



# **EXECUTIVE** ECONOMIC ROADMAP

- DRAFT 5.0 -

# FOREWORD

## TAKE IT BREAK IT

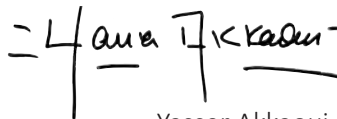
When we decided to launch the “Execute Change” movement and develop the Economic Roadmap in 2018, Lebanon was already on a downward slide under what hindsight revealed to be a disastrous blend of self-interested governmental policies and actions. The absurdity of each policy adopted by the political class fell out of tune of any reason. They knew perfectly well what was at stake. Although the much-needed funds from the CEDRE conference were promised against pledges for structural reforms, our political champions of personal gains still found a way to sabotage any attempt of reforms. It was the illusion that they might change and adopt best practices – the condition for accessing vital funds – that blinded people sufficiently to make them once again empower the political establishment in 2018.

Call our past trust in the political class Stockholm Syndrome, fatalism, or simple misjudgment, but why would anyone think that the puff around negotiating an agreement with the IMF at the start of 2022 would be any different? Aren’t the last two years of inaction – during the worst crisis to ever hit Lebanon – enough to convince people that those of the old establishment are inept and incapable of executing anything? How can a system that failed to find a solution for one single crisis in 2014 – the garbage crisis – be able to solve the countless crisis we have today?

The only way out is to, once and for all, rid Lebanon of this incompetent political class and support those who can. In this fifth edition of our Economic Roadmap, we are honored to present the fruits cultivated over nearly a five year journey by 182 experts who contributed, consulted, and allowed us to deliver over 360 policy priorities that can save Lebanon.

We hand this participative collaborate effort and our trust to our readers, dedicating the Executive Economic Roadmap 5.0 to all those courageous women and men that decided to step up against this rotten establishment.

Take it. Use it. Improve it – you are the reality of power for building the next Lebanese economy.

A handwritten signature in black ink, appearing to read "Yasser Akkaoui". The signature is stylized with a large vertical stroke on the left and a horizontal stroke at the bottom.

Yasser Akkaoui  
*Editor-in-chief*

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**Lead author** Yasser Akkaoui

**Editors** Thomas Schellen  
Alexis Baghdadi  
Diala Ghalayini

**Consulting**

Abdallah Harfouch	Eve Tamraz Najjar	Joumana Dammous	Nadim Souhaid	Salim Chahine
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Alexandre Harkous	Fadi Fayad	Kamal Tarazi	Najat Saliba	Sami Abou Saab
Ali Abdollah	Fares Kobeissi	Karim Nasrallah	Nasser Yassin	Samuel De Jaegere
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Anthony Maalouf	Farraj Maallawi	Karl Naim	Nassif Shalhoub	Serena Abi Khalil
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Aref Saade	Firas Mghanes	Khalil Jebara	Nayla Feghali	Talal Salman
Arkan el-Seblani	Gabriel Chamoun	Lama Fakih	Nermine Sibai	Tony Ramy
Asmahan Zein	Gabriel Deek	Lara Macaoun	Nicolas Boukather	Toufic Fattouh
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Atef Idriss	Ghassan Beidoun	Makram Oueiss	Omar Mezher	Wafa Kotob
Auguste Bakhos	Ghassan Moukheiber	Marc Ayoub	Ossama Safa	Wajih Bizri
Aya Majzoub	Ghia Osserian	Marc Géara	Paul Abi Nasr	Wajiha Malaeb
Ayman Mhanna	Ghida Anani	Marc Haddad	Paulette Assaf	Walid Ammar
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Bassel Salloukh	Hala Faissal	Marwan Mikhael	Randa Farah	Wissam Ghorra
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Eli Khoury	Josette Najjar	Nada Rizallah	Saad Sabra	
Elie Abou Saab	Josiane Fahed-Sreih	Nadim Haddad	Salah Tabbara	

**The 2022 roadmap recommendations are built on four previous iterations of the roadmap. These recommendations owe a substantial intellectual debt to our collaborations with the United Nations Development Programme (UNDP), the United States Agency for International Development (USAID), and Konrad-Adenauer-Stiftung (KAS).**

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Within the introductory pages of the Economic Roadmap lies a myriad of links leading to an archived bouquet of articles, analysis, and commentary pieces that delve deeper into the sectors covered.

# Build & reform

Agenda Priority 1

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## BUILD FISCAL POLICY

In the course of 2021, the issues concerning Lebanon's [fiscal performance](#) and public debt outlook have continued to pose increasing challenges to social and economic survival. The paralysis of political processes exacerbated the fiscal problems. This new urgency only adds to the importance that has been enshrined previously in Article IV reviews for Lebanon by the International Monetary Fund (IMF) which has repeatedly alerted officials that the debt burden could be the prime risk source compromising financial stability. Renewing talks with the IMF on a clear basis, around a credible [recovery plan](#) for the economy, is today a matter of survival.

