now, [so] I will have one assistant and [do the bare minimum] of work on my own." [In such a case], the new government might just say, "We don't have a [real women's affairs] ministry," and it would be completely neglected [after the next elections]. But this is not the case. Actually, we have established a complete ministry with staff, with a budget, and with a lot of projects in process of being implemented. We have a lot of upcoming projects with international donors such as the World Bank, UN, ESCWA, UN Women, and

many embassies. We have so far [presented] six amendments to [existing] laws and [drafted] new laws.

E *Aside from the promotion of female candidacies in the upcoming parliamentary elections, what has the ministry been doing to encourage and develop greater participation of women in the overall public sector in Lebanon?*

I proposed to the prime minister and to the government to have a quota in all the nominations of the boards in different institutions. To date, in all these nominations issued under the current cabinet, we [had a] minimum [of] 25 percent of women nominees in security institutions. The judiciary [and] the committee controlling the elections have 28 percent women, and in the Economic and Social Council of Lebanon we have 27 percent female representation.

E *That is achieved by having a quota system?*

It's not by law, but it's a decision taken by the government because I pushed this issue, and we are following up on that. Every time [the government] has to make appointments to any public position, we should have minimum 30 percent women; we reached 25 to 27 percent, but we are going up.

E *And are there any data indicators that you look at for measuring the achieved progress in ensuring women's rights?*

Now we are working with ESCWA Women, UNFPA, the Ministry of Justice, and with the Central Administration of Statistics [to establish] indicators, and also to study the impact of [gender-based] violence on society, as a societal issue and as an economic and educational issue.

E *So, if we talk about crimes against women, have you seen an increase in the number of reported cases?*

Yes. Many more people are now reporting, but we may have [incidents of] violence that nobody knows about, because, in some societies or some families, [people] don't want to talk about [such incidents]. This goes back to cultural issues, and it is for this reason that I decided to educate primary school children from the ages of 10 to 12, or even eight years old, on the negative effects that violence against women has on family relations. We prepared the concept note and are talking to various [potential] donors about it.

E *Is it correct to say that this is a project that is not yet being implemented today, and that you are looking for funding from international sources?*

We are looking for funding, and we can find

it, because, as I mentioned in the beginning, there are a lot of donors who are willing to fund [projects of] this ministry. The budget that I have from the government is only a working budget: I can cover salaries and some small expenses, but the projects are financed by donors. I decided to establish this ministry as a UNDP program. For that reason, I [was able] to move quickly in everything. This [collaboration] also gives me credibility in front of international agencies and donors. I had the ability to [organize] all this in a short time because I was the minister for administrative reform in 2005. [The Office of the Minister of State for Administrative Reform] is also a UNDP program which gets working capital from the government and ensures the funding of the other projects from donors.

■ “I decided to educate primary school children ... on the negative effects of violence against women”

I also worked with international donors in the private sector on many projects related to public sector improvement. This gave me some knowhow to move quickly, and also to

benefit from all assets that are available inside the country. But if they had brought somebody that is not “in the business” as a minister, he would have taken time to learn all these issues. I think that we have a lot of achievements that will guarantee that this ministry will be permanent and sustainable. As a lot of involvement in many projects with international donors is at hand today, I think that any consideration [to terminate the ministry] by the coming government would be a mistake and send a very bad message to the international community.

E *Moving forward, what is the ministry's legislative roadmap?*

I do my homework. So far, I succeeded in getting the approval of the government for three amendments. The first is to punish sexual harassment. It has not been approved by the Parliament yet, but it is not easy to get approval. It will take three to four months because it has to be approved by all ministries and by Ministry of Justice and the legislative council. This one was approved by the cabinet, [as was] the amendment to eliminate discrimination in the provisions of the social security law. [Also] we have the three-day paternity leave. People told me it doesn't work. I said for me it is not question of three days; it's a question of creating a new culture and convictions that the father has the same responsibilities as the woman when the child is born and not only logistical responsibilities. ■

Making the most of it

A curse or a blessing for women entrepreneurs?

Amartya Sen, the Indian economist and philosopher, wrote in a 2001 essay that in a world afflicted with “the deeply unequal sharing of the burden of adversities between women and men,” gender inequality must be understood as a “collection of disparate and interlinked problems.”

Gender inequality is reflected in laws, regulations, rights, norms, responsibilities, and opportunities. The World Economic Forum (WEF) has issued Global Gender Gap Reports (GGGR) since 2006, aiming to measure gender gaps in four key areas: health, education, economics, and politics. It found in its latest GGGR last year that “gaps between women and men on economic participation and political empowerment remain wide.” According to the WEF, recent years have even seen a partial reverse in what had been a slow but steady trend of closing gender gaps worldwide over the past decade.

In the economic sphere, gender gaps include painful inequalities in labor force participation, with a global average of 54 percent of women actively involved in the workforce, compared to 81 percent of men. Also, women earn on average 50 percent less than their male counterparts, despite the fact that they work longer hours, and do most of the unpaid labor, like household work and child care.

Gender inequality also impacts entrepreneurship. Research has shown that the number of female entrepreneurs is still lagging behind in most countries, but especially so in the Middle East and North Africa (MENA) region. According to the Global Entrepreneurship Monitor 2016 gender report, women in the MENA region run established businesses at one-third of the rate of men. Moreover, women start new businesses at less than 60 percent of the rate of their male counterparts. The report measures these discrepancies based on the so-called total entrepreneurial activities of individuals in the working age population (18–64 years). Moreover, the report finds that women-led businesses are 60 percent more likely to remain a single-person firm, and

only one in 10 female entrepreneurs expect their business to grow in the coming years.

Looking only at these stark percentages gives a grim image of the immense detriment that gender inequality poses for women in entrepreneurship, but this is not the whole story. Research on entrepreneurship in the region indicates that the effects of gender inequality are more complex. A look at several important elements for entrepreneurs reveals a picture of women determined to overcome the disadvantages under existing gender gaps by venturing into self-determined entrepreneurial careers, and thus, becoming pioneers and role models for societal change. Limiting our view of female entrepreneurship in the MENA region to just the percentage of the gender gap might distract from very encouraging developments taking place in the region.

SELF-CONFIDENT WOMEN

The majority of women-led entrepreneurial projects in the region are opportunity-based innovative ventures with high market and growth potential. The region has a large reservoir of highly educated women: 38 percent of its researchers are female, a significantly higher percentage than the 30 percent ratio found in the rest of the world. Generally, researchers are an important source of innovation. The region also hosts a high number of female internet entrepreneurs: 35 percent, compared to 10 percent worldwide.

Women in this region have been able to derive business opportunities from this challenging environment, and many of the business models they have developed involve empowering others. For example, Ayah Bdeir, who is Lebanese, created littleBits, easy-to-use, open source, modular electronic building blocks for prototyping and learning that enable users to develop their own innovations. Rana Chmaitelly, the founder of The Little Engineer, was concerned about her own kids' addiction to smartphone technology, so she created workshops that engage kids with science, engineering, and technology. Many successful female entrepreneurs in the region develop busi-

ness models that solve social and environmental issues while creating economic opportunities, such as using plastic trash to develop furniture in Hend Riad's Reform Studio in Cairo.

Moreover, it appears that the unfavorable environment functions as a catalyst for many women as it increases their intention to become entrepreneurs. This is rooted in women's widespread dissatisfaction with their current situations and the discriminatory working conditions that limit their career paths in established organizations. Besides the glass ceilings that limit women's opportunities, gender stereotypes against employed women as well as discriminating labor laws and limited job opportunities motivate some women to start their own business.

The gendered workplace context does not leave too many conventional opportunities for women, so, many create their own opportunities. This might stem from a strong sense of self-confidence among women entrepreneurs in the region. Worldwide, women have been found to have little self confidence in their entrepreneurial abilities and potential—regardless of their educational background—compared to their male counterparts. But while female self-confidence levels differ from country to country, research published in 2012 found that Lebanese women entrepreneurs were among the most self-confident globally, together with women in Saudi Arabia and Iran.

Contrary to women entrepreneurs, who take significant risks to launch themselves into free-lance careers, gender inequality was shown to have the opposite effect on many men. In societies where men hold the position of decision-maker and breadwinner in a family, they are less likely to invest in the uncertain future of a new business. This is especially true in Gulf countries, where starting a small business does not afford social status. Instead, the most prized jobs, with higher salaries and benefits, can be found in public administration. Men in the Gulf region tend to start a business only when they are unable to secure a public appointment. In that sense, gender inequality takes its toll on male entrepreneurial potential in the region as well.

International findings have shown that the likelihood to start a venture increases with the presence of entrepreneurial role models and ex-

posure to supportive social networks. However, in highly gendered societies, women entrepreneurs still depend primarily on non-professional networks, notably family and close friends, as research on Tunisia, Lebanon, Jordan, Bahrain, and the UAE shows.

BUILDING NETWORKS

The lack of exposure to professional social networks and the reliance on private networks like families, is mostly tied to cultural and so-

■ Many successful female entrepreneurs in the region develop business models that solve social and environmental issues

cial restrictions on women's mobility and interaction with males outside their families. Thus, there remains a great need for professional support systems that can introduce wom-

en to vital connections in the wider social space. Such support systems can open doors for women to meet potential collaborators, customers, and suppliers, in addition to providing mentoring and professional advice.

Therefore, women-centric networking and professional organizations like the Arab Women Organization, the Bahrain Businesswomen's Society, or the Lebanese League for Women in Business (LLWB), are pivotal in enhancing leadership and entrepreneurial skills. LLWB, for example, offers networking events, mentoring, training, and lobbies the government for women's rights and development.

In the economies of Middle Eastern countries, where economic progress is a predictor of female empowerment and higher rates of entrepreneurship, gender inequality has not deterred female entrepreneurs. Although gender equality still has a long way to go in the region, evidence suggests that women in the Middle East and North Africa remain determined to carve out a significant space for their inclusion in the economy and polity of their countries through entrepreneurial leadership. ■

BETTINA BASTIAN is assistant professor of management and entrepreneurship at the American University of Beirut.

She has a PhD in strategic management from the École Polytechnique Fédérale de Lausanne. Her primary research areas are related to technology, innovation management, and entrepreneurship in emerging contexts.

What's the deal with garbage decentralization?

The Ministry of Environment has a new strategy to reorganize Lebanon's waste sector

Over the past 10 years, the government has attempted and failed to implement plan after plan to end the country's smoldering trash crisis. With each iteration, politicians criticize government inaction, while disagreeing on what to do with and where to put the garbage. On January 11, Lebanon took another swing at resolving this impasse, when the cabinet endorsed the Policy Summary on Integrated Solid Waste Management. The policy is intended to complement a draft law, which has been studied and refined since 2012 and is currently making its way through Parliament. If passed, it would be the country's first legal framework specifically dedicated to solid waste management.

Together, these documents outline a waste plan that places responsibility in the hands of local governments. Speaking at a press conference, Minister of Environment Tarek Khatib dubbed the approach "administrative decentralization," the latest buzzwords among stakeholders throughout the capital. But what this term will mean in practice has confounded both academics and public officials, as most municipalities have long been legally obligated to deal with their waste while being left to their own devices without adequate support from the central government.

"In a way, responsibility was given to municipalities without any prior training, without any preparation, and without any clear vision," says Majdi Najem, assistant professor of civil and environmental engineering at the American University of Beirut. "So now, municipalities are overly confused. They cannot commit [to

investments] for the long term because the ministry did not give them a long-term ultimatum to manage solid waste. At the same time, they don't have the capacity; they don't have the necessary skills."

Municipal councils are hindered by a number of administrative, technical, and financial limitations made worse by their small sizes. A paper by Democracy Reporting International from April 2017 states that Lebanon has 1,108 municipalities, "an extremely high ratio [in terms of population and surface area] by international comparison." Villages are often too small to raise the funds necessary for proper waste disposal, and may not produce enough rubbish to attract the interest of private sector contractors.

Khalil Gebara, advisor to the minister of interior and municipalities, notes that, "For the past two years, we sent, five times, and [at] different periods, requests to municipalities to inform us whether or not they have any potential plans for a decentralized solid-waste management policy. The answers we received from municipalities don't exceed 20 out of the 1,100 municipalities in Lebanon. So municipalities, even if they are interested, lack the capabilities to do anything about that."

THE CYCLE OF CENTRALIZATION

The policy summary calls for the Ministry of Environment (MoE) to survey the financial and administrative capacities of every municipality in Lebanon and assess their ability to manage their waste without government intervention. Management

practices must meet new guidelines established by the ministry, which entail sorting at the source, street sweeping, and garbage collection. Municipalities shall also be at least partially responsible for waste treatment in their service areas.

Currently, only a few municipalities are independently managing their waste without resorting to open dumping, which would be criminalized by the draft law. In order to address common challenges such as garbage disposal, local administrations often join together in municipal unions, which enables them to pool their resources. Those that launch their own waste projects often rely on stipends from the Independent Municipal Fund (IMF), which is made up of revenues from several local taxes and fees from participating municipalities.

Despite this grant system, municipalities find it difficult to cover the costs of their operations. They frequently complain that IMF disbursements are insufficient and can be delayed by months at a time, undermining their ability to budget for long-term investments or make payments to service providers. The municipal fund itself may struggle with financial pressures from local governments that sign on to waste management contracts they cannot afford. Some waste-related expenses are four or five times higher than the municipalities' IMF allocation according to Norma Nissir, president of the IMF. Despite this shortfall, the Council of Ministers, which approves disbursements, requires the fund pay the difference.

In order to avoid funding irregularities and finance the high costs of solid waste treatment infrastructure,



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"Imagine" piano.

Waste management

municipalities and unions have often resorted to tendering their projects through the state, which fronts the necessary capital. In the absence of an institutional framework for solid waste management, this role has largely fallen to the Council for Development and Reconstruction (CDR), an executive body initially established for post-war infrastructure construction and rehabilitation. The most notable of CDR's contracts were with the collection and treatment companies Sukleen and Sukomi, covering Beirut and, formerly, Mount Lebanon/Chouf.

Over the years, the Office of the Minister of State for Administrative Reform (OMSAR) has also become a major channel for European Union-funded waste management investments across the country. In June, EU Ambassador Christina Lassen declared that the intergovernmental organization has poured over 77 million euros (approximately \$94.7 million at the time of writing) into Lebanon's solid waste sector. Mohamad Baraki, the solid waste program's project manager at OMSAR, told EXECUTIVE that if the ministry wasn't stepping in to pay for the operation and maintenance costs, these municipal waste facilities would be forced to close.

INSIDE THE STRATEGY

Paradoxically, the new plan to decentralize waste management could pave the way for even more centralized operations across the country. Local administrations that are deemed unfit to manage their own waste will be included in state-tendered programs.

In an effort to organize the tendering process, the MoE has established a council of industry stakeholders that includes ministerial, private sector, and academic representatives. The governing body is meant to oversee the implementation of the plan and standardize terms of reference documents for various waste-related services. These documents would also be used by munici-

palities that attempt to launch their own projects.

Naji Kodeih, an environmental consultant and the lone civil-society appointee to the council, reports that the representatives began convening on February 13. Theoretically, the council will now begin to replace OMSAR and the CDR as the state contracting agency.

Beyond the extension of waste services to villages nationwide, the policy summary features several additional cash-intensive agenda items. Sorting facilities in Karantina and Aamroussieh would be rehabilitated. A composting plant in Burj Hammoud would be upgraded. A national recycling program would be initiated. The almost 940 open-air dumps counted by the MoE around the country would be closed. A MoE official with knowledge of the new plan says that the ministry estimates the cost of these closures to be \$170 million alone. Furthermore, the plan calls for the formation of three interim waste storage facilities for hazardous waste. The MoE source, who was not authorized to speak to press, confirmed that this proposal refers to an expansion of existing landfills in Burj Hammoud and Costa Brava.

Asked how the ministry expects to pay for all of these operations, the source claims that a waste fund would have to be established, financed by the imposition of a new tax regime. Some of these funds might be used to subsidize tipping fees charged to municipalities for the usage of regional treatment facilities offered by the government.

MIXED SIGNALS

During the cabinet meeting on January 11, government officials also approved measures that would allow for the use of state-owned incinerators across Lebanon. This has contributed to further confusion among stakeholders who claim that the expansion of publicly owned infrastructure is in contradiction with the principle of de-


centralization.

According to Najem, who frequently consults with mayors on their solid waste practices in his role as a project manager at AUB's Nature Conservation Center, municipal leaders feel stuck. On the one hand, the MoE is encouraging them to move forward with their own waste solutions. On the other hand, some municipalities are hesitant to explore long-term investments when the government might build an incinerator in their area later on.

Despite the seemingly mixed signals from the Council of Ministers, the government's latest plan has earned the guarded blessings of both civil society and legislators for the first time in

■ Paradoxically, the new plan to decentralize waste management could pave the way for even more centralized operations

years. "The Ministry of Environment in Lebanon worked in the last months on an integral strategy," says Kodeih. "The goal of this strategy is to recuperate or to recover the lost opportunity cost of waste. This is good. We are okay with this concept, but at the level of details, we are not okay with some options, like incineration."

For now, the potential impact of the plan and the feasibility of passing additional taxes, upon which the MoE's new approach may depend, remain open questions. The source at the MoE advocates for partial decentralization but remains skeptical about its implementation. "With every new plan or new policy, you have excitement because it's new. [The government] want[s] to do something. Every minister wants to prove themselves, but at the end I'm not really optimistic about the results. They probably want to do something now to tell the people that they want to do something just for the elections." 



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By Malek Takkieddine and Maryline Kalaydjian

The new PPP law

A turning point for infrastructure investments in Lebanon?

Previous experience in a number of countries has proven that public-private partnerships (PPP) are an efficient method for developing long-term infrastructure projects.

Under a PPP model, the government remains focused on its primary regulatory role, while the private sector injects funds and expertise into developing projects for the benefit of the government and, ultimately, the public. One of the main factors of a successful PPP is the existence of a legal regime based on the principles of transparency, competitiveness, and accountability.

After a decade of delays, the enactment of Law No. 48 on September 7, 2017 will undoubtedly create new prospects for the implementation of PPPs in Lebanon for both existing and future projects. The enactment of the law cannot be dissociated from the upcoming international donors conference, Cédre, which is scheduled for April 6 in Paris for the purpose of supporting the Lebanese economy, and in particular for the financing of infrastructure projects in Lebanon—expected at around \$16 billion over a period of 10 years.

The law introduced a new legal regime for PPP projects in Lebanon, replacing the traditional procurement processes, which suffered from weak transparency, competitiveness, and accountability standards. The PPP law renames the “High Council for Privatization,” a ministerial committee, to the “High Council for Privatization and PPP,” and grants the council the power to assess and evaluate potential PPP projects. Once a PPP project is identified by the council, a PPP project committee will



be established to study the technical, economic, legal, and financial aspects of the project, and to determine the criteria for qualifying the private partner. The PPP law stipulates the main mandatory provisions that must be included in the PPP agreement governing the contractual relationship between the public and private parties, and defines the procedures that should be applied by each party and their obligations. Therefore, the private partner is provided with sufficient clarity and visibility on the implementation of the project.

In addition, the PPP law provides that the private partners must submit both a technical and financial proposal, and that at least three offers will have to qualify, or the project will be reopened for another round of bidding, ensuring equality among the bidders and creating fair competition. Moreover, it is worth noting that the appointment of experts and consultants to support a PPP tender may be based either on the provisions of the

Lebanese Public Accounting Law or, if available, the relevant internal regulations of the High Council for Privatization and PPP, or the relevant state authority that is involved in the tender. This possibility provides for additional flexibility in terms of developing the necessary tender resources.

PRIVATE SECTOR KNOWHOW

The PPP law is expected to create a favorable environment for the private sector to invest in infrastructure projects in Lebanon. The private sector will be keener to enter into partnerships with the Lebanese government and to provide much-needed funding when the partnership is governed by a strong legal framework that protects their interests. In this respect, the country will benefit from the private sector's knowhow and managerial skills, contributing to the efficient development of infrastructure projects in Lebanon. In addition, the adoption of the PPP law will play an important role in attracting foreign investments

and international funding opportunities. And most importantly, PPP projects are expected to create job opportunities in various sectors in Lebanon, and hence ultimately increase revenues and stimulate economic growth.

Nevertheless, the PPP law includes certain gaps that must be bridged. For example, the law does not provide for a specific time frame between a PPP project proposal and the signature of a PPP agreement between the parties, which may discourage the private sector if the process is unreasonably lengthy. In addition, the law does not deal with PPP financing, although this is a crucial element in large-scale and long-term projects. Moreover, there is no local content requirement, like a provision requiring PPP projects to employ a minimum percentage of Lebanese nationals. In ad-

dition, the law does not stipulate that the PPP agreement should include stabilization clauses that consist of contractual clauses to protect the private party from any future changes in legislation after the execution of the contract with the public party, which are considered an important protection mechanism for the private part-

■ There is a substantial need for the development of infrastructure projects

ner against the discriminatory power of the government. Foreign investors will certainly request the insertion of such clauses to protect their investments from unexpected changes in applicable laws after they inject large capital and invest skills and intellectual property in the development of a PPP project.

There is a substantial need for the development of infrastructure projects in Lebanon in various fields: water, electricity, waste management, healthcare, and many others. The new law is largely compliant with international standards and provides the private sector with a basic framework to enter into PPPs, and hence, increase private investments in infrastructure projects. However, the gaps highlighted above should be urgently addressed by the Council of Ministers through regulatory decrees, which will, along with the law, constitute a comprehensive legal framework for PPPs in Lebanon. ■

MALEK TAKKIEDDINE is a Lebanese lawyer working with international energy companies in the MENA. He lectures on oil and gas law at the Lebanese American University.

MARYLINE KALAYDJIAN is a Lebanese lawyer who works on corporate and banking matters as well as M&A transactions in Lebanon and the GCC. She assisted international oil and gas companies in the first offshore licensing round in Lebanon.

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Executive

By Mona Sukkarieh

Troubled waters

The Lebanese-Israeli maritime border dispute

A comment made by Israeli Defense Minister Avigdor Lieberman at a Tel Aviv conference on January 31 sparked outrage in Lebanon, bringing the issue of the maritime border dispute between Lebanon and Israel back into the spotlight and catching Washington's attention once again.

The Obama administration started mediating between Lebanon and Israel to help contain the dispute in 2012, but little happened on this front after President Trump took office in 2017. It seemed to all parties that mediation was no longer a priority for the US. Then, in October, during Lebanon's first oil and gas licensing round, a consortium of companies led by France's Total bid on Block 9, which includes a disputed maritime area. The bid rekindled interest in the dispute, but the buzz was discreet, confined to experts and diplomatic circles, until it was thrust out in the open again when Lieberman described Lebanon's offshore tender as "very provocative" and urged international companies not to bid on it, about a month and a half after licenses were awarded (see timeline page 46).

MOVING BORDERS

The dispute goes back to December 2010, when Cyprus and Israel signed a maritime border agreement that was denounced by Lebanon because it encroached on parts of its exclusive economic zone (EEZ). On July 10, 2011, the Israeli cabinet approved a map of Israel's northern maritime border, and two days later, the Israeli mission to the UN included a list of coordinates delimiting the northern end of Israel's territorial sea and EEZ. Some of these coordinates



Satterfield's shuttle diplomacy has so far not found solution to dispute.

overlapped with the Lebanese EEZ.

But to understand how we got here, we must go back to 2007. On January 17 of that year, Lebanon signed a maritime border agreement with Cyprus. It followed the standard procedure outlined in the UN Convention on the Law of the Sea, or UNCLOS, marking a series of points that are equidistant from Cyprus and Lebanon known as the median line. Point 1 was used to mark the southernmost point along this line, while Point 6 marked its northernmost point. The agreement included a standard clause specifying that the coordinates of the

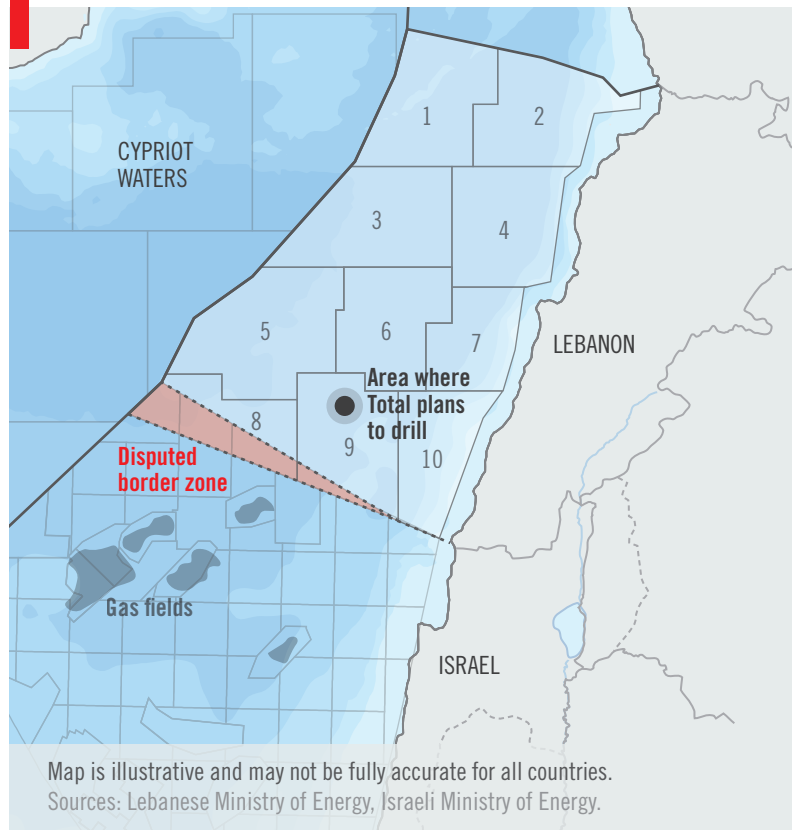
first and last markers—in this case Points 1 and 6—may be adjusted in light of future delimitation of the EEZ with other neighboring states, since a bilateral agreement cannot define the

■ The dispute goes back to December 2010, when Cyprus and Israel signed a maritime border agreement that was denounced by Lebanon

borders of third states.

The agreement was never ratified by the Lebanese Parliament, largely because of pressure from Turkey, which denounces all maritime border

LEBANON-ISRAEL MARITIME BORDER DISPUTE



Total announced plans to explore in the north of Block 9, far away from disputed area.

agreements signed by the Republic of Cyprus with its neighboring countries. As such, the agreement never entered into force.

It wasn't until April 2009 that a Lebanese commission tasked with defining the coordinates of Lebanon's EEZ completed its work, identifying Point 23—17 km south of Point 1—as the southernmost point of Lebanon's EEZ. The coordinates were approved by the cabinet on May 13, 2009 and by Parliament on August 4, 2011. In accordance with UNCLOS, Lebanon submitted the relevant charts and lists of coordinates to the UN in July and October 2010 and in November 2011. Just like Israel's 2011 submissions, these were unilateral determinations and do not amount to border delimitation.

The question is: Why did Lebanon sign a border agreement with Cyprus in 2007, more than two years before it had a precise definition of the borders of its EEZ?

ISRAEL'S OPENING

While the Lebanon–Cyprus agreement was never ratified and did not reflect Lebanon's final position on the southern boundary of its EEZ, it did provide Israel with an opening. In December 2010, Israel signed a similar offshore border agreement with Cyprus. This deal ignored the coordinates that had been declared by Lebanon and sent to the UN a few months prior, instead using Point 1—the southernmost marker referenced in the 2007 Lebanese–Cypriot agreement—as the northernmost marker in the Israeli–Cypriot agreement. It allowed Israeli Prime Minister Benjamin Netanyahu to say in July 2010 that “the outline that Lebanon submitted to the UN ... conflicts with the line that we have agreed upon with Cyprus and—what is more significant

in my eyes—it conflicts with the line that Lebanon itself agreed upon with Cyprus in 2007.”

While Israel objected to the southernmost coordinates submitted by Lebanon, less known is the fact that Syria also objected to the delineation provided by Lebanon. In a letter transmitted to the UN Secretary-General on July 15, 2014, Syria stated

■ While the Lebanon–Cyprus agreement was never ratified, it did provide Israel an opening

that the delineation does not have “any binding legal effect on other states. It remains only a notification, and one to which the Syrian Arab Republic objects.” This could open Lebanon to similar dispute with Syria in the future.

Comment

Of course, the Israeli–Cypriot agreement, like the Lebanese–Cypriot agreement before it, included the standard clause specifying that the geographical coordinates of the first and last markers may be adjusted in light of future delimitation of the EEZ with other neighboring states. This left room to maneuver.

The overlap is a triangle around 856 square kilometers in size that widens as it goes further out to sea. According to Frederic Hof, the first US mediator to be involved in the EEZ disagreement, disputes of this nature are common, and “both sides acted professionally in their calculations and performed in ways fully consistent with customary international practice.”

AMERICAN MEDIATION

Because Israel is not a signatory to UNCLOS and because of the political situation between Lebanon and Israel, a third-party mediation was the optimal choice to try to find a solution to the dispute. Cyprus offered its services a couple of times, but the Americans were the first to submit a potential resolution to the impasse. Hof presented a plan in May 2012 to create a provisional but legally binding maritime separation line and a buffer zone with no petroleum activities. According to media reports, it acknowledged that around 500 square kilometers of the disputed area belong to Lebanon. It received mixed reactions in Lebanese media but was neither approved nor officially rejected at the time.

Amos Hochstein, the deputy US assistant secretary of state for energy diplomacy, took over Hof’s mediation efforts at the end of 2012. In Beirut, the handoff was seen as an opportunity to put Hof’s plan aside and seek more favorable proposals. In November 2013, Hochstein reportedly submitted to Lebanese officials a plan to draw a maritime “blue line” similar to the one established

by the UN in June 2000 to demarcate the Lebanese–Israeli land border. The line would be temporary in nature and was meant to curtail tension between the two countries by prohibiting any exploration within the disputed area until a solution is reached. The plan made room for a limited role for the UN, acknowledging a Lebanese demand to involve the UN in the process. It was seen as a good starting point in Lebanon but was not met with enthusiasm in Israel. Frequent power vacuums in Lebanon did not help. By the time Lebanon had fully functioning institutions, with a new president in Baabda in October 2016 and a new cabinet in December 2016, the end of the Obama administration was only weeks away, bringing with it the end of Hochstein’s mediation. The Trump administration had other priorities, and didn’t actively involve itself on the subject until recently. A week after Liberman’s comments in December 2017, Acting US Assistant Secretary for Near Eastern Affairs David Satterfield visited Lebanon in preparation for Secretary of State Rex Tillerson’s visit to Beirut on February 15. The US appeared to be dusting off the Hof plan, and Beirut was not thrilled. Lebanon made a counterproposal to demarcate the border via a trilateral committee including Lebanese, Israeli, and UN representatives, in addition to experts and American diplomats—a procedure similar to the one used in 2000 to demarcate the land border known as the Blue Line. (The offshore extension is now being referred to as the White Line.) But both the US and Israel prefer to keep any UN role minimal.

For now, there is a lack of urgency in Beirut to settle the dispute—or, more precisely, to move forward with plans that seem unfavorable to

Lebanon, now that Block 9 has been awarded and actual escalation is not expected, given that it is likely not in the interest of any party. The awarding of Block 9 and the upcoming exploratory activities within it were what triggered the Israeli comments at the end of January.

Block 9 covers 1742 square kilometers, out of which around 145 square kilometers (around 8 percent) fall within the disputed area. At the official signing ceremony for the exploration and production agreement on February 9, Total’s Stéphane Michel confirmed that

■ Block 9 covers 1742 square kilometers, out of which around 145 square kilometers (around 8 percent) fall within the disputed area

the company’s target for drilling in Block 9 is going to be in the northern part of the block, some 25 km away from the disputed area. It is hoped that this will contain tension and allow the company to proceed with its work undisturbed. But will it be enough? Total has committed to drilling at least one well in Block 9. Failing to drill will incur a penalty worth tens of millions of dollars. But it’s not uncommon for a company to take that hit if it estimates that a penalty is less costly than drilling. In fact, in early 2015, just before the discovery of Zohr, a large natural-gas field off the coast of Egypt, reignited interest in the region, Total failed to proceed with its commitments in Cyprus and relinquished Block 10 without drilling any well.

Until next year, then, all eyes will be on the political actors in this tale.

MONA SUKKARIEH is the cofounder of Middle East Strategic Perspectives (mesp.me), a Beirut based political risk consultancy.



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MARITIME BORDER DISPUTE TIMELINE

LEGEND

-  Lebanese actions/actors
-  Israeli actions/actors
-  Mediators & others
-  Gas discoveries
-  Major declarations
-  Government action
-  Inter-governmental agreement
-  Mediation effort
-  Corporate action

1995



Jan 5: Lebanon ratifies the United Nations Convention on the Law of the Sea.



May 13: The Council of Ministers approves the coordinates of Lebanon's EEZ.

2007



Jan 17: Lebanon signs a border delimitation agreement with Cyprus, using Point 1 as the southern limit of its Exclusive Economic Zone (EEZ). The agreement includes a standard clause specifying that the geographical coordinates of the first and last markers—in this case Point 1 and Point 6 may be adjusted in light of future delimitation of the EEZ with other neighboring states. The agreement never entered into force as it was not ratified by the Lebanese Parliament.



Oct: Council of Ministers endorses the petroleum policy.

2010



Jun 24: *"We will not hesitate to use our force and strength to protect not only the rule of law but international maritime law."*

Israeli Minister of Energy and Water Uzi Landau



Jul: Lebanon and Syria agree to delimitate maritime border. Delimitation was never pursued due to the conflict in Syria.



Jul–Oct: Lebanon submits charts and lists of geographical coordinates of points defining the southern limits of its EEZ to the UN.



Aug 17: Lebanese Parliament passes the Offshore Petroleum Resources Law (Law 132/2010).

2009



Jan 17: Discovery of the first major gas field in the Levant Basin, Tamar, by Texas-based Noble Energy. It is estimated to contain around 10 trillion cubic feet of natural gas.



Apr 29: Lebanese commission tasked with defining the borders of Lebanon's EEZ completes its work. It defined Point 23 as the southern limit of Lebanon's EEZ, 17 km south of Point 1.



Dec 17: Israel and Cyprus sign a maritime border agreement. The agreement ignores the geographical coordinates that Lebanon had submitted to the UN in July and October 2010. It includes a clause specifying that the geographical coordinates of the first and last markers may be adjusted in light of future delimitation of the EEZ with other neighboring states. The agreement was ratified by both countries and came into force in February 2011.

2011



May 19: Lebanese Minister for Foreign Affairs and Emigrants addresses a letter to Nicosia denouncing the Israeli–Cypriot agreement.



Jun 20: Lebanese Minister for Foreign Affairs and Emigrants addresses a letter to the Secretary-General of the UN concerning the Israeli–Cypriot agreement, in which he reminds the Secretary-General that Lebanon's southern maritime border extends from Point B1 at Ras Naqoura, to Point 23, and not to Point 1, as was indicated in the Israeli–Cypriot agreement.



Jun 28: Cypriot Minister of Foreign Affairs Markos Kyprianou addresses a letter to his Lebanese counterpart in which he assures him that the Israeli–Cypriot agreement does not conflict with Lebanon's rights and, similar to the border delimitation agreements concluded with other countries (including Lebanon), contains provisions allowing the amendment of endpoints. Kyprianou adds that tripartite points can only be set with the agreement of all three countries concerned and suggested the formation of a Lebanese–Cypriot committee in charge of finding a solution to this problem.



Jul 10: Israeli cabinet approves a map of Israel's northern maritime border.



Jul 10: *“The outline that Lebanon submitted to the UN is significantly further south than the line Israel is proposing ... It also conflicts with the line that we have agreed upon with Cyprus and—what is more significant in my eyes—it conflicts with the line that Lebanon itself agreed upon with Cyprus in 2007.”*

Israeli PM Benjamin Netanyahu



Jul 12: Israel submits a list of geographical coordinates for the delimitation of the northern limit of its territorial sea and EEZ.



Jul 26: *“We warn Israel against extending its hands to this area and stealing Lebanon's resources ... Whoever harms our future oil facilities in Lebanese territorial waters, its own facilities will be targeted.”*

Hezbollah leader Sayyed Hassan Nasrallah



Aug 4: The Lebanese Parliament approves the coordinates of Lebanon's EEZ.



Sep 3: Lebanese Minister for Foreign Affairs and Emigrants addresses a letter to the Secretary-General of the UN objecting the geographical coordinates of the northern part of the territorial waters and EEZ that were submitted by the Israeli mission to the UN on July 12.



Nov: Lebanon submits additional charts and lists of geographical coordinates of points defining the western, northern, and southern limits of its EEZ to the UN. This submission takes precedence over the submissions made by Lebanon on 14 July 2010 and 19 October 2010.

2012



Feb: US offers to mediate between Lebanon and Israel. (US officials had been discussing the issue with the governments of Lebanon and Israel since spring 2011.)



May 21: US mediator Frederic Hof visits Lebanon and submits a plan to settle the border dispute. It would have established a legally binding but temporary maritime separation line pending agreement on permanent boundaries. According to media reports, it recognizes that around 500 km² of the disputed area fall within Lebanon's EEZ.




Sep 25: Hof resigns from the US State Department. Amos Hochstein who was working alongside Hof on this issue since June 2012, takes over Hof's mediation efforts between Lebanon and Israel.

MARITIME BORDER DISPUTE TIMELINE CONTINUED

Oct 1: *"I would not say friction nor cooperation, I would rather use the term of forced stability ... Equilibrium of forces creates stability by itself ... No one has interests, and especially the Israelis, to create a disturbance at that level because no one in that part of the Levant is allowed to produce gas without the other."*
Energy Minister Gebran Bassil


Oct 6: Hezbollah sends an unmanned aerial vehicle into Israel. The surveillance drone, named Ayoub, flew hundreds of kilometers over Israeli waters and lands, including over sensitive areas and installations, in a move meant to signal the group's advanced deterrence capacities. Hezbollah leader Sayyed Hassan Nasrallah also hinted that Hezbollah may possess more sophisticated attack drones.

 **Dec 3:** Cyprus offers to mediate between Lebanon and Israel.

-2013


 **May 22:** Noble Energy announces the discovery of Karish, a gas field estimated to contain around 2 trillion cubic feet of natural gas. At its nearest, it is believed Karish lays about 5 km from the Lebanese border. The discovery sparked fears in Lebanon that Israel could attempt to siphon Lebanese gas during the development of Karish.

Jul 5: *"Theoretically... Israel is now able to reach Lebanese gas and that is a very grave situation ... We cannot yet say that a disaster has happened, but the new Israeli discovery may indeed lead to one, especially if Lebanon's efforts continue to be plagued by delays."*
Caretaker Energy Minister Gebran Bassil's declaration after the discovery of Karish

 **Nov 19:** Hochstein visits Lebanon and reportedly submits a number of proposals, including a plan to draw a maritime "Blue Line" similar to the one established by the UN in June 2000 to demarcate the Lebanese-Israeli land borders. The proposed line is temporary in nature and is meant to contain the tension between the two countries by prohibiting any exploration within the disputed area until a solution is reached. It also makes room for a limited role for the UN, acknowledging a Lebanese demand to involve the UN in the process.

Nov 19: *"It is not about square kilometers or lines. It is about how do we get to a point that creates an investment climate that maximizes the potential for international oil companies to invest in Lebanon and in Israel, and for both countries to be able to flourish in the energy sector."*
Amos Hochstein

Nov 27: *"It is very important to settle the border issue, first, to preserve our rights, and second, to reassure companies. Although this doesn't mean companies will not come prior to settling the border issue. They could operate in undisputed areas."*
Caretaker Energy Minister Gebran Bassil

 **Dec:** Speaker Nabih Berri requests the UN to draw a "White Line," a temporary maritime border.

-2014

May: *"Disputes of this nature are by no means uncommon ... In this case, both sides acted professionally in their calculations and performed in ways fully consistent with customary international practice."*
Frederic Hof, writing in "Energy in the Eastern Mediterranean," a joint report by the Egmont Institute and the Atlantic Council.

-2016

 **Aug 10:** Israel approves new offshore oil and gas exploration areas ahead of launching its first licensing round in November 2016. The new map divides the disputed area, which had not been included in previous maps, into three new blocks.



Nov 15: Israel launches its first offshore licensing round but refrains from offering the three blocks that fall within the disputed area.

2017



Jan: Lebanon resumes its first offshore licensing round after the cabinet adopts key oil and gas decrees. Five blocks are offered, including Blocks 8, 9 and 10 along the southern border.



Mar 23: *“The recent decision taken by Israel on the territorial waters is equal to a declaration of war on Lebanon.”*

Speaker Nabih Berri in reaction to a proposed Knesset bill that would redefine Israel's maritime border to include the disputed area.



Oct 12: A consortium made up of France's Total, Italy's Eni, and Russia's Novatek submits an offer for Block 9 in Lebanon's licensing round. Block 9 includes a small area that is claimed by Israel.



Dec 14: Council of Ministers approves awarding Block 9 to the Total–Eni–Novatek consortium. Block 9 covers 1742 km², out of which around 145 km² fall within the disputed area.

2018



Jan 29: *“The reservoir planned for drilling in Block 9 is far from the disputed maritime area between Lebanon and Israel.”*

Eni CEO Claudio Descalzi



Jan 30: *“[This is] one example where I believe the UN good offices role could be an important tool.”*

Acting UN Special Coordinator for Lebanon Pernille Dahler Kardel



Jan 31: *“When they issue a tender on a gas field, including Block 9, which by any standard is ours ... this is very, very challenging and provocative conduct here ... ‘Respectable firms are, to my mind, making a grave error—because this is contrary to all of the rules and all protocol in cases like this.’”*

Israeli Defense Minister Avigdor Lieberman



Jan 31: *“Lieberman's words about Block 9 are a threat to Lebanon and its right to sovereignty over its territorial waters.”*

President Michel Aoun



Feb 7: *“We hope for, and are prepared to move forward on, a diplomatic resolution to this matter ... The Lebanese, too, have their own economic waters in which they want to search for gas and oil. And they have such a right—so long as they do not threaten and certainly not penetrate our demarcated waters.”*

Israeli Energy Minister Yuval Steinitz



Feb 8: Acting US Assistant Secretary of State for Near Eastern Affairs David Satterfield visits Lebanon following a trip to Israel. The visit comes eight days after Israeli Defense Minister Avigdor Lieberman's statement on Lebanon's Block 9. Satterfield reportedly presents ideas to maintain stability at the border.



Feb 9: *“The target for drilling in Block 9 is in the northern part of the block, some 25 km from the border.”*

Stéphane Michel, president of Middle East and North Africa exploration and production at Total



Feb 15: *“What is ours is ours and what is Israel's is Israel's. We are trying to find solutions that will be fair to us and fair to everyone.”*

Prime Minister Saad Hariri

A nudge in the right direction



Integrating behavioral science and policymaking

From preventing simple traffic violations to curbing rampant corruption, ensuring compliance with the rule of law in Lebanon is a serious challenge for policymakers. Heavy-handed controls often do not work, as they rely on individuals making rational decisions, and financial incentives are not sustainable in the long-run. What else can the government do to improve compliance and promote a rule-of-law culture?

Part of the answer lies in a concept known as nudging: using cost-effective policy tools to steer people in the right direction by making small changes in the environment, without restricting their freedom of

choice. Effective nudges include placing healthy food items at eye level in cafeterias to increase healthy eating habits, telling households about their neighbor's energy-consumption levels to encourage them to reduce their own consumption, or texting parents about their children's progress in school to engage them in their kids' academic performance. The trick to getting people to change their behavior is, as the 2017 economics Nobel laureate Richard Thaler put it, to "make it easy."

IRRATIONAL BEINGS

The theory behind nudging integrates psychology and other insights from behavioral sciences into policy-

making, designing policies with realistic assumptions about how people behave.

Classical economic theory is premised on the core belief that humans are rational and base their choices on unbiased beliefs. But books such as "Nudge" by Richard Thaler and Cass Sunstein and "Thinking Fast and Slow" by Daniel Kahneman question that rationality, and provide much of the intellectual backbone for nudging in the past decade.

Former UK Prime Minister David Cameron's Behavioral Insights Team was the first government agency focussed on nudging, or nudge unit, in the world, and was soon followed by other governments, including for-

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Nudging could end the scourge of smokers in public spaces

mer US President Barack Obama's Social and Behavioral Science Team. In the region, Qatar's Behavioral Insights Unit led the way in 2016 and was soon followed by Lebanon and Kuwait; Saudi Arabia, among others, is looking to create its own unit in the future. This global explosion of nudge units is driven by the desire to experiment with what works—data-backed interventions—in policy areas such as health, education, inclusion, and finance, rather than rely on intuition.

The impact of such interventions is tested through randomized controlled trials, a common experimentation method traditionally used in clinical trials. Lebanon's first nudge unit, Nudge Lebanon, has tested numerous small behavioral interventions and demonstrated the profound impact it has on increasing citizen compliance with the law.

In one experiment, Nudge Lebanon partnered with Electricité du Liban to improve timely payment of electricity bills in Saida by sending customers letters informed by behavioral psychology. Among the intervention letters was one that read, "Your country needs you. Be a good citizen and pay your due electricity

bill on time," priming people's sense of patriotism. Another informed people when 90 percent of their neighbors had already paid, asking if they wanted to join them. These nudges increased timely payment by 15 percent and 13 percent respectively, compared to the control group.

NUDGE EXPERIMENTS

In an experiment aimed to encourage drivers and passengers to fasten their seatbelts, hotel valet parking attendants delivered a verbal prompt, "Be safe; please don't forget to put on your seatbelt." This increased the number of those who wore their seatbelt by 82.8 percent compared to the control group. Another experiment reduced the amount of plastic cutlery that restaurants gave out with delivery orders by 79 percent simply by asking people if they actually wanted them.

Other nudge experiments currently underway include efforts to increase payments in Lebanese lira (in line with the central bank's strategy to reduce dollarization in Lebanon),

promote voluntary compliance with the smoking ban in restaurants, reduce illegal u-turns, and encourage victims and witnesses of government corruption to report these incidents and seek legal advice.

Many of Lebanon's policy challenges have underlying behavioral roots that cannot be addressed with traditional tools: for example, people might have limited willpower to act on their intentions. Policy levers like command and control—threatening punishment to secure compliance—or financial incentives and subsidies fall short in addressing these behavioral pitfalls. Nudging people in the right direction using simple changes in context can help close the gap between people's intentions and actions.

These evidence-based methods have their efficiency gains for government as well: They could nudge citizens into complying with traffic rules and regulations, bring in much-needed cash flow by increasing on-time payments of taxes and utility bills, get people to save more for their pensions using default rules (rather than relying on people to opt-in to pension schemes), and encourage regular health checks with timely

■ One experiment reduced the amount of plastic cutlery that restaurants gave out by 79 percent

reminders via SMS. While these interventions might not solve all the problems plaguing Lebanon, they can provide inexpensive, measurable improvements that can be built on in the future. ■

FADI MAKKI is a former director general of the Ministry of Economy and Trade in Lebanon and a pioneer in the applications of behavioral economics and nudge theory in the Middle East. He is founder of Nudge Lebanon and the Qatar Behavioral Insights Unit, and member of the World Economic Forum Council for Behavioral Sciences.

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By Manal Abdel Samad Najd

VAT rises from 10 to 11 percent

It's still the second-lowest rate in the region

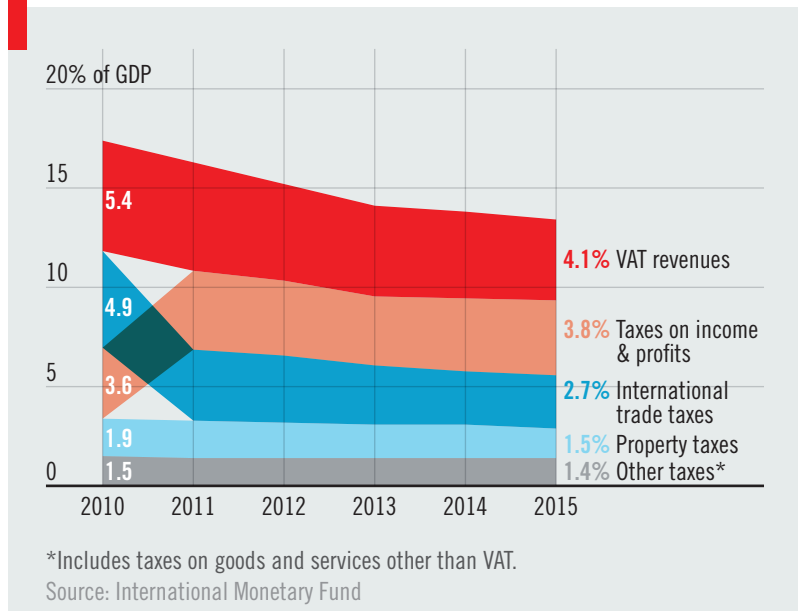
Since at least 2011, the IMF has urged the Lebanese government to increase its VAT rate and to broaden the tax's base by lowering exemptions.

After this year's increase of the VAT standard rate by 1 percent, from 10 to 11 percent, Lebanon's VAT rate is still the second-lowest in the region after Djibouti, and there remains room for increasing it without hindering its efficiency, according to the IMF's 2017 report on Lebanon. Lebanon's VAT standard rate is even less than the average rate of 15.7 percent for its peers in upper-middle income developing countries, according to a 2011 IMF report.

Lebanon's VAT increased by 1 percent on January 1; however, it is expected to contribute no more than an additional 0.7 percent to tax revenues (assuming all other factors remain constant). The impact of this raise is alleviated by the wide range of exempt goods and services, such as basic needs (meat, dairy products, medicines) and the supply of some activities of public interest (medical services and education). It is also possible to deduct the tax paid on purchases (input VAT) from that collected from customers (output VAT) on taxable activity; only the net balance is filed and paid to the treasury, which eliminates what is known as the cascading effect of the tax. In addition to preserving these exemptions, the 2017 law taxed no new items, goods, or services.

It is well known that taxes, while not popular, are needed. The introduction of VAT in 2002, the tax on bank interest in 2003, and then increasing both in 2017, were not undertaken by choice, but were instead a bitter treatment for the increasing public debt and its service. A flashback in fiscal history shows that Lebanon's economic situa-

GOVERNMENT REVENUE SOURCES AS PERCENT OF GDP



tion has deteriorated since 2010, placing public finance in a worrying situation and requiring the government to optimize its tax revenues. This critical public finance situation now requires the Lebanese state to significantly increase tax revenues. Therefore, the government has not only focused on raising taxes, but also implemented comprehensive reforms of the tax administration. Focusing mainly on the modernization of the latter, these developments aim at keeping pace with global changes, such as setting up an organizational structure based on the function type (e.g. audit, data processing, taxpayers' services, objection, and appeal) instead of the tax type income tax, inheritance tax, VAT, etc. This will result in strengthening the transparency

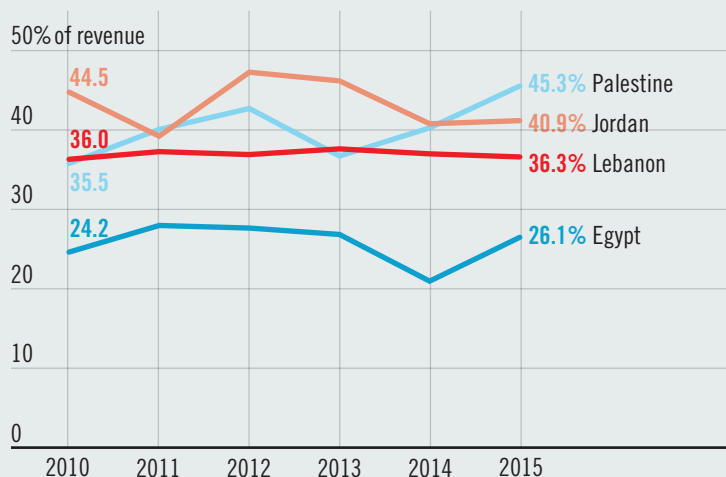
and accountability of agents, as well as improving the relationship between the tax authority and taxpayers.

Raising taxes does not only aim at generating revenues; it also has a sig-

■ This critical public finance situation now requires the Lebanese government to significantly increase tax revenues

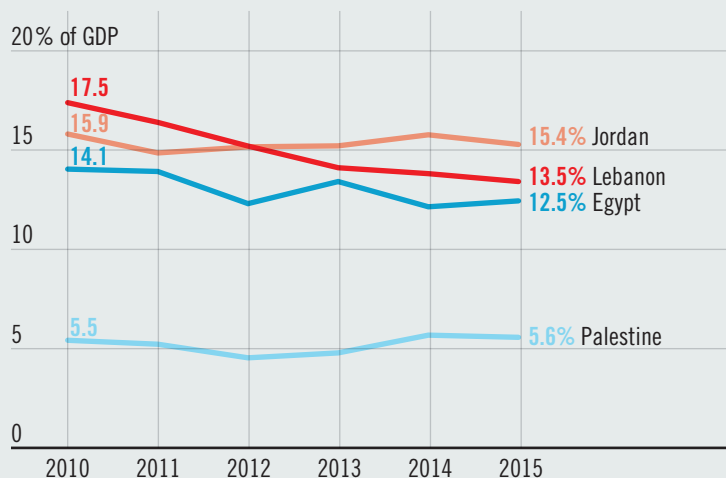
nificant role in ensuring social justice. Lebanese taxation is based on the co-existence of two regimes—proportional and progressive—allowing both the tax administration and the taxpayer to cumulate their advantages. Since a VAT was first introduced in February 2002, this tax has become the most important source of tax revenue for the treasury due to its sheer tax base (see chart).

TAX ON GOODS & SERVICES AS PERCENT OF GOVERNMENT REVENUE



Lebanon data from IMF; other countries from World Bank.
Source: International Monetary Fund; World Bank

GOVERNMENT REVENUE AS PERCENT OF GDP



Lebanon data from IMF; other countries from World Bank.
Source: International Monetary Fund; World Bank

With a single standard rate, VAT contributes some LL3 trillion (or \$2 billion) per year, more than one-third of Lebanon's annual tax revenues, or about 0.52 percent of GDP per one percent of VAT, according to the IMF. It is an indirect tax collected on behalf of the treasury by registered companies. This destination-based tax does not differentiate between

imported and locally produced goods; it is levied on all taxable products and services delivered on Lebanese territory.

After more than a decade of VAT in Lebanon, indicators show that it is an effective form of taxation. The question remains: To what extent does this tax help mobilize the revenues of the state and rebuild the tax system? It would

be desirable to have a tax that is evolving, profitable, difficult to defraud, and well recovered, with low exemptions and derogations. The increasing implementation of VAT in the world—more than 160 countries out of 190 have some form of VAT—indicates that this tax has proved to be a robust source of revenue, representing more than one-third of state tax revenues. Due to its sheer base, VAT is responsible for collecting a significant amount of tax revenues that ensure the sustainability of public finance.

In addition, the implementation of a single VAT rate, with a system of reverse charge of the tax by companies and a declarative system that relies increasingly on e-filing and e-payment, helps limit the cost of administering this tax and cuts the tax compliance cost. A multitude of tax rates makes the management and control of VAT more complex, which encourages tax evasion and fuels litigation. A single rate ensures the simplicity of the system, with less limitation to meet tax obligations.

Citizens notice any increase in tax rates, but overlook tax exemptions. Substantial VAT exemptions have been established in the Lebanese tax law since March 2012, such as the exemption applied to red and green diesel.

If we want a civilized society, we should start by ensuring a modern tax system based on effective and efficient taxes. We citizens are all responsible for paying our taxes. This is a cornerstone for a better quality of life and a prosperous Lebanon. Meeting spending needs and the sustainability of the public finance cannot be ensured by continuous government borrowing, but by mobilizing tax revenues based on a fair and modern tax system. The misery of every society is when the government stops adjusting its regulations and taxation system and refrains from raising taxes, the main source of the country's revenues. This, however, will not be the case in Lebanon.

MANAL ABDEL SAMAD NAJD is the head of the VAT Legislation and Tax Policies Department at the Ministry of Finance

By Talal F. Salman

The petroleum legislative framework for Lebanon

Now is the time

Now that Lebanon has signed the first two exploration and production agreements (EPAs) for offshore oil and gas, companies will prepare the groundwork to start drilling at the beginning of 2019. This achievement is a long time coming. The first oil-related legislation, the Offshore Petroleum Resources Law, was enacted in 2010; the sector's regulator, the Lebanese Petroleum Administration, started operating back in 2012; the block delineation and the model EPA were enacted as decrees in January 2017, almost four years after they were first drafted; and the petroleum-income tax law—a necessity to complete the Lebanese petroleum fiscal regime—was enacted in October 2017, two years after it was first drafted.

This process has taken far too long. Egypt started production of the giant Zohr gas field within three years of finding it. But the constant delays that Lebanon's oil and gas sector witnessed over the past years—very much interconnected to major regional crises—should not be the reason for interest groups such as Lebanese Oil and Gas Initiative (LOGI) to be blasé when evaluating the current efforts to complete the legal foundations of the sector, which are a prerequisite for a successful, well governed, well invested, and regulated sector. The late arrival of LOGI to the game does not mean the work that has been done over several years needs to be halted because LOGI thinks so.

There are still very important laws that need to be enacted to promote confidence in the Lebanese petro-

leum investment climate, ensure transparency toward the public—the ultimate owner of any resources found—and lay down solid legal and governance foundations for operating the sector. Four important laws are currently at the initial stages of the parliamentary process: They cover the establishment of a petroleum asset-management department, a sovereign wealth fund (which this author helped draft), and a national oil company, as well as prospects for onshore exploration. The proposed legislation is not being hurried through Parliament, but rather is being discussed at length in subcommittees. The fact that Lebanon currently has the right set of circumstances to make up for the years that we missed should not be mistaken for the conspiracy theory that the laws are being rushed.

These laws have been prepared by very capable Lebanese policymakers and legislators for more than two years. It is vital in any policymaking process to involve interest groups, the media, civil society, and independent experts. It is also essential that Lebanon not fall into the trap of the resource curse, a situation where countries rich in resources tend to have poorer economic growth, flawed democracies, and less development than those without. Interest groups and experts are rightfully highlighting the risks—however, they should know that these laws have been proposed to protect us from the resource curse, and so should be careful about what kind of messages they are trying to send to the public. Halting the laws is not the solution, reaching out to the

OIL & GAS LAWS

Here is a summary of the four laws that have recently been referred to parliamentary committees with a brief explanation of why they are essential:

1. Petroleum Asset Management Department (PAD) Law:

This law would establish a new department under the Ministry of Finance with two major duties. The first is to assist the Minister of Finance in drawing up an investment mandate for the sovereign wealth fund (SWF), which would then need to be approved by both the Council of Ministers and Parliament. Following best practice worldwide, the investment mandate would be a technical document prepared by experts at the Ministry of Finance and approved by the government, setting out general guidelines for the SWF in the context of Lebanon's macroeconomic policy, including risk tolerance of the investment choices. The role of the SWF is to manage the funds and not to design fiscal or investment policies; the investment mandate, prepared worldwide by policymakers at the Ministry of Finance, presented by the minister, and approved by government, is designed to ensure the SWF is in line with the central government's vision for the economy. The second role of the PAD is to audit the companies operating in the petroleum industry to ensure the proper collection of the 20 percent income tax. Auditing petroleum activities is a new responsibility

legislators behind them and providing constructive comments is far more useful. Joining in the efforts to achieve the ideal legislative framework is more productive than campaigning against the need for new laws.

for Lebanon, and the proper experts should be hired to support the MoF in its revenue collection role.

2. Sovereign Wealth Fund

Law: The cost of debt in Lebanon has become very high, and economic fundamentals would suggest that debt should be paid down with any influx of extra government funds before attempting to generate higher returns in financial markets. But this logic is flawed and dangerous in the context of Lebanon. The problems of chronic debt, lack of investment in infrastructure, failing public services, and high yearly deficit are not caused by a lack of funds, so using income from petroleum activities to pay down the debt is not the solution.

Public-private partnerships can resolve the infrastructure and public-services problem, while cutting non-productive subsidies and improving the tax-collection system can solve the chronic deficit and debt problem. Income from non-renewable resources should be turned into off-balance-sheet renewable financial resources for future generations, to be used only under strict terms and in the right sectors of the economy.

The current draft of the SWF law has very strict fiscal rules for spending, and only allows minor alleviation of the debt burden in the specific case where the government has turned its chronic deficit problem into a debt-sustainable

primary surplus—a major achievement, if it were to take place. More importantly, the law ensures checks and balances based on the best corporate governance practices, helping the board of the fund, the finance minister, the cabinet, Parliament, internal auditors, two external auditors, the PAD, and the SWF management interact without overstepping their responsibilities. Moreover, it ensures full transparency of operations by publishing all reports online.

It will take several years to have an able home-grown team in place to manage such a fund, so any delay now will be magnified down the road. The tens of millions of dollars already generated by selling geophysical data to companies could be the seed money for the fund. Lebanon has always been a borrowing country, so launching a culture of savings is important. The fear of building new institutions, overstaffing them, and causing wasteful spending is justified, given the weak corporate governance practices in Lebanon, but should not be a reason to choose the do-nothing approach. Rather, it should encourage a do-it-right approach.

3. National Oil Company

(NOC) Law: This law does not establish the NOC, but rather organizes its corporate governance, defines the participation methodology of the government, and starts consolidating government oil and gas assets under one legal

entity. The law clearly states that the NOC will be established in accordance with the 2010 Offshore Petroleum Resources Law (OPRL), which states it must be established by a cabinet decree—and after the proof of commerciality, not right away, as some misinformed experts suggested. Hence, this law would send the proper signal to international oil companies about the methodology of government participation. The objective is to be transparent about the incentives of the government in future licensing rounds since the participation method of the state will impact the economics of future exploration and production agreements.


4. Onshore Exploration Law:

As the OPRL covers only offshore exploration, production, and decommissioning activities, a legislative framework is clearly missing for any onshore activities, which are usually very different in nature, but equally important to organize the activities of the sector as a whole. This law would set the scope of onshore activities including development, production and decommissioning, the ownership of resources, the methodology for land expropriation, the participation of the state, the role of different government entities, and the preservation of any cultural or historic heritage, among other important components that the OPRL similarly covers.

Additionally, last year's Right of Access to Information law, the Petroleum Transparency Law—which is reaching the final stages in parliament committees—and the plan to join the Extractive Industries Transparency Initiative will all contribute

to the transparency of the sector.

The Lebanese economy has struggled for many decades to overcome various internal and external hurdles on the path to proper growth, and is currently at a quarter of its true potential. The proposed pe-

troleum-related laws are important building blocks toward this holistic approach, and there is no shortage of talent in Lebanon to achieve the vision we all share. 

TALAL F. SALMAN is the director of UNDP's fiscal advisory and reform project.

By Scott Preston

No stimulus, no problem



The potential silver lining in the restriction of subsidized mortgages

Since 2013, Banque du Liban (BDL), Lebanon's central bank, has announced over \$6 billion in annual stimulus packages to prop up the country's faltering economy. A range of sectors, from energy to education, have benefited from stimulus-facilitated credit, but none more so than the real estate market. Year after year, property developers and consumers have grown to expect and rely on the disbursement of BDL-subsidized mortgages, which have attracted the lion's share of the government's stimulus money.

For years, bankers and real estate executives have said that the market is driven almost entirely by purchases with subsidized loans. Perhaps this is why the latest billion-dollar stimulus package caused such a stir following its anticipated but delayed announcement. On February 2, new measures were introduced through Circular 485 that hiked mortgage interest rates, tightened qualifications, and shortened maturities on subsidized housing

loans for certain banks. For the first time, BDL predetermined a \$500 million tranche of the stimulus package to be distributed among banks for 2018. But on February 23, BDL's governor, Riad Salameh, revealed that several banks had already nearly exhausted their quota of stimulus funds for the year. Furthermore, Salameh added that he would not grant a follow-up stimulus package to the banking sector as he had the year before.

While the restriction of mortgages and the early depletion of ear-marked subsidies may sound alarming to prospective home buyers, others welcome the notion of a real estate market uninfluenced by BDL's supplementary financing. Opponents of the stimulus package say that government interventions enable buyers to afford expensive real estate and sustains housing prices out of the reach of many consumers.

"In terms of supply, buildings are being built and projects are being developed, but demand is being inflated by these subsidies," explains Walid

Marrouch, associate chair of LAU's department of economics. "In economics, we call it demand-side management. You can intervene in the market in two ways—demand-side management and supply-side management—or you can do nothing. Usually, demand side-management doesn't help the buyers. It helps the sellers. It doesn't allow prices to go down. So who benefits? The banks and sellers; the developers."

A recent master's thesis by Jamila Youssef, a 2017 graduate of the Lebanese American University's applied economics program, tracked the effect of monetary policy on housing prices from 2000 to 2016. Under Marrouch's advisory, Youssef created a proxy for real estate prices by dividing the total value of real estate transactions, supplied by the Order of Engineers, with the total number of transactions from the Central Administration of Statistics. Using import values as a control variable, she studied the new, monthly price-per-transaction figures against interest rates and the loans to the private sector.

Youssef's modeling produced two main findings. First, a 1 percent increase in subsidized loans to private sector developers increased the average price of one real estate transaction by 0.18 percent. Second, a 1 percent decrease in interest rate increased the prices by 0.37 percent.

Observing the results of the study, Marrouch feels confident that BDL's policy aimed to prevent housing prices from declining. "When you look at the time series of the data between 2000 and 2016, you notice there's a change in the trend [of evolving real estate prices]," he says, in reference to the graph of interest rates and housing prices. "Between 2000 and 2006, there's a relatively flat trend; between

2006 and 2011, the trend changes and becomes steeper. Then, after 2011, after the Syrian crisis started, it started to flatten out. But then, when you look at the intervention of the central bank with these circulars to subsidize loans and other things, they start to occur when [prices] start to flatten ... It seems that the intervention was there to support the price.”

Ali Termos, a professor of finance at the American University of Beirut, charted price-per-transaction figures using similar data for a study commissioned by the Ministry of Environment. He notes that the proxy seems to reflect actual market activity fairly accurately. Although Byblos Bank maintains an index of housing demand, he says Lebanon still does not have a proper, national housing-price index that tracks the value of individual properties over time.

RAMCO Real Estate Advisors monitors the prices in Beirut’s downtown area for projects starting at \$3,000 per square meter, and has found marginal declines under 2 percent in recent years. However, these are asking prices, and are not representative of the market as a whole. Anecdotal reports acknowledged by RAMCO suggest that developers are offering substantial discounts of up to 30 and 40 percent in order to liquidate their stock.

THE PRICE PROBLEM

In light of the reductions of final asking prices, some economists have cast doubt on the inflationary effect of the stimulus packages. Nassib Ghobril, chief economist at Byblos Bank, says, “Housing prices declined since 2011 after the boom years, and the market was stagnating, so mortgages were taken for specific sizes for small apartments in general. We have been in a buyers’ market for real estate, so there was no risk of price inflation because of the stimulus. It was a way to generate demand in a very stagnated real estate market, and the demand generally remained in the small-size—sometimes

medium-size—apartments.”

On the other hand, Jihad Hokayem, a lecturer in real estate investment strategy at the Lebanese American University, believes that the country is in for an impending wave of price declines due to a slump in oil prices from 2016. Citing his own research, Hokayem tells EXECUTIVE that the falling value of hydrocarbon resources has weakened oil-dependent economies in the region where Lebanese expats often work. As a result, remittances to Lebanon will eventually decrease as well, reducing local purchasing power and eroding housing demand. By October of this year, Hokayem predicts that prices could fall as much as 55 percent from their peak in 2011. This, he says, creates a dilemma for BDL.

“The central bank has to decide whether to defend the Lebanese pound or to defend the Lebanese market, because it doesn’t have enough funds to defend both. We cannot keep on pumping money,” Hokayem tells EXECUTIVE. “[The] real estate sector is [worth] trillions of dollars. You cannot prevent its crash. So let’s acknowledge the problem.”

UNPRODUCTIVE EMPLOYER?

Supporters of the stimulus packages, like Massad Fares, a representative of the Real Estate Association of Lebanon, say that keeping the real estate sector afloat is important for the functioning of the economy as a whole. “To make a building, you need 70 different trades. It activates the whole economy. It activates industry; it activates workmanship, the aluminum, the tiles, the import, the export, everything,” says Fares. “When there’s no construction, [none] of these people are working.” Fares adds that real estate developers will lobby the government to implement its own stimulus measures amid concerns that BDL can no longer afford the subsidies.

The central bank claims that stim-

ulus packages—and the real estate sector they subsidize—have been key to sustaining the economy since they were first introduced. According to comments published in *The Daily Star*, Salameh stated in 2016 that the incentives contributed to approximately 67 percent of GDP growth, which the World Bank estimates at 1.8 percent that year. By 2018, he said that 120,000 people had benefited from subsidized loans since the first stimulus package in 2013, as reported by LBCI in Feb-

■ “The central bank has to decide whether to defend the Lebanese pound or the Lebanese market.”

ruary. Economists disagree on the accuracy of these figures but say that it is difficult to make an independent assessment without data from BDL.

Regardless of the stimulus’ current economic impact, some critics believe that subsidies would be better applied to other sectors. While real estate sales may generate high revenues, those profits are accrued through one-time transactions, explains Marwan Mikhael, head of research at Blom Bank.

“[The stimulus] is contributing to year-on-year growth but its not increasing the potential GDP, which makes it, to a certain extent, unproductive. If you had a stimulus, for example, for a certain industrial sector, and the investment is increasing potential GDP, then at a certain time you stop the subsidy, and the system is able to generate growth in the future, sustainably. But for real estate, the sector by definition does not create sustainable growth,” says Mikhael.

If the stimulus were to be cut off, Hokayem thinks that prices would have no choice but to readjust in line with local purchasing power. Subsequently, the extra cash available to Lebanese households would be reinvested in other sectors.

CIRCULAR 485

BDL's latest stimulus package comes with a number of new measures that many expect will decrease the mortgage supply, curb demand, and slow transaction activity in 2018 compared to previous years. Firstly, BDL has predetermined the amount of money that will be allocated to the real estate sector, a sum that comes in at about half of the package's total value. This LL750 billion, or \$500 million, is to be divided among banks and allocated toward subsidized interest housing loans. On top of the allotment cap, BDL is also changing the funding mechanism through which the stimulus supplies liquidity.

In the past, commercial banks were allowed to finance the mortgages by borrowing from BDL at a rate of 1 percent from the deposit reserves that they are required to maintain with the central bank, as a safeguard against economic crises. According to Joseph Sassine, general manager of Banque de l'Habitat, a public-private joint venture launched in 1977 to provide subsidized housing loans, commercial banks have depleted these reserves. Starting this year, the central bank will only subsidize the difference between the loan's market rate and minimum interest rate for subsidized loans, as set by BDL.

Phone conversations with bank tellers reveal that at least two alpha banks are suspending their BDL-subsidized mortgages for the time being. Several other banks confirm that the new interest rates would apply to mortgages that have already been granted. Some say that BDL is not sending money for subsidized loans.

In early February, BDL Governor Riad Salameh said that minimum interest rate thresholds will rise by half a percentage point to 4.75 percent for subsidized mortgages from commercial banks. BDL offerings from Banque de l'Habitat will see rates increase from 3 percent to 3.75 percent. The only low-interest loan not to be affected by Circular 485 is the Public Corporation for Housing (PCH), which breaks up principal and interest payments over two 15-year terms.

For 2018, Banque de l'Habitat has fixed a lending ceiling for BDL-subsidized mortgages at \$530,000, as it must now front the liquidity from its own fund. Despite the ceiling, Sassine states that the bank is still on track to process roughly the normal amount of applications this year. Banque de l'Habitat might also bolster its subsidized mortgage fund by borrowing at a commercial rate, which BDL has offered to subsidize down to 3.75 percent, enabling it to lend more.

But demand for the bank's mortgages could be set back, because BDL is requiring Banque de l'Habitat to trim its repayment period from 30 down to 20 years. In light of the fact that mortgage payments cannot exceed one-third of the buyers' income in Lebanon, the bank plans on issuing loans at lower amounts.


Jamil Hannouche is a managing partner at New Building Company, a developer whose portfolio is almost exclusively concentrated in Mount Lebanon, where home purchases are primarily facilitated by subsidized mortgages. Hannouche worries that the reduction of maturity windows will cool the market far more than the marginal increase in interest rates. "If this [reduction] happens, it will have a huge effect, because of the amount that the client is taking from the bank. Let's say that they are taking \$150,000 over 20 years. Now, if they have only 20 years to pay their mortgage, the bank will give them two-thirds of the amount [of the loan]. That is \$100,000, instead of \$150,000, and then they will not be able to buy anything for \$100,000. So this will be a really fatal blow to the field."

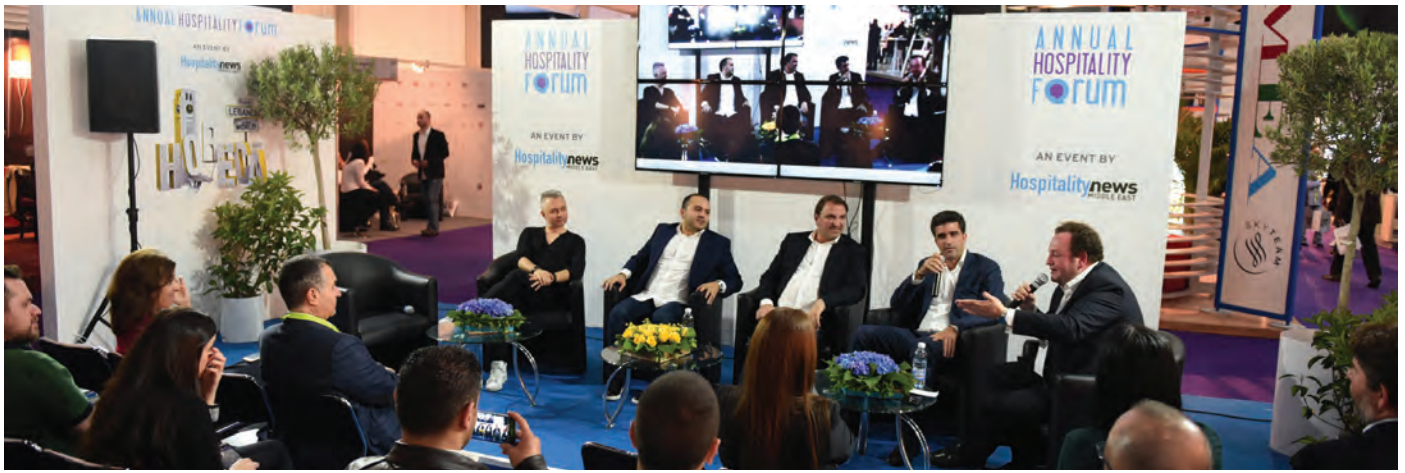
The introduction of higher interest rates, shorter maturities, and tightened mortgage qualifications—excluding applicants with housing loans or homes—have raised questions about the motivation behind BDL's sudden changes. Nassib Ghobril, chief economist of Byblos Bank, says that BDL likely hiked interest rates so that commercial banks could continue to offer higher returns on lira deposits, which were in shorter supply following Prime Minister Hariri's sudden but brief resignation last November. "This was one factor," explains Ghobril. "The bigger factor is the continuing fiscal deficit and the high borrowing need of the government that requires [the] interest rate to remain high, so the banks can meet the financing needs of the public sector and continue to lend to the private sector."

"Instead of allocating 30 percent or 20 percent of my salary to pay my monthly installment for real estate, I can just pay 15 percent, and [with] the remaining, I go more to restaurants, I change the furniture of my house. I'm going to make a certain cycle in the economy," Hokayem says. "There will be [a] multiplier effect and GDP is going to increase. So you

have to bear in mind that the decrease in real estate is beneficial for the Lebanese economy."

Whether housing prices would deflate in line with local purchasing power, and how long that would take, is anyone's guess. In 2018, BDL's demand-side management continues to inject liquidity into the market, albeit in a restricted form. The disburse-

ment of subsidized loans may be set to abate, but low interest financing will remain available through other lending institutions, such as the Public Corporation for Housing and Banque de l'Habitat. Prices could continue to drop as offers from commercial banks dry up, but, for the short term at least, consumers should plan to budget within their means. 



HORECA LEBANON GETS SET TO MARK ITS GLITTERING 25TH EDITION

A special anniversary is on the horizon for HORECA Lebanon. Taking place from 20-23 March 2018 at Beirut's Seaside Arena, formerly known as BIEL area, the key hospitality and foodservice trade event is set to celebrate its silver anniversary.

Over a 25-year history, HORECA Lebanon has solidified its role as the premier networking venue for the hospitality and foodservice industries as well as being a platform for discovering the latest trends, products and services. It has become an essential destination for firms looking to explore new markets,

pursue lucrative business opportunities and stay one step ahead of the latest innovations.

Indeed, the four-day exhibition is nothing short of a who's who in the industry. More than 18,000 visitors will attend the show, comprising owners of the leading hotels, the top food and beverage companies, top level management, key decision makers and professionals from across the Middle East.

"Over the past 25 years, the exhibition has grown by leaps and bounds and we are delighted to have over 350 exhibitors showcasing more than 2,500 brands today," says Joumana Dammous-Salame, managing director of Hospitality Services, the event organizer. "We are determined to make this edition an exceptional one and show how robust our hospitality and foodservice sectors

are despite the regional circumstances."

Over 30 international experts from the world of food, drink and hospitality will attend the 2018 show to conduct demonstrations and judge a number of competitions including the renowned Hospitality Salon Culinaire, the Junior Chef Competition, the Atelier Gourmand, the Lebanese Bartenders Competition, the Lebanese Barista Competition, the Art of Service Competition and the Bed Making Competition.

Visitors can look forward to a host of networking sessions and stimulating roundtable discussions at the Annual Hospitality Forum, which will tackle issues such as organic restaurants and guesthouses. There will also be a debate with the GMs of Beirut's leading hotels.

horecashow.com



WHAT'S NEW AT HORECA

- * New Producers section: the newest Lebanese products
- * Technovation: a hub for discovering the latest innovations and technologies in the food and agri-tech sectors
- * Room for Design: a contemporary guestroom created by Lebanese designers and curated by Bleu Design Consultants

A fund manager's dream



Lebanese state-backed MIC Ventures targets a huge neglected potential

The MIC in MIC Ventures is not short for Mission Impossible, Cruise. But it could be. Khaled Zeidan, the managing director of MIC Ventures, could easily have a second career modeling cool shades, and the chosen mission of MIC Ventures, should it succeed, will bring life to a sector whose true potential in Lebanon has lain dormant for the past 15 years or more.

This sector is information and communications technology (ICT). MIC Ventures approaches mainly local ICT investment opportunities with a \$48 million war chest. Over the next four years, it aims to deploy this money through investments into Lebanese companies with value-add

potential, mainly in four verticals: fintech in all its varieties, gaming (including anything virtual reality), content, and logistics and delivery. Beyond ICT companies and value-creation opportunities related to these verticals, MIC Ventures (MICV) also looks at opportunities that have an internet of things angle—for example, in agriculture, Zeidan explains.

According to him, MICV, as a venture capital fund company, has a projected lifecycle of seven years, during which it wants to add value to companies in the tech entrepreneurship sector, to the Lebanese economy, and to the two equal owners after which it is named: MIC 1 and MIC 2, better known in the market under

their associated mobile communications brands, Alfa and touch.

These fine bureaucratic twins called MIC have carried superbly ironic—but not by design—names of Mobile Interim Company 1 and Mobile Interim Company 2 since they were reborn in the early 2000s to succeed the former Build-Operate-Transfer (BOT) companies FTML (operating under brand name Cellis) and Libancell. BOT, the period's fashionable version of a public-private partnership, was the model the Lebanese state under the late Rafik Hariri had embarked on from 1993 to 1994, through a highly successful rollout of second-generation GSM cellular services.

A TANGLED PAST

With FTML and Libancell, the Lebanese telecommunications sector had been blooming and innovating at levels head and shoulders above all other Arab countries between 1994 and about 2002. But on this path of strong growth, the mobile communications duo—and de-facto duopoly—were also accused of being corrupt and characterized as illegitimate profit-reaping corporate monsters. The Lebanese Republic first unilaterally changed and then terminated their BOT agreements in mid-2001 and took ownership of the networks as state-owned enterprises (SOEs).

Costly rebranding and years of languishment and backsliding in mobile communications rankings were to follow. Soon, the only narratives of note to surround the political-economy animals MIC 1 and 2 and the entire Lebanese telecoms sector were, from about 2002 to 2016, anti-strategic stories of arbitration, temporary management contracts, failed privatization attempts or aborted auctions to sell off telecoms licences, general lack of innovation, and allegations of corruption, criminal activity, and shady deals by even shadier figures hiding behind certain desks at the Ministry of Telecommunications (MOT).

The new chapter in the narrative of Lebanese ICT—one that MICV is a key part of—began with a roundtable meeting organized by Prime Minister Saad Hariri's economic team about a year ago. A number of ideas and proposals for invigorating sectors in the Lebanese economy were discussed, and among the ones contributed by Zeidan was the idea of a fund under the ownership of the two mobile SOEs, MIC 1 and MIC 2.

Zeidan's proposal was founded on the reasoning that telecom operators had missed many value-generation opportunities as they generally had "stopped innovating" in the rapidly changing ICT environment about a decade after mobile communication's hyperactive growth years in the 90s

and early 2000s, when cellular license auctions made top news and mobile companies were as hyped as today's behemoths, Google, Apple, Facebook, and Amazon (GAFA).

Besides the rise of these online giants, a lot has changed in mobile communications in terms of technology, user experience, and user behavior—and mobile providers had to transform accordingly. Voice traffic is the opposite of a growth engine; data accounts for most activities in mobile communications. Regional operators such as Zain Group (formerly MTC) of Kuwait and Riyadh-based STC set up their own venture capital funds or comparable initiatives earlier this decade, seeking to compete with mobile-tech investments by other players such as large funds by conventional VCs or GAFA.

THE BOLD IDEA

By Zeidan's reasoning, the general logic of mobile operators' need to invest in innovative companies applies to the Lebanese market, but with the twist that Lebanon is late to this particular game and that the ICT niche has not been covered in the rising entrepreneurship ecosystem. He explains that many companies in this specialty space already exist, have operational revenues, and could rise on steady growth trajectories over time with the help of capital injections. They face barriers on this path, however, because their service orientation or projected growth profiles do not make them top targets for funds organized under the central bank's Circular 331, he claims.

"I made a recommendation to set up a fund that invests in those companies and builds a partnership between them and the two MICs," Zeidan says, based on the notion that the two MIC entities could benefit substantially from having access to product

and service offerings produced by companies funded with their investments.

The plan for this fund was discussed by stakeholders and simmered for several months while its progenitors, including Zeidan, went looking for a person to assume full mental ownership as fund manager. "I was not supposed to manage this fund. I worked on this fund with the intention of having somebody else manage it," he says.

After leaving his job as head of BankMed Group's investment banking firm Medsecurities in the middle of 2017, Zeidan shelved plans for a personal sabbatical and instead engaged more deeply with the fund project plan starting in around September. In the following months, he gained stakeholders' trust, he says, including people at the two mobile networks' operators, Alpha and touch, but still could not find a person willing to run the fund. "I pitched a lot of managers to take on this fund, but nobody accepted the job because they thought it was a pipedream," he tells EXECUTIVE.

A decision to set up the fund was taken with the support of political stakeholders around last October. In November, the fund project presumably passed through a patch of deepest political darkness along with the

■ The two MIC entities could benefit substantially from having access to product and service offerings

whole of Lebanon. Then came the miraculous resuscitation of the Hariri government, and toward the end of last year, the dawn of MIC Ventures' creation was realized through the establishment of a holding company.

As Zeidan describes it, the minister of telecommunications and the two MICs asked him, as the idea's parent, if he could take on the management responsibility for getting the

fund off the ground. He accepted the mantle of steering this new financial vehicle toward the goals of creating new jobs and initiating a conversation between the private and public sectors.

According to him, MICV has a three-tiered process of operations. The management team sources prospective deals that are assessed at periodic meetings by an investment team comprised of seasoned experts from the relevant fields. “I wanted to make sure that there is somebody who is an expert in every concerned vertical, so that, if a proposed deal is on the table, I have someone who understands the related sector from the inside out—for example, cloud technology, or payments and transfers,” Zeidan says. He adds that the investment committee’s size could be expanded from the current five to six members to assure that a sufficient number of experts are available to attend the meetings, which are intended to be held every other month in the initial phase of operations and less frequently later on.

Investments that are endorsed by this committee are then presented to the board of MICV for a final decision. The board, which represents MIC 1 and MIC 2 as the equal owners of the fund company, presently has five members, one of whom is independent, Zeidan says. He concedes that MIC owner MOT—and thus the current holder of the ministerial post—by default plays a decisive role in the equation. He claims that the ministry has recently become conversant in financial and entrepreneurship language that was never heard in MOT offices just a year or six months ago, and confirms that the current Minister of Telecommunications Jamal Jarrah has given full support to the fund project.

TOTAL BUY-IN

The minister, his main advisors, and the top management of the two MICs have fully bought into the MICV project, claims Zeidan. “They and I see the fund as a very good thing for the MOT, for the two MICs, the Lebanese entrepreneurship sector, and hopefully for the country as a whole,” he enthuses. He acknowledges the possibility of political change affecting the ministry and notes that he often heard such concerns in discussions with people in Lebanon, however, he argues in response that the decision to set up MICV was carried by the full range of stakeholders and would not have happened otherwise. Moreover, the possibility of shifts in the political landscape, as far as it might affect his role, does not deter him. “In the event that there is any [political] change and if this change results in

■ I see the fund as a very good thing for the MOT, for the two MICs, the Lebanese entrepreneurship sector, and hopefully for the country as a whole

a change in the manager, so be it. I will have no grievances whatsoever in this respect,” he declares.

Sitting in his corporate office in a Beirut downtown quarter that has found favor as the base of operations for local financial players and law firms as well as international actors up to the World Bank Group, Zeidan makes a strong personal impression of being situated in a very safe distance from any economic precariat status or existential dependency on a government-related job. Concerns over partisan communal interests and individual corruptibility are not screaming from the walls of this office.

However, in the wider context of national economic development prospects, the ghouls of Lebanese politics have darkened the pages of the country’s ICT narrative for so many years that many questions beg to be answered in any scenario that includes the terms MOT and ICT. How to defuse worries about monopolistic structures, and dependencies on political deciders and oft-changed ministers in charge of the telecommunications portfolio? How to restore confidence among local ICT firms and international partners whose memories of Lebanese mobile telephony have been tainted by experiences of a sovereign who chose to abandon contracts and break promises? How to assure a sector that it would not again be treated as welcome cash cow and milked to excess, just because it succeeded at a time when the state faced cash flow problems and other political economy issues? Such questions, or issues such as the proper accountability and reporting of monies that might flow from successful investments back into public channels, are not among Zeidan’s declared priorities.

He explains that what happens between the MIC shareholders in MICV—up the line to the MOT and beyond in terms of reporting—is not under his purview, and prefers to emphasize the potential he sees on the level of the new fund and further opportunities for improving public sector partnerships with private sector actors. He says, “The reason why I am managing this particular venture is because I was the person that initiated the process to establish it. My intention is to make this fund happen and getting it to work, and I feel that we can make this work. Transfer of private sector culture and language has happened now at the MOT and I see the potential for the same to happen at other ministries, such as the Ministry of Economy. My belief is that you will see other, similar initiatives from other ministries. I think this will be fantastic.” ■

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By Thomas Schellen

Creating synergies



New fund aims to invigorate the telco landscape

MIC Ventures is a new fund in the Lebanese entrepreneurship ecosystem. Seeking to boost the value of startups and young companies that specialize in areas of interest from a mobile telecommunications perspective as well as

establishing partnerships between sector companies and the two Lebanese mobile networks, MIC Ventures is itself a startup backed by governmental vision. EXECUTIVE set down with the fund's manager, Khaled Zeidan.

E *When did MIC Ventures start to operate?*

We had an introductory investment committee about two weeks ago [in the first half of February] and we expect to have a second one at the end of March [or] beginning of April. For investment opportunities, we are looking at four verticals and we also want to say that we are activists, we are not passive investors.

E *So you are looking to create synergies and coherent portfolios of invested companies in each vertical rather than betting on the search for singular "unicorns" and super performers?*

Yes. One and one in our thinking does not need to add to two but can be made into three or more, meaning synergies can be combined into tremendous value, but we need to put some acumen and effort into it to align interests and objectives. This is exactly what we are trying to achieve with this fund, by introducing young entrepreneurs to the two large Telecom operators in Lebanon as partners. We are seeking to identify opportunities and build a storyline that makes sense to the owners of the fund—which are MIC 1 and MIC 2 and ultimately the MOT [Ministry of Telecommunications]—and the entrepreneurs, while creating skilled job opportunities which is in line with the MOT, the PM, and the government's vision.

E *What do you want to achieve with regard to relations with local and foreign corporations, ICT companies that you want to invest in, and with other innovative companies?*

We want to build partnerships with as many players as possible, and we want to be as agile and proactive

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as possible in creating opportunities. We are looking to invest in companies that are able to become cash flow positive with our help and the support of our sponsors.

E What is the size of your team?

For the moment we are a team of four. In the end, we aim to be a team of six.

E Can something be done on the level of MICV to assure that the consumers get the best deals from the companies in which the fund has invested?

The consumers will get new products and services. These new products and services are for the general public. In some instances, they would be free products and services paid for by the operators. In other instances, the products and services will be paid for by the consumers. The companies [that MICV will invest in] already exist and have proof of concept or are operating as businesses with revenues. All that we are doing is creating a partnership between the portfolio companies and the two operators.

E Will MICV have a policy of taking an equity stake in every portfolio company and a seat on the company's board?

Absolutely. MIC Ventures will aim to take equity or quasi equity stakes, depending on the structure of the transaction. We will in many ways have approaches in terms of investment criteria and investment policies that meet basic global standards and are similar to the criteria used by funds established under BDL Circular 331. The only thing that will differ is that our target market will be slightly different from others. Having said that, we see MIC Ventures as being complementary to Circular 331 funds, not as a competitor.

E Will it be a strategy or policy of MIC Ventures to be a majority shareholder when investing in a company?

Our standard policy is not to have

majority but to have reserved matters that protect MIC Ventures.

E Will you seek international VCs to co-invest with you in Lebanon?

Yes, we will.

E You also mentioned financial institutions. Do you see banks as your potential co-investors?

We see banks as potential co-investors on investments that are relevant to their businesses. For instance, if we have a specific investment in the Fintech space, it might be interesting for banks to come in as co-investors when MIC Ventures have a certain capacity and where they can fill the rest [of the investment need].

E As for the size of investments that you are interested in doing, what are the parameters?

Would you go as small as investing in a fresh startup or look at entrepreneurs that have just completed an acceleration round?

We are willing to go as low as \$100,000 and we have a cap of \$2 million unless the board decides otherwise.

E But might there be limits from the perspective of the amount of work that is required for assessing a small opportunity, the due diligence and all?

We do not want to discard smaller investments if we see merit in them.

E Can you elaborate more on the structure of the board and the venture and process under which MIC Ventures will proceed?

First, there is the management team which will source opportunities [and] present them to the investment committee—which we expect will convene every two to three months—and the final approval will be done by the board.

E What is the structure of the board and investment committee?

With regards to the board, there is one independent member and the other members are equally split between the MICs. As for the investment committee, they are individuals who have a deep understanding in the ecosystem.

E Is there already a strategy for exits from portfolio companies?

The current ecosystem is not conducive to exits through public offering. We think that a trade sale or even an acquisition by MIC 1 or MIC 2 are

■ “We are looking for companies that will survive and thrive without our continuous injection of capital.”

more realistic exit strategies. We are realistic and that is why we are looking for companies that will survive and thrive without our continuous injection of capital.


E How many board members and how many investment committee members do you have?

The board right now is composed of five individuals but will be expanded to seven. In terms of the investment committee, right now we have seven individuals.

E What will be the frequency of the investment committee meetings?

In the beginning we will have them every two months and then probably every three to four months later on.

E As to governance on the board level, do you adhere to standards for private enterprise?

It is a private entity and transparency standards will be applied on all transactions. We will have a website listing our portfolio companies. 



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By Scott Preston

Q&A with LVCPEA

The startup scene bands together

In mid-January, 11 of the country's largest financial institutions focused on fostering entrepreneurship established the Lebanese Venture Capital and Private Equity Association (LVCPEA). Its membership includes some well-known names of the startup ecosystem such as Phoenician Funds Holding, Leap Management, MEVP Lebanon, and Flat6Labs. The organization's self-described mandate is to represent the nascent startup scene and foster its development through lobbying, standard setting, and other activities. EXECUTIVE spoke with Maroun Chammas, chairman of Berytech Fund II and president of the LVCPEA, to get a sense of how the Circular 331 gatekeepers perceive the environment they have fostered, what they feel are the biggest challenges, and what they can do to take startups to the next level.

E What are some of the ecosystem's needs that the LVCPEA will address?

First of all, there could be some conflicts between certain companies, certain funds for whatever reason. So [one of] the association's purposes is to facilitate communication. Sometimes, you need to sit down and discuss things. You want to be able to have some kind of dialogue. You [don't want] an arbitrator, but a facilitator to engage in a conversation, to resolve [conflicts] internally; that's the first purpose. The second purpose is to benefit from best practice. So suppose there are international institutions that want to support Lebanon and its ecosystem—it's much easier for them to address the association than to go



[to each VC or private-equity fund] individually. They can come and do a presentation [about] things that have to do with the sector. Third is to act as an advocate and spokesman. So, for instance, [if] there are new rules or regulations that BDL [Banque du Liban, Lebanon's central bank] wants to issue, we would communicate with the central bank and engage in a dialogue before they issue anything that could harm the industry as a whole. Because today,

in anything, normally you have a dialogue, whether it's the private and

■ “One of the association's purposes is to facilitate communication. Sometimes, you need to sit down and discuss things.”

public sector, whether it's a government institution and the private sector, whether it's the regulatory body and the private sector.

E *What are the biggest issues that your organization has collectively identified as your top priorities to address within startups in Lebanon?*

The central bank has a process in place today. One of the things we'd like to do is streamline this process. Some of the companies are feeling that the administrative part of the reporting is becoming burdensome. And [there] are new regulations that are put in place that might not be applicable to the nature of the business we are in, which is VC. We need to communicate this properly to the central bank and to the different organisms that they have, such as the body that oversees [and controls] the banks, the Banking Control Commission. So, we also need to make sure that we have a dialogue and they understand the nature of the VC business.

E *What are some of the specific issues with the processes you'd like to have changed?*

These are rulings that came out that we feel don't serve the industry as a whole and don't serve the purpose for which the funds were created.

E *Which ruling specifically?*

I'm not at liberty to talk about these now. These have not been made public yet to the central bank; we have a meeting [set], so I don't want to anticipate that. It's issues to do with reporting and the concept of VC [funds].

E *Tell me about the governance structure of the organization. How are decisions made, how does that process work, what are your bylaws, etc.?*

Within the mandate of the association there is a board, and the board is composed of members of the association, [and] there are different functions. Day-to-day operations, such as the acceptance of a new member, are handled by the board.

E *One of the goals of the LVCPEA is to resolve conflicts among funds, like VCs and private equity associations. What kind of conflicts are you referring to specifically?*

For instance, if someone used to work in a company and moves to another company, this sometimes can create conflicts and problems. So we set the rules [to determine] in what instances someone can move from one company to another. In case there is any problem [between two funds], we try to sit down and open a discussion, and avoid public conflict. This is best practice everywhere in the world.

E *Would you say that most of the problems you're interested in addressing might arise from the small size of the startup ecosystem?*

No, I think it's very normal. Whenever you want to set up an association you first address the issues that can arise internally between the members. We're not here to replace the law or be in conflict with the law; we're here to facilitate and make things smoother. We looked at several models, and this is something that's done everywhere. I wouldn't stress much on that, but in general terms, companies—when they belong to an association—abide by the laws of the country, and then they abide by best practice.

E *If you talk to the entrepreneurs in the ecosystem, they would say that for the last year or so, Circular 331 funds haven't been disbursed by organizations like VCs. Do you feel that's an issue and, if so, what's causing the stoppage?*

There has been a slowdown of disbursement. The funds do capital calls [to request 331 funds]. We go

to the banks, and the banks have to get the approval of the central bank. This is part of the issues that we will be discussing with the central bank. The process to get the capital call approved is taking too much time, and this is hurting the industry because

■ “The process to get the capital call approved is taking too much time, and this is hurting the industry.”

entrepreneurs and startup companies have limited resources. So if there is a follow-up capital call, and they need the money, and they don't get [it], they can have problems. So, we want to make sure that, while complying to all the rules that the central bank has put in place, anything that can make it faster in terms of capital calls and disbursement of money [is done]; we want to accelerate the process. So yes, we recognize there is an issue there, and we will have a meeting with the governor and expose those problems.

E *Some critics say that VC associations in Lebanon operate like private equity firms in that they don't take on a lot of risk. How much of an issue is this?*

I totally disagree. We're taking lots of risks, and we're losing lots of money—sometimes. If we were not losing money, or if we were not taking risks, we wouldn't be VCs. That's the nature of the business, [so] I think this is totally unfounded. But, at the same time, it's not because there is \$350 million in the market that we have to put wild variations and go crazy. We have—all of us—a fiduciary responsibility with the money that we have. This is not our money; this is money from the banks. Money from the banks means money from the depositors. ■

CREDIT CARDS FOR THE CONSTANTLY CONNECTED

LEBANON'S RETAIL BANKS OFFER MORE TECHNOLOGY

Words by **Olga Habre**



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n between contacting banks for this article, I made a quick trip to an ATM to pull out cash for lunch. Hungry, disoriented, and busy jumping between WhatsApp and Instagram, I forgot the debit card inside the machine. I only realized the next day when I tried to make a last-minute purchase and found an empty slot in my wallet—cue mini panic attack. But like many banks, mine provides a 24-hour call service, so I was able to cancel the card in minutes and ask for a new one to be sent to my branch. I used my other card to buy what I needed by tapping it on a little machine and was good to go—crisis averted. Walking to my car, I used my bank's mobile app to pay a credit card bill and was on my way.

Just a few years ago—pre-widespread WhatsApp and

Instagram distractions—I probably would have been more focused on the ATM transaction in the first place and not forgotten my card. But if I had, it would have taken a lot more time and effort to cancel the old card, ask for a new one, pay a bill, and make a quick purchase. Today, each of these actions takes moments. Recognizing the impact of consumers' constant connectedness, banks are continuously adapting their products and services for a new generation of tech-savvy, impatient multitaskers, as well as older generations that are using such services to complement their increasingly hectic lifestyles.

Customers' ongoing demands for convenience, speed, security, and luxury are driving Lebanese banks to provide services with more and more ad-

vanced technology. Banks' mobile apps allow users to conveniently make transactions on the go. Contactless cards let customers pay by tapping their cards to contactless-enabled readers, instead of swiping or inserting them and using a PIN. These transactions usually do not require a signature or PIN so long as they are under LL75,000, which saves time—a few seconds, but even these are valuable in today's world. Secure contactless payments are enabled by near-field communication (NFC) technology, which allows two devices to communicate when they're in close range. Newer host card emulation (HCE) technology allows cardholders to use mobile devices as credit cards, meaning a user doesn't even have to carry an actual card around to make purchases. NFC and HCE are currently only available for Android phones; Apple Pay, a similar service from Google's competitor, is not available in Lebanon.

Worldwide, the growing trend is turning away from cash and toward cards and other more technologically advanced payment methods. For its part, Lebanon's Bank Audi is aiming to guide its customer base into a cashless society. Bank Audi has been offering contactless cards since 2012, and by 2014, it had updated its NFC technology to allow clients to make secure payments using mobiles that are NFC-enabled. For non-NFC enabled devices, it launched the same service via a sticker that attaches to any mobile. Today, the majority of Bank Audi's newly issued cards are contactless.

"Contactless cards are as secure as any other chip card and carry the same multiple layers of security," says Walid Rizk, head of First National Bank's electronic banking department and its consumer protection unit. The bank launched a smart mobile application in 2015 and started issuing newly designed payment cards in early 2017, including contactless



cards. Its future plans include launching HCE tech.

Meanwhile, Byblos Bank began using HCE technology in 2016 with its ByblosPay app, allowing users to pay at a contactless point of sale using Android smartphones that are NFC enabled. Head of Group Retail Products Elie Abou Khalil explains that these new payment methods are cutting the need for cash, or other methods of payment.

Banque Libano-Française launched contactless cards in July 2017. Director of Card Services Myrna Wehbe says, "The world is constantly being challenged to find a replacement for cash, which today remains the preferred payment instrument for low value and everyday purchases." She cites that since releasing contactless cards, 24 percent of the transactions customers perform with them are contactless and the bank expects this will grow.

In August 2017, BLOM BANK launched BLOMPay, which allows BLOM Visa debit or credit cardholders to make payments via their eBLOM app on Android

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mobiles quickly, safely, and easily. Clients can choose which cards to activate and use their Android devices to pay.

Lebanon and Gulf Bank has a wide range of card offerings that includes contactless cards. Since 2015, it has also been transforming mobiles into secure payment tools by offering mobile payments through its app—which includes, among other features, cardless transactions at ATMs using a one-time password—and it is further developing NFC technology solutions. BSL BANK's just-launched range of credit cards all offer contactless technology, each targeting a specific type of user. AM Bank, previously known as Al-Mawarid Bank, also offers contactless card payments on its range of credit and debit cards.

Going forward, Hatem Chaarani, division head of electronic delivery channels and card products at Bankmed, says that growing consumer awareness and a subsequent growing appetite for mobile-based banking solutions is pushing the bank to develop new versions of its services. It is in the process of launching MedPay, which will enable consumers to make transactions using their Bankmed account at MedPay merchants and MedCash ATMs so users can perform their purchases and other operations without having to be physically present at the store. Chaarani says, “Contactless technology, coupled with smart devices, [is] replacing the need for using physical plastic cards and reducing the volume of physical cash notes in circulation, just as the magnetic strip and chip technology revolutionized payment by plastic money.”

Some banks also offer wearables that can be used to make purchases. Since 2015, Bank Audi has offered colorful wearable watches and bracelets, which provide an on-the-go payment solution that enables wearers to conduct contactless payments by waving them over any contactless POS machine.

BSL BANK plans to enable payments via mobiles and wearables, with Paul Wehbe, head of cards and alternative channels, explaining that rolling out technol-



ogy that provides convenience for clients aligns with BSL BANK's digital strategy.

When it comes to internet purchases, there have been increased security measures introduced for online card use with features like 3-D Secure, which protects cardholders from unauthorized payments. FNB's Rizk compares 3-D Secure authentication to the use of a PIN on an ATM. “[It] can secure online transactions just by entering a [one-time password] which will be delivered via SMS to [a customer's] mobile number at the time of the purchase.”

Banks are not only offering technology and security but also a wider array of card options that cater to different types of users and their specific needs. Most banks have loyalty rewards programs to get cardholders to use cards more, offering various gifts, discounts, and benefits. As Lebanese often travel for work, many banks offer cards in different currencies. For example, LGB BANK offers cards in UAE dirhams, Saudi riyals, Turkish lira, euros, and pound sterling in addition to US dollars and Lebanese lira. BSL BANK's credit cards target segments like new card-users and active young people with a range of useful benefits like discount Careem rides, and those who want prestigious benefits and even more V's in their VIP treatment with features like airport lounge access across the world. FNB's Visa Signature Business Card offers innovative



features especially designed for the business sector, like distinguishing business and personal expenses, simplifying account management, and offering special features like tax saving, unlimited access to airport lounges, and concierge services. Bankmed has added interesting features to its “Be My Guide” mobile app that not only accumulates miles but has a notification feature to guide users to airport lounges and partner merchants that offer complimentary services. Bank Byblos targets customers ages 18 to 24 with a specialized comprehensive package that includes an account and debit card, and has all the features this demographic needs, such as discounts with local businesses and an online debit card. Byblos Bank also makes it really easy to get a card in the first place with its instant issuance service that lets clients open an account, get a card, and instantly enroll in mobile banking and access various other services in a single visit to any branch.

The future looks even more advanced. AM Bank plans to develop other electronic services, including person-to-person and person-to-merchant payments, cardless cash withdrawals, bill payments, transfers, splitting bills, or even e-wallets and smart cards. AM Bank’s product manager, Nicole Saade, says the bank’s marketing strategy is continuously evolving to embrace new trends and approaches in performing banking operations, and “consequently

we are working to provide these services to our customers to meet the level of convenience they need,” she says.

Grace Eid, head of retail banking at Bank Audi, points out that while the bank caters to client needs across all segments, the main challenge to introducing such technology is its adoption, pointing out that younger customers were the first get onboard. To BLF, new developments on the scene are not just for the tech-savvy. Wehbe explains, “We do not only target the young generation motivated by new technologies and new trends, but also mass consumers and heavy cash users.”

“Digital and mobile technologies are disrupting the traditional ways of doing business across industries, [including] in the banking sector,” says Walid Rizk of FNB. Byblos Bank’s Elie Abou Khalil stresses that their strategy is aimed at empowering clients. As we grow busier and increasingly connected, and as the demands of our lifestyles become more hectic and we become more dependent on technology, it’s reassuring to know that banks are responding to our changing lives and giving us what we want swiftly and safely.



“What greater sorrow than being forced to leave behind my native earth?” – Euripides

ENVISIONING A NEW PALESTINIAN MUSEUM

KHALIL RABAH EXHIBITION AT SFEIR-SEMLER GALLERY

Words by *Olga Habre*



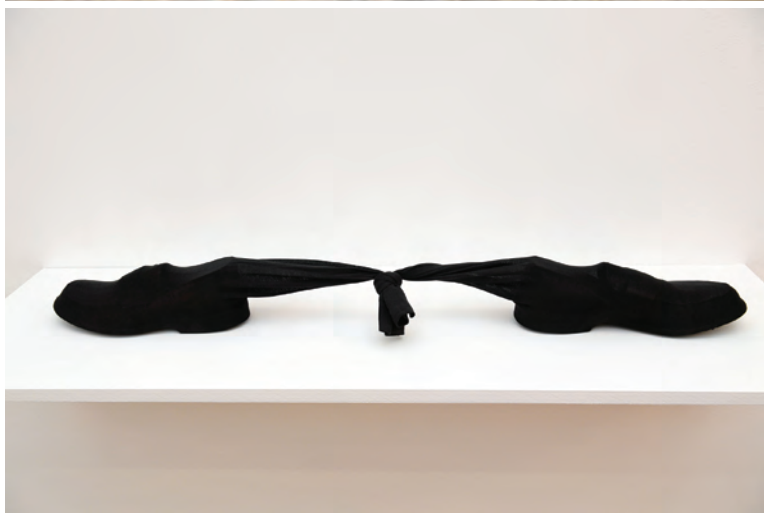
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n exhibition by the Palestinian artist Khalil Rabah, “New Sites for the Museum Departments or four places to visit Heaven” at the Sfeir-Semler Gallery in Karantina, is a hypothetical proposition for a museum in Palestine: the Palestinian Museum of Natural History and Humankind. It could actually become a real museum, except its foundation lies on the premise that the current Palestinian condition—the occupation—has to end.

The ambitious institution would display artifacts and artworks in an attempt to reappropriate them and disrupt the iconic representations of Palestine. “The idea behind the museum is to turn symbols of the Palestinian situation into relics,” explains Rana Nasser Eddin, Beirut director of Sfeir-Semler. “That’s why

the artist feels it’s an impossibility, because it would mean that the struggle would have ended, for them to be rendered into the past.”

The artist has been developing his idea since 1995, gradually adding new elements. In its present form in Beirut, it is divided into four sections—botanical, earth and solar system, geology and paleontology, and anthropology—spread through four adjacent rooms. The exhibition starts with four cloth maps representing the locations of the four sections: Lying flat on the floor are maps of the West Bank, the Dead Sea, and Gaza, and suspended in mid-air is a new map of a Brazilian favela, or slum, nicknamed Nova Palestina. The first room houses the botanical section, using symbols of the botanical world that also represent



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the Palestinian struggle. One installation, a large rock surrounded by a plastic tube filled with olive oil, has several layers of meaning. The rock symbolizes the Palestinian struggle as a widespread symbol of the intifadas, and by wrapping it in the traditional staple of olive oil, Rabah strips it of its power—in this utopian future, it would no longer be needed. The installation is based on performance art the artist created in the 1990s, which, turned into a stationary piece, represents the suspension of time.

Another piece in this section showcases a replica of miniature trees. In reality, Rabah planted five olive trees in Switzerland in 1995. Returning to the spot 12 years later, he discovered that only one had survived, and requested the Swiss government give the tree honorary citizenship or allow it to be moved back to Palestine—symbolic of the right of return for Palestinians. In the earth and solar system section, Rabah examines the earth's core and the external factors that affect humans. Hanging on one wall is a replica of Sliman Mansour's iconic, Dali-esque painting, “Camels of Hardship,” depicting an old farmer literally struggling under the weight of Jerusalem on his back. In front of the canvas stands a statue modeled after the man in the painting, but no longer carrying the city—the burden is removed.

On another wall is a traditional Palestinian keffiyeh, drained of its threads like it's being bled. A third piece in the room is a sarcophagus holding Hebrew letters that spell out “Palestinian Liberation Organization.” By reclaiming a language, the artist references the fact that Palestinians aren't officially taught Hebrew



in schools, while Israelis are often taught Arabic.

Next is the geology and paleontology section, which deals with discomfort in the human condition. From a miniature of a tunnel to Gaza, used for smuggling, to a pair of two right-foot shoes and a truck piled with various items, it illustrates an unnatural, uncomfortable state where it's impossible to move freely or be a fully functional being.

The final section, anthropology, is a newer piece added by the artist to this ongoing project. On display are photos from Brazil's Nova Palestina, a slum for displaced Brazilians. Here, the idea of a Palestinian camp is broadened to a global condition of homelessness rather than a local predicament, and “Palestine” takes on a new meaning. Nasser Eddin explains, “You don't have to be Palestinian to live a Palestinian condition. It's less about the individual and more about a global condition.” In the large photos, all the people have been physically cut out, leaving strange, glaring gaps in the prints. In the center of the room lies a small suitcase entirely covered in Band-Aids—signifying that a displaced life packed into a suitcase is just a Band-Aid solution.

In the final room, the gallery built a wall where an opening once took visitors back to the first room in the art space—a physical and symbolic dead end. While Rabah's hypothetical museum is, so far, just a dream that reclaims Palestine, maybe for a moment we can make believe that we are in a vision of the nation that could be. Maybe in the future, when we hope there is a liberated Palestine, we can look back at this project as, not just a predictive relic, but an omen.

The exhibition is ongoing until April 7.





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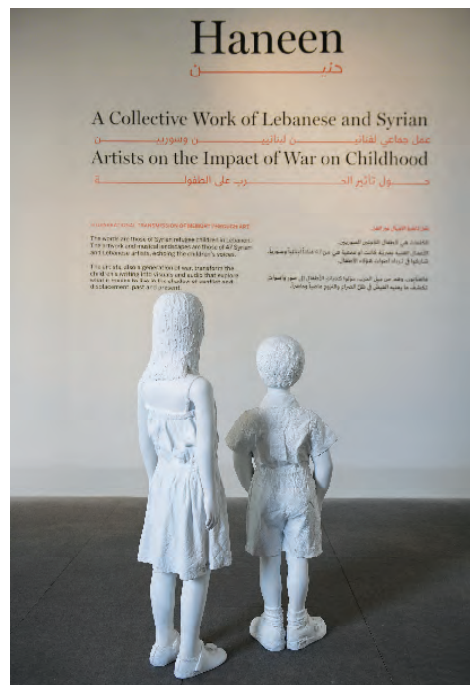


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A VOICE OF YEARNING

HANEEN ART EXHIBITION AT BEIT BEIRUT

Words by **Olga Habre**



This region has seen so much violence in the past decades that the world is growing numb and tired of listening. It is exactly for this reason that we must actively work to make the voices of the weakest heard. Generations of children are born and raised in war zones, witnessing unspeakable violence, and living with the countless consequences of growing up amid such instability. But children of war are still children, with the same thoughts, hopes, dreams, and fears as their luckier peers—and, given a voice, they can speak truths like only children can.

The Haneen exhibition at Beit Beirut, running from February 20 to March 4, is giving a rare opportunity for the smallest, most vulnerable of voices to be heard. The written words of 39 Syrian refugee children living in Lebanon were turned into works of art by 47 Lebanese and Syrian artists as part of a collabora-

tion between the United Nations Children's Fund (UNICEF), BEYOND Association—a Lebanese NGO that promotes awareness surrounding social, economic, cultural, and other issues among different communities, especially the underprivileged—and Yelostudio, a collaborative network of designers, storytellers, and animators in Lebanon. Haneen, which means longing or yearning in Arabic, features these artworks, as well as several sculptures of children, set to a soundtrack also inspired by children's words. The project includes a book of the full texts written by the children, as well as their biographies.

UNICEF and BEYOND have established over 100 centers in Lebanon for the rehabilitation of children exposed to war. At the centers, these children, many of whom have been without an education as a result of conflict, are taught skills to improve their literacy and

numeracy, and are introduced to music and other subjects. BEYOND's press club, which convenes at several locations, taught children to express their thoughts using poetry and other kinds of writing. These became the inspiration for Haneen. When UNICEF's Soha Bsat Boustani, the initiator, supervisor, and project consultant for Haneen, saw these pieces of writing, she refused to allow them to remain unknown. "When you are in the field, when you meet children and listen to them, you feel a moral obligation to do something with their words. We didn't want to lose these words. We felt there was amazing potential to get their voices heard all over the world," says Boustani, adding that organizers intend for the exhibition to travel to other countries after its launch in Lebanon.

From touching murmurs of cherished memories and quiet whispers of hope to heart-wrenching cries for help and deafening calls for justice, the children's words are displayed side by side with works of art that were inspired by the texts, many created by artists who themselves were once children of war. As visitors walk among the bullet-hole-ridden, partially destroyed walls of Beit Beirut—itself a glaring symbol of war—taking in these visual and penned expressions of love, faith, despair, and anger, the exhibition becomes a conversation on resilience echoed between generations and nations.

One child, 14-year-old Waad al-Zouhouri, asks if her beloved doll, which she accidentally left in Syria during their escape, grew up too fast just like she did. Dem-



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onstrating remarkable wisdom, she asks the world where their empathy has gone, and is determined to get an education and become a journalist one day. Artist Maya Fidawi interpreted the words into a faded, cartoon-like artwork of a sad-looking doll in the rain. Another child, 10-year-old Fatima al-Tamer, laments her 14-year-old friend becoming a child bride, a subject several others broached in the exhibition. Her words were turned into an intricate line drawing of a little girl holding a bound bird, her eyes covered in flowers, by Chadi Aoun, director of Yelostudio and the curator of the exhibition. Like many others featured in the project, Fatima's dream is to be a doctor one day. Some children narrate the simplest of things. Tomato sandwiches and her mother's kisses are what Waad al-Mohammad misses most. Since her mother's death, she now hates tomato sandwiches, she writes in her poem, which was interpreted by Joelle Achkar into a mother holding her child, etched on a natural rock that the artist found by the sea.

The exhibition has helped give some children more than just a metaphorical voice. Ten-year-old Ali Harba became mute as a result of trauma. He wrote a harrowing account of losing both his biological and step fathers, the latter of whom he remembers abusing his family. It was interpreted into a monochrome abstract drawing by artist Sandra Ghosn. Ali has since regained his ability to speak and, after taking a photography course, hopes to one day become a war correspondent.

Most of the children whose works were featured in the project were present at the exhibition launch, seeing



the art for the first time. While some shied away from reporters, others beamed with pride standing next to their works. Lively Waad al-Zouhour, the young author who misses her doll, says the painting was exactly how she had visualized her poem.

Showing these children that their emotions are being validated is vital, and using art to convey a message can be very effective, without being as overwhelming as, for example, graphic photography. As Achkar observes, “Art is not as aggressive, yet it’s very powerful.” Boustani, meanwhile, sees Haneen as an important project in a world that’s constantly bombarded with images and reports of war. She says, “We want to get the message across, voice the concerns of children in Syria as it enters its eighth year of conflict. There is fatigue—donor fatigue and media fatigue—but the problem continues, not only in Syria but in other parts of the world.”

Tanya Chapuisat, UNICEF’s representative in Lebanon, notes another important reason behind the project. “We did this because in times like these, when tensions are running high, it is a moral obligation to unite and focus on what we have in common instead of what divides us,” she said in a press release. Ultimately, the cruelty of war impacts childhood the same way all over the world. While writing and art cannot stop violence on their own, they can be vital tools for self-expression, and coping mechanisms that can change the impact of violence. Our humanity is what unites us in the worst of times, and few things are as moving as the expressions of suffering children. However tired we are, the least we can do is lend an ear.



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TAKING THE PLUNGE

ONE WOMAN'S JOURNEY TO THE RISKY ENTREPRENEURIAL SIDE OF BUSINESS

Words by **Lamia Charlebois**



fourteen years ago, a well-intentioned financial advisor asked me if I liked to take risks. I put on a wicked smile and replied, "My slippers have non-skid soles." Before I was an entrepreneur, I led a safe corporate life as an employee. I enjoyed a regular paycheck and benefits, went to the same office every day, and worked with a team of professionals who were always on hand to help resolve different issues—or, sadly, to stab each other in the back. I could have never imagined becoming an entrepreneur, let alone a solo business owner. I never saw myself as a risk-taker. Even though I had left Lebanon when very few young women were leaving without their parents, pursued university degrees and jobs in Canada without any real guidance, moved from city to city, changed lives many times over, married, divorced, and raised a child by myself, it wasn't until the

day I decided to launch my business that fear nearly paralyzed me. Maybe my youth under the bombs of Lebanon's civil war had used up my courage. Is there a bravery quota?

And then one day, I jumped! You might remember the icy cold swimming pool at Coral Beach. Many swimmers tried the gradual-entry strategy, but the most successful were those who dove straight in. So what does it take to dive into your own business? What kinds of qualities—or chromosomes—does one need to take that plunge? It really depends. For some, it's instinct, flair, a great idea, or an opportunity. For others, it's a crisis. The latter was the case for me. In the midst of my marital Titanic, I realized I was going to become a single mom overnight. Knowing full well that an upper-management position would mean never leaving the office before 8 p.m., and with no one

START SIMPLY, GROW SMARTLY

1. *Your first investment should be a business card. Make sure your service or product is clearly stated and carry it on you at all times. I once signed a huge contract after cracking a joke with a lady in the toilet paper aisle of a supermarket. She was the CEO of a big company. I gave her my card, and the rest is history.*
2. *Surround yourself with good people. Skills are not enough; you want values too. Honest and generous suppliers, partners, colleagues, and clients will make your business life a happy one. Don't take a project if the person attached to it seems horrid. Another one will come along, so don't be afraid to say no.*
3. *Discipline is key, especially when you first sit at your desk without any clients. Set a routine and stick to it. Be at the office at 8 a.m. every day and avoid distractions. Your focus will feed your perseverance.*
4. *Perfection is crucial. You have to deliver a perfect product and a perfect service. You want repeat business and word of mouth.*
5. *You are "on" at all times. In your virtual life and your real life, what you say or do matters. A picture of you downing a vodka bottle at a club, a statement on Facebook about a politician, or any other faux pas can affect your business.*
6. *Mingle with CEOs, business owners, and successful entrepreneurs, and listen and learn from them. Don't wait to be in their presence accidentally—organize a monthly lunch with them and share knowledge.*
7. *Believe in yourself, and trust that you can succeed even when the voice in your head says the opposite. Fear and anxiety will be your enemies; turn them into friends. Embrace them! Turn their negative energy into a force that drives you to perform better instead of slowing you down.*
8. *Time, patience, blood, sweat, and tears lead to success. But if you fail, no one, not even you, can blame you for not trying. And it's not called failure—it's a lesson.*
9. *Understand your industry and know your competition. Know your customers' needs at all times and evolve with them.*
10. *Never over-promise or under-deliver, but do deliver more than expected and before the deadline.*


to pick up my four-year-old from school, I had to find a solution.

I had worked in communications, public relations, and journalism for years, so offering those services would be easy. But how was I to start? Write a business plan? Consult a professional? Where was I supposed to invest first, and how was I to spend wisely in order to make money? Rent an office? Design a logo? I built a name for myself in four cities in Canada with the hard work and perseverance that immigrants deploy in their adoptive land, so I decided to stay away from a company name and logo, and rely solely on my name. As a PR consultant I'd offer services and coun-

sel. I started by designing and printing my first business cards myself. The design wasn't the prettiest, but it became my weapon everywhere I went. Just like prehistoric man, I went out hunting with it, killing prey to feed my business and my kid.

Motherhood and entrepreneurship feel like a circus performance where acrobats keep adding difficulties, dangers, and risks in a horrendous crescendo of suspense. I found myself combining four separate departments—service, marketing, operations and accounting, and human resources—into one person. As a solo parent, I had to put on a juggling act every day to handle my business and family life. But unlike a circus, where the crowd cheers on, this was a solitary fight on a tough battlefield with very little help or encouragement. My tools are mental determination, psychological strength, tricks, hacks, shortcuts, a fine sense of humour, and loving friends and family to motivate me even when I was an ocean apart.

Today, 14 years later, I can look back and say: What a ride! Clients come to me and stay with me, interesting assignments land on my desk, I go from crisis management to strategic counseling to public speaking coaching to media relations to social media advice to content writing—all in one day. I juggle with different clients: pharmaceutical companies, a preschool, a candy maker, a meat wholesaler, and an apparel company. The pace is crazy, but it goes well with my temperament.

Success is not born out of luck. I believe in hard work, combined with creativity, flexibility, stamina, passion, positivity, integrity, humility, and even fear. Why would you jump in the first place if it wasn't to conquer your fear? Conquering the rest is a breeze. 

LAMIA CHARLEBOIS is a public relations consultant, speaker, author, and reporter based in Montréal. She works with clients in Canada, the USA, Europe, and the Middle East.

"What greater sorrow than being forced to leave behind my native earth?" – Euripides

RAISING VOICES, RAISING WOMEN

MAKING OPPORTUNITY THE EXPECTATION

Words by **Em Khalil**



S

ome of the world's most prominent companies are led by women. These accomplished female business leaders include Sheryl Sandberg, the COO of Facebook; Indra Nooyi, the CEO and chair of PepsiCo; Ginni Rometty, the chair, president, and CEO of IBM, and the first woman to head the company; and Diane Von Furstenberg, the president of the Council of Fashion Designers of America. What is the difference between these women and businesswomen in Lebanon? Nothing at all. In fact, as impressive and accomplished as these women are, I'd wager I could find a woman who's as much of a whiz at diplomacy and negotiation while haggling with a store manager in Bourj Hammoud on a Tuesday as any of the high-positioned women referenced above.

The dismal number of women in the upper echelons of Lebanon's business world has absolutely nothing to do with a lack of talent, determination, ambition, or smarts, and everything to do with lack of opportunity. The sad truth is that the playing field is not level for women here. Time and time again, an up-and-coming female talent starts out at full speed, but soon afterward, her male counterparts breeze on by as she struggles to push her boulder up the mountain.


It's all about opportunity—but opportunity is the exception for most women in Lebanon, and will remain so unless something is done to turn it into an expectation. That something is the passing of laws and regulations to make gender equality in Lebanon a reality.

You might be thinking, "Sure, why not?" But for the situation to change, people need to do more than just agree. Laws don't just magically appear. It's a matter of supply and demand. Without a change of mindset—without people demanding, lobbying, and even badgering those who wield the power of the legislative pen—the only thing women can look forward to is a career of swimming

upstream in a raging river. That might work for salmon, but it definitely will not work for us.

Here's another list: Callie Khouri, who won an Oscar for writing the screenplay of *Thelma & Louise*; Mayssa Karaa, a Grammy-nominated singer; Sara Ganim, a CNN journalist; Donna Shalala, the former US Secretary of Health and Human Services; Amal Clooney, a lawyer at Doughty Street Chambers specialising in international law and human rights; and Ayah Bdeir, the CEO of littleBits, a company that produces educational electronic toys. All of these women are of Lebanese origin, and all of them have achieved success in countries that gave them the tools, the inspiration, and the opportunities that so many of their counterparts living in Lebanon do not have.

We can do better as a country. We can protest, we can petition the powers that be, especially in the run-up to elections; we can put into place a system to empower women and achieve equality in the decisionmaking process in politics and public life; we can advocate for public awareness of violence against women and challenge the negative attitudes that perpetuate the cycle of harm; we can start it all by educating the public at large and the upcoming generations about the necessity of equality as a human right; and most importantly, we can build a strong women's movement, which studies have consistently shown is the most effective way to achieve real change. There is so much that we can do, and more crucially, that we should do. And it starts with you and me, right now.

It is past time to unleash half of the nation's power. The next time a Lebanese woman decides to challenge the current, it should be because she wants to, not because she has to. 

Em Khalil is Bou Khalil Supermarket's counter brand, the voice that tackles gender-associated laws and societal stereotypes in Lebanon. For more of Em Khalil's thoughts, follow her on Instagram: @therealemkhalil

BUSINESS ESSENTIALS

Company Bulletin

■ **Byblos Bank** issued the results of the **Byblos Bank/AUB Consumer Confidence Index** for the fourth quarter of 2017, which show that the index increased by 3.2 point in October and by 10.9 percent in November, and declined by 3.1 point in December 2017.

■ **Byblos Bank** was awarded seven Ingots, including two golds—a first for a Lebanese bank—at the 2017 **Midas Awards** in New York for the world's best financial advertising.

■ **Bank Audi** sal performed well in 2017, with consolidated unaudited net profits of \$559 million, reaching \$464 million when excluding profits from discontinued operations, representing a net growth of 13 percent relative to the recurrent net profits of 2016.

■ **LGB BANK** signed a \$67.5 million funding agreement with the Netherlands Development Finance Company, the OPEC Fund for International Development, and the Development Bank of Austria, to support small and medium enterprises.

■ **BLOM PMI** revealed its highest business-performance reading in nine months in January at 47.1, up from 46.1 in December, indicating a slower fall in overall business activity.

■ **BLOM Bank** conducted an assessment with **V4 Advisors DMCC** of its greenhouse gas emissions, and was consequently granted two certificates: the V4 Advisors for Greenhouse Gas Auditing and Reporting Certificate, as well as a certificate of acknowledgment from the Lebanese **Ministry of Environment** for reporting greenhouse gas emissions.

■ **LGB BANK**, in collaboration with **MasterCard Worldwide**, has announced a special offer with **Careem**, the app-based car booking service. The offer enables MasterCard cardholders to enjoy free city rides and benefit from monthly discounts.

■ **Lufthansa** passengers will be able to start their journey feeling more relaxed: From now on, they will benefit from an automatic check-in procedure for all flights within Germany and to destinations in Europe.

■ **CMA CGM**, an international leader of maritime transport, announced the signing of a partnership agreement with the incubator **SMART ESA** in the presence of Rodolphe Saadé, chairman and general manager of CMA CGM Group, and ESA General Manager Stéphane Attali.

■ Starting in March 2018, all new **MINI** models will be available with the option of a built-in 4G SIM card. The new digital services it enables will be available in 43 markets worldwide following the launch of the new-generation MINI Connected.

■ The **United Nations** in Lebanon launched a social media campaign on February 5 targeting all citizens in Lebanon and the Lebanese diaspora, with the aim of encouraging people to share their ideas on how they can improve their communities.

■ Conceived as a good-luck charm in the heroic period of motorsports, the Quadrifoglio, a four-leaf clover, has distinguished the sports and industrial history of **Alfa Romeo**, and has become the logo for race cars and for the more powerful and exclusive of its road vehicles.

■ **INFINITI QX80** has finally arrived in Lebanon. Further advancing INFINITI's market-leading presence in the full-size luxury SUV segment, the QX80 takes INFINITI's "powerful elegance" design language in a bold new direction, creating a powerful, contemporary, and commanding aesthetic.

■ François S. Bassil, the chairman of **Byblos Bank Group**, held a lunch in honor of the newly elected president of the **Beirut Bar Association**, André Chidiac, and members of the Bar Council.

■ **Allianz SNA** announced that as of January 1, Bassem Assi, previously its chief operating officer, has been promoted to the role of general manager of Allianz SNA (Lebanon).

■ **ADIR Insurance** held its annual lunch on January 27 at Maillon restaurant in Ashrafieh, during which it celebrated its 35th anniversary.

■ It was a pleasure for **T. Gargour & Fils** to host the regional MB-CME After-Sales conference in Lebanon, celebrating the success of **Mercedes-Benz** After-Sales under the slogan: One vision. One mission. One team.

■ **BLOM Bank** has concluded "The A List" competition, part of "BLOM shabeb" program, which was held under the patronage of Minister of Education and Higher Education Marwan Hamadeh, represented by Vera Zeitouni, the Mount Lebanon regional education officer.

■ In the presence of hundreds of visitors including ambassadors, UN agencies, high-level officials, media, artists, and civil society, **UNICEF** launched "Haneen," an exhibition of art and poetry that underlines how Syrian children have experienced war.

■ The **Alfa Romeo** Sauber F1 Team has launched its new challenger, the C37, ahead of the 2018 Formula One championship.

■ Under the patronage of President Michel Aoun and in collaboration with **Banque du Liban (BDL)**, along with the participation of Prime Minister Saad Hariri, Minister of Telecommunications Jamal Jarrah, and BDL Governor Riad Salameh, **ArabNet Beirut 2018** successfully wrapped up on February 22.

■ Under the title "Innovation Turbine," a press conference focusing on digitalization and distribution was organized by **Allianz SNA** on February 20 at the Intercontinental

Phoenicia Hotel Beirut for media representatives and the company's key brokers and partners.

■ During the delivery of certificates to ER physicians and nurses who completed the ATLS and ATCN training sessions provided by **Roads for Life**, RFL President Zeina Kassem revealed that the association's participation in an international conference to be held by the American College of Surgeons in Chicago in March 2018 will allow RFL to bring in new training sessions benefiting various parts of society.

■ **HMD Global**, the home of **Nokia** phones, announced four new additions to its award-winning portfolio of Android smartphones: Nokia 8 Sirocco, Nokia 7 Plus, the new Nokia 6, and Nokia 1.

■ **Samsung Electronics Co., Ltd.** introduced the Samsung Galaxy S9 and S9+, the smartphones that reimagine the way people communicate, share, and experience the world.

■ **OpenMinds** and the **AUBMC Special Kids Clinic** held their annual dinner on February 22 at the Seaside Arena in Beirut in the presence of Prime Minister Saad Hariri and a number of political and business figures.

■ The **Ferrari 488 Pista**, which will be unveiled at the upcoming Geneva Motor Show, is the successor to Ferrari's V8-engined special series—the 360 Challenge Stradale, 430 Scuderia, and 458 Speciale—which have received critical acclaim for their performance and undiluted handling.

■ With the flexibility of modern smart networks, **LG** has given rise to an on-demand culture that shows no signs of going back to the days of one-size-fits-all programming.

■ **Ericsson** is launching the IoT Accelerator Marketplace to help address the need for collaboration within the digital ecosystem community and benefit developers and service providers alike.

■ For the third consecutive year, **Philip Morris Lebanon** has been recognized as a top employer, which serves as a testament to the company's excellence in career development and opportunities, in addition to its enriching work environment.

■ Lebanon will participate for the first time at the **Venice Biennale of Architecture** under the theme "The Place that Remains." The Biennale, now in its 16th edition, will run from May 26 to November 25, 2018.

■ For the first time in the history of Rafic Hariri International Airport, **Emirates** will operate a special one-off A380 service to Beirut on March 29.

■ **Samsung Electronics MENA** showcased Samsung CUE, the company's first digital content retail store and multimedia entertainment service in the world, launched exclusively in the MENA region.

■ **flydubai** has announced its full-year results for the year ending December 31, 2017, with total revenue of \$1.5 billion, compared to \$1.37 billion last year, an increase of 9.2 percent compared to the same period reported in last year's results.

■ The **Porsche** motorsport department is presenting Weissach's newest development at the **Geneva Motor Show**: the 911 GT3 RS, with motorsport chassis and 520hp (383 kW) from a four-liter, naturally-aspirated engine.

■ **MIC Ventures** was launched under the patronage and in the presence of Prime Minister Saad Hariri, creating a telecom fund to invest in ICT startups as part of the initiative introduced by **IDAL - Business Support Unit** to improve the business environment and boost innovation in Lebanon.

■ The 200,000th **BMW X4** has now come off the production line at the BMW plant in Spartanburg, USA. With its extroverted design, versatile driving properties, and dynamic character, the first-ever mid-range Sports Activity Coupé in the premium segment has built up an impressive fan community within just a little over four years.

■ **Officine Panerai** has opened the doors to its new London Boutique on 30 New Bond Street, the brand's first standalone store in the UK and the second-largest in Europe after Panerai's flagship in Florence.

■ **Hilton Beirut Habtoor Grand** hotel introduced a new therapeutic approach, "holistic integrative therapy," adopted for the first time in Lebanon at the Elixir Spa & Health Club.

■ **Samsung Electronics MENA** unveiled its vision of open innovation and purposeful collaboration to create seamless, synchronized, and smart experiences that simplify consumers' lives.

■ **Huawei's** Mate 10 Lite introduced two exclusively tailor-made software upgrades to device users designed to bring more features, functionality, and fun to the mobile experience.

■ **Société Générale de Banque au Liban**, one of the leading banks in Lebanon and the Levant, has partnered with the software company **Backbase** to deliver an entirely new experience to its customers.

■ The **BMW Group** has never sold as many cars in January as it did this year. A total of 169,538 customers took delivery of a BMW, MINI, or Rolls-Royce premium vehicle, an increase of 3.8 percent over the same month last year.

■ To commemorate **AUBMC's** commitment to humane medicine and patient-centered care, the Salim El-Hoss bioethics and professionalism program at **AUBFM** and **AUBMC** organized a special event under the leadership of Executive Vice President for Medicine and Global Strategy Raja N. Khuri, and AUB Dean of the Faculty of Medicine Dr. Mohamed H. Sayegh.

■ **Burger King Dhayeh** hosted a pre-Valentine's celebration, themed "Series of Unfortunate Events," where romance gave way to humor, breaking all the rules of Valentine's Day cheesiness, and brought

BUSINESS ESSENTIALS

Company Bulletin

together a large number of bloggers and social media influencers to celebrate differently.

The legendary Panerai Transat Classique race is once again being organized by the **Atlantic Yacht Club** of France in partnership with the high-end sports watchmaker **Officine Panerai**, already a strong presence in the classic yacht world through its title sponsorship Panerai Classic Yachts Challenge.

A record twenty teams from Lebanon have qualified for the finals of the 11th annual **MIT Arab Startup Competition**, organized by the MIT Enterprise Forum of the Pan Arab Region. The finals of the MITEF Arab startup competition, held in partnership with **Community Jameel** and **Zain Group** as the competition's digital partner, will be held in Oman on April 19.

Applications for the 2018 **Cannes Lions** See It Be It program have opened, with **Spotify** announced as the official partner.

Air Arabia announced its full-year financial results for 2017 as the Middle East and North Africa's first and largest low-cost carrier, and once again achieved high levels of profitability and growth across the breadth of its operations.

As a reward for its excellence in the medical field, **Bellevue Medical Center** won the "Best Healthcare Operator of the Year 2017 – Lebanon" at the fifth annual **International Finance Awards** ceremony organized in Dubai by the *International Finance Magazine*.

Spinneys launched a one-month donation campaign at all its branches in Lebanon to support **SOS Children** under the theme, "Light up their Christmas." As always, Spinneys customers participated in the campaign and were able to donate \$1 or more at cash registers, with five Spinneys loyalty points added for each dollar donated. The amount collected—LL216,156,157.65, or

over \$144,000—was presented to the SOS family in a visit by Spinneys employees to SOS Children's Villages.

British Airways has started powering some of its long-haul aircraft with high-speed Wi-Fi, with its first three connected aircrafts now in service. The airline will connect 118 of its long-haul aircraft over the next two years.

Zain Group announced its consolidated financial results for the full-year 2017 and the fourth quarter, ending on December 31, 2017. Zain now serves 46.6 million customers, reflecting a 1 percent decrease year-on-year.

FFA Private Bank, the leading private bank in the Middle East, based in Lebanon and operating in Dubai, was named Best Levant Asset Manager at the MENA Fund Manager Performance Awards in Dubai on January 30.

LG Electronics Inc. announced record full-year revenues of \$55.4 billion for 2017, an increase of 10.9 percent from the previous year, the highest in the company's history.

Careem, the leading ride-hailing app in MENA, Turkey, and Pakistan, continues to simplify its customers' busy lives by partnering with **Jaleesa**, the Lebanon-based tech startup that connects families with a trusted babysitter.

touch, managed by Zain Group, announced the launch of the "touch Innovation Program" in partnership with **ArabNet** and under the patronage of the Minister of Telecommunications Jamal Jarrah. In parallel, touch unveiled a partnership with **Antwork** through which Antwork contributed to the custom development of a co-working space at the touch LAB.

Majid Al Futtaim released its preliminary and unaudited operational and financial results for 2017, showing resilience in a challenging business environment.

GROHE continues to fully count on its innovative strength in 2018. In the upcoming months, among other things, the plans are to expand the production of fittings to the 3D printing process and to implement first test prints in a pilot project.

Ford saw its market share rise in almost every automotive segment in the Middle East in 2017, most significantly in the mid-size crossover utility and full-size sedan segments, at a time where the overall industry continued to decline.

Hyundai Motor has unveiled its first facts about the New Generation Santa Fe, which celebrated its world premiere in February before making its debut at the Geneva Motor Show in early March.

Visa announced its partnership with **Grand Cinemas**, offering cardholders rewarding moviegoing experiences.

Porsche is strengthening its presence in the Middle East by opening a **Porsche Studio** in Beirut, a first for the region.

Le Gray Beirut is one of the top 25 top luxury hotels in the Middle East to win TripAdvisor's 2018 Travellers' Choice Award.

McDonald's Lebanon held a grand reopening ceremony for its state-of-the-art and completely renovated branch in Dora.

adidas Football has launched the first new colorway of the re-released Predator 18+. The Cold Blooded Predator 18+ is part of the Cold Blooded pack—alongside X and NEMEZIZ silos—and is available in a striking white and red colorway.

For the first time, a Lebanese movie—"The Insult," by director Ziad Doueiri—was nominated for an **Academy Award** in the Foreign Language Film category.



CAPITAL CONCEPT S.A.L.



STRATEGY - FINANCE - GOVERNANCE

BUSINESS ESSENTIALS

Events

CONFERENCES

	ORGANIZERS	CONTACT	WEBSITE
LEBANON			
1-2 Mar	FINANCIAL LITERACY Union of Arab Banks	+961 1 377800; uab@uabonline.org	www.uabonline.org
6 Mar	LEBANON INVESTMENT IN INFRASTRUCTURE CONFERENCE Al-Iktissad Wal-Aamal	+961 1 740 173; info@iktissad.com	www.iktissadevents.com
29-30 Mar	OIL AND GAS IN EASTMED Al-Iktissad Wal-Aamal	+961 1 740173; info@iktissad.com	www.iktissadevents.com
23 Apr	FUTURE HEALTH Al-Iktissad Wal-Aamal	+961 1 740173; info@iktissad.com	www.iktissadevents.com
24-25 Apr	THE LEBANON INTERNATIONAL OIL AND GAS SUMMIT Global Event Partners	+44 1737 784956; athompsett@gep-events.com	www.gep-events.com
3-4 May	INTERNATIONAL ACADEMIC CONFERENCE ON ECONOMICS AND BUSINESS Lebanese University	+961 3 520 856; iaceb.2018@gmail.com	www.fdmcongress.ul.edu.lb
DUBAI			
6-8 Mar	GLOBAL SMART ENERGY SUMMIT Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informa-mea.com
7-8 Mar	TWENTY-FIRST GLOBAL WOMEN LEADERS CONFERENCE Datamatix Group	+9714 - 3326688; info@datamatixgroup.com	www.datamatixgroup.com
12-13 Mar	MIDDLE EAST RAIL 2018 Terrapinn Middle East	+971 14440 2500; enquiry.me@terrapinn.com	www.terrapinn.com
14-15 Mar	INSURANCE INNOVATION SUMMIT Fleming Gulf	+971 4 609 1555; info@fleminggulf.com	www.fleming.events
19-20 Mar	MENA SECURITIES FORUM Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informa-mea.com
22 Mar	EIGHTH GCC FOOD SUPPLIERS AND MANUFACTURERS SUMMIT Datamatix Group	+9714 - 3326688; info@datamatixgroup.com	www.datamatixgroup.com
9-10 Apr	ATD MIDDLE EAST CONFERENCE AND EXHIBITION Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informa-mea.com
10-11 Apr	FOURTH ANNUAL RETROFITTECH DUBAI SUMMIT AND AWARDS ACM	+971 4 361 4001; opportunities@acm-events.com	www.acm-events.com
15-16 Apr	SEAMLESS MIDDLE EAST 2018 Terrapinn Middle East	+971 14440 2500; enquiry.me@terrapinn.com	www.terrapinn.com
16-17 Apr	COMPENSATION AND BENEFITS FORUM Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informa-mea.com
22-26 Apr	TWENTY-FOURTH GCC SMART GOVERNMENT AND SMART CITIES CONFERENCE Datamatix Group	+9714 - 3326688; info@datamatixgroup.com	www.datamatixgroup.com
2-3 May	HUMAN CAPITAL FORUM MENA Naseba	+971 4 367 1376; prachid@naseba.com	www.naseba.com
7-8 May	MIDDLE EAST INVESTMENT SUMMIT Terrapinn Middle East	+971 1 444 02500; enquiry.me@terrapinn.com	www.terrapinn.com
7-8 May	BLOCK CHAIN TECHNOLOGY AND ELECTRONIC CURRENCIES Union of Arab Banks	+961 1 377 800; uab@uabonline.org	www.uabonline.org
ABU DHABI			
2-3 May	WET INFRASTRUCTURE SUMMIT ACM	+971 4 361 4001; opportunities@acm-events.com	www.acm-events.com
7-8 May	FUTURE CIVIL DEFENSE ACM	+971 4 361 4001; opportunities@acm-events.com	www.acm-events.com
SAUDI ARABIA			
6-7 Mar	SAUDI DOWNSTREAM FORUM BME Global	+44 203 463 1022; m.elgohary@bme-global.com	www.saudidownstream.com
12-13 Mar	INTERNATIONAL CYBER DEFENSE SUMMIT Naseba	+971 4 367 1376; prachid@naseba.com	www.naseba.com

	ORGANIZERS	CONTACT	WEBSITE
19-20 Mar	WOMEN IN LEADERSHIP ECONOMIC FORUM KSA Naseba	+971 4 367 1376; prachid@naseba.com	www.naseba.com
30 Apr	SMART TRANSFORMATION SUMMIT Naseba	+971 4 367 1376; prachid@naseba.com	www.naseba.com
EGYPT			
18-19 Apr	THE ARAB BANKING CONFERENCE: BANKING AND FINTECH: A BRAVE NEW WORLD Union of Arab Banks	+961 1 377800; uab@uabonline.org	www.uabonline.org
JORDAN			
19-20 Mar	THE REALITY OF THE PALESTINIAN BANKING SECTOR: OPPORTUNITIES AND CHALLENGES Union of Arab Banks	+961 1 377800; uab@uabonline.org	www.uabonline.org
OMAN			
26-28 Mar	OMAN'S OIL AND GAS EXHIBITION AND CONFERENCE Oman Expo	+968 9934 4198; info@ogwaexpo.com	www.ogwaexpo.com
29-30 Apr	OMAN ECONOMIC FORUM Al-Iktissad Wal-Aamal	+961 1 740173; info@iktissad.com	www.iktissadevents.com
KUWAIT			
26-29 Mar	SIXTH ANNUAL CRISIS AND RISK MANAGEMENT SUMMIT IQPC	+65 6722 9388; enquiry@iqpc.com	www.iqpc.com
7-10 May	DRILLTECH MIDDLE EAST IQPC	+65 672 29388; enquiry@iqpc.com	www.iqpc.com
6-7 May	HOUSING AND SOCIAL INFRASTRUCTURE KUWAIT FORUM IQPC	+65 672 29388; enquiry@iqpc.com	www.iqpc.com

EXHIBITIONS

	ORGANIZERS	CONTACT	WEBSITE
LEBANON			
1-4 Mar	EDUCATION AND ORIENTATION EXPO 2018 Promofair	+961 1 561 605; info@promofair.com.lb	www.promofair.com.lb
17-22 Mar	BLOOM GATA events and Promotions	+961 1 322177; info@gata.pro	www.gata.pro
20-23 Mar	HORECA LEBANON Hospitality Services	+961 1 480081; info@hospitalityservices.com.lb	www.hospitalityservices.com.lb
23-25 Apr	BEIRUT INTERNATIONAL PROPERTY FAIR Promoteam	+961 1 339 050; sm@promoteam-ltd.com	www.promoteam-ltd.com
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30 May - 2 Jun	GARDEN SHOW AND SPRING FESTIVAL Hospitality Services	+961 1 480 081; info@hospitalityservices.com.lb	www.hospitalityservices.com.lb

BUSINESS ESSENTIALS

Events

	ORGANIZERS	CONTACT	WEBSITE
DUBAI			
6-8 Mar	AGRA ME Informa	+971 4 407 2528; register@cityscape.org	www.informaexhibitions.com
12-13 Mar	MIDDLE EAST RAIL Terrapinn Middle East	+971 14440 2500; enquiry.me@terrappinn.com	www.terrappinn.com
12-14 Apr	GULF EDUCATION AND TRAINING EXHIBITION International Conferences and Exhibitions	+971 4 335 5001; info@icedxb.com	www.icedxb.com
21-23 Apr	ARAB OIL AND GAS International Conferences and Exhibitions	+971 4 335 5001; info@icedxb.com	www.icedxb.com
22-23 Apr	MIDDLE EAST SPECIAL EVENT AND EXHIBITION SHOW Informa	+971 4 407 2528; info-mea@informa.com	www.informaexhibitions.com
22-25 Apr	ARABIAN TRAVEL MARKET REED Expo	+971 2 4917615; info@reedexpo.ae	www.reedexpo.com
7-9 May	AIRPORT SHOW REED Expo	+971 2 491 7615; info@reedexpo.ae	www.reedexpo.com
ABU DHABI			
17-19 Apr	CITYSCAPE ABU DHABI Informa Middle East	+971 4 407 2528; register@cityscape.org	www.informaexhibitions.com
BAHRAIN			
6-8 Feb	TENTH GULF INTERNATIONAL INDUSTRY FAIR Hilal Conferences and Exhibitions	+973 17299116; cheryl@hilalce.com	www.hilalce.com
21-23 Mar	EDUCATION AND TRAINING INTERNATIONAL EXHIBITION Trade Expo Co	+973 360 86 266; edutex.bahrain@gmail.com	www.btea.bh
21-24 Mar	BAHRAIN HOSPITALITY AND RESTAURANT EXPO AND FORUM Culinaire & Beyond W.L.L	+973 34237708; sidrah@culinaireandbeyond.com	www.bahrainhre.com
24-26 Apr	GULF CONSTRUCTION Hilal Conferences and Exhibitions	+973 17299116; cheryl@hilalce.com	www.hilalce.com
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28-31 Mar	CITYSCAPE EGYPT Informa	+971 4 407 2528; register@cityscape.org	www.informaexhibitions.com
22-24 Apr	AFRICA FOOD MANUFACTURING Informa Middle East	+971 4 407 2528; info-mea@informa.com	www.informa-mea.com
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7-10 May	PROJECT QATAR IFP	+961 5 959 111; info@ifpexpo.com	www.ifpexpo.com
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20-23 Mar	SAUDI FOOD, HOTEL AND HOSPITALITY ARABIA Al Harithy Company for Exhibitions	+966 12 654 6384; ace@acexpos.com	acexpos.com
24-26 Apr	INTERSEC - SAUDI ARABIA Al Harithy Company for Exhibitions	+966 12 654 6384; ace@acexpos.com	acexpos.com
OMAN			
16-18 Apr	GLOBAL HIGHER EDUCATION EXHIBITION AND CONFERENCE Oman International Trade & Exhibitions	+968 2 465 6000; info@oite.com	www.oite.com
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LAST WORD

By Begoña Lasagabaster

More women in politics

Gender equality is necessary for more inclusive and stable societies

From the local to the global level, women's leadership and political participation are restricted.

Women are underrepresented as voters, as well as in leading positions, whether in elected offices, the civil service, the private sector, or academia. This occurs despite their proven abilities as leaders and agents of change, and their right to participate equally in democratic governance. And all of this despite the clear evidence, through studies and analysis from all over the world, that women's political participation and leadership helps build safer, more inclusive, and more stable societies.

The under-representation of women at any level of governance and decisionmaking results in a democratic deficit. It has been proven time and again that diverse groups make better decisions. This is particularly true not only at national level but also at local level. Often influencing policies in housing, security, transport, and the economy, local government makes important decisions that affect the lives of women and men.

MORE MUST BE DONE

While there have been advances in women's leadership in politics, as of November 2017, the proportion of women in national parliaments globally is 23.6 percent (single/lower house), and women in parliaments in the Arab states make up just 18.2 percent. Globally women make up only 7.2 percent of heads of state, 6.2 percent of heads of government, and only 18.3 percent of ministers are women. We must acknowledge that the advancement is "painfully" slow.

In Lebanon, women account for 49.8 percent of the population accord-

ing to the World Bank indicators, yet only 3.1 percent of the current Parliament are women and only one cabinet member. Even with these small numbers, the road to get there has been marked by several obstacles to women participating in political life. The 2011 UN General Assembly resolution on women's political participation notes, "Women in every part of the world continue to be largely marginalized from the political sphere, often as a result of discriminatory laws, practices, attitudes and gender stereotypes, low levels of education, lack of access to health care and the disproportionate effect of poverty on women." Lebanese women have the additional barrier of the sectarian political system to overcome.

But it is no longer a question of "does the number of women in Parliament matter?" It is a matter of women having a right to a seat at the table and to design the table. Women do not need an invitation. Because when women are in decisionmaking positions, they unify divided communities and rally peacebuilding actors. More inclusive decisions are then made, different voices are heard, and different solutions are created. When more women are in politics, greater attention is also paid to health, education, infrastructure, ending violence against women, and overall quality of life concerns.

Toward this goal, UN Women has a long history of supporting women's political participation, accompanying national institutions and civil society working jointly with other UN agencies. Their work in over 90 countries has resulted in the adoption and amendment of 72 laws to strengthen women's rights in 61 countries, eight

countries having adopted temporary special measures to advance women's representation, and 4,000 aspiring and elected women political leaders being trained in 51 countries.

In Lebanon, UN Women, UNDP-LEAP, and the European Union, collaborated with the Lebanon's Ministry for Women's Affairs to develop a Roadmap for Political Empowerment and Leadership of Women in Lebanon. It was launched in January 2018, to build the capacity of female leaders, female candidates, and voters (both male and female) to promote female representation in politics in May's upcoming parliamentary elections. The inclusive media awareness campaign "Half of society, Half of Parliament" is also supporting women's participation in politics and advocating for political parties to endorse female candidates in electoral lists.

We know this is a long journey that will not end on May 6. UN Women is here for the long haul to accompany and support national institutions, political parties, civil society, and the women and men of Lebanon to achieve gender equality and women's empowerment, because gender equality and women's empowerment are a necessary condition for ending poverty and inequality, achieving peace that lasts, as well as shared prosperity and climate justice.

Let me end with the call for action for the agenda 2030 signed by High Level Women Leaders and the UN Secretary General in 2015, "It's time to step it up for gender equality. We have waited long enough!"

Begoña Lasagabaster is Special Representative of the Regional Director of UN Women in Lebanon and was a member of the Spanish Parliament from 1996 to 2008.



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