Many contend that under the conditions observed since the end of 2019, it will not suffice to stabilize the debt-to-GDP ratio and gradually decrease it with growth-oriented policies, as was done during the first decade of the millennium. The necessity to negotiate with stakeholders in full transparency needs to be addressed to stabilise the debt-to-GDP ratio in light of the further economic contraction suffered this past year. Overall, the Lebanese economic crisis will further reduce the country's capacity at servicing its national debt, and the default on sovereign debt, if not addressed, will result in Lebanon being a pariah in international markets. In the immediacy of the crisis, it has become paramount for the Lebanese state to reform and develop fiscal measures. Lebanon needs to establish a [2022 budget](#) consistent with a macroeconomic and debt sustainability framework negotiated with current holders of sovereign debt.

Further inevitable is a re-examination of the banking sector, its ability to support the government, private companies, and households, and the ways in which to implement financially sustainable policies at Banque du Liban (BDL), Lebanon's central bank. To obtain IMF and CEDRE funds, genuine structural and institutional reforms are needed at all levels. Fiscal reform must introduce new instruments that are able to increase social justice and sustainability as well as incentivize private investments and greater economic activity.

In addition, fiscal reform needs to be flanked by a proactive approach for aligning and developing the monetary policy and capital markets regime under the auspices of BDL, with the fiscal policies produced and implemented by the Ministry of Finance (MoF).

In addition, no effective fiscal policy can be implemented without addressing the need to restructure the banking sector, as the latter has long been the biggest provider of [tax revenues](#) for the state in the corporate sector. The financial crisis has paralysed the banking sector, which is in need of recapitalisation in compliance with the IMF's recommendations. A restructuring of the banking sector would further alleviate pressure on banks and depositors, and help restore confidence which, in turn, would alleviate pressure on the Lebanese pound. This should be accompanied by a long-awaited capital control law which would shield banks from possible legal repercussions and help stabilise the Lebanese pound.

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

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**POLICY PRIORITY 1.1****BUILD FISCAL POLICY**

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**Main Challenges**

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

**Proposed Measures****Measure 1.1.1**

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

**Measure 1.1.2**

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

**Measure 1.1.3**

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

**Measure 1.1.4**

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

**Measure 1.1.5**

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

**Measure 1.1.6**

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

**Measure 1.1.7**

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

**Measure 1.1.8**

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

**Measure 1.1.9**

Introduce new modelling techniques at the MoF that enable better forecasting and evaluation of the impacts of tax measures, in collaboration with the IMF to better forecast debt-to-GDP ratio.

# Build & reform

Agenda Priority 1

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## **Measure 1.1.10**

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

## **Measure 1.1.11**

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

## **Measure 1.1.12**

Complete good-faith negotiations with the IMF to unlock technical assistance and financial support, around a credible economic recovery plan, and carry out all structural reforms that relate to the improvement of the fiscal performance of Lebanon under existing commitments.

## **POLICY PRIORITY 1.2**

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

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#### **Main Challenges**

- *Adopt a unified exchange rate regime*
- *Resolve the paralysis of capital markets*
- *Build safeguards against collusion between BDL, the MoF, and Parliament*

#### **Proposed Measures**

##### **Measure 1.2.1**

Unify and stabilize the exchange rate and incentivize initiatives that would increase foreign direct investment.

##### **Measure 1.2.2**

Mandate independent, rigorous, and transparent assessment of all macroeconomic indicators and disclose them to the public in a timely manner.

##### **Measure 1.2.3**

Reinforce the control environment of BDL in a manner that will allow it to have a preemptive and independent role in risk mitigation.

##### **Measure 1.2.4**

Adopt transparent and timely measures in the disclosure of decisions and rationales used by BDL for their monetary policy, interest rate decisions, and inflation targets.



**Measure 1.2.5**

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

**Measure 1.2.5**

Align fiscal policy with the stated objective of deepening capital markets in Lebanon through the incentivization of capital market operations.

**Measure 1.2.6**

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

**Measure 1.2.7**

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

**Measure 1.2.8**

Revise the mandate and structure of the Capital Markets Authority in Lebanon.

**Measure 1.2.9**

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

**Measure 1.2.10**

Mandate for all companies benefiting from public funds to be listed on the BSE with a 51 percent float.

**Measure 1.2.11**

Legislate and incentivize companies to facilitate trading of corporate debt contracts to allow for foreign currency investments to encourage exports.

**Measure 1.2.12**

Prioritize discussions with the IMF and the banking sector to advance in the much-needed recapitalization of the latter through a strengthening of their balance sheets, equity injections, and optional mergers.

**Measure 1.2.13**

Remove incentives for smuggling and illegal migration of labor.

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# Build & reform

Agenda Priority 2

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## BUILD CAPACITIES

Lebanon faces the challenges of a fast-moving globalized economy, but at the same time has a backlog of lost development in economic capacities, brought on by decades of internal and external conflicts and state inactivity; these losses have only been compounded by the crisis of 2020 and its continuation in 2021. While partial changes to the code of commerce were legislated in 2019, the legislative infrastructure for the [public and private economy](#) and the ease of doing business has still not been reformed. Processes and potential pitfalls of privatizations of state-owned or state-affiliated enterprises need to be examined. The data foundations for economic and social planning need to be determined, and [productivity](#) in the public and private sectors also needs improvement.

Seeking experts and professionals with the work ethic and know-how needed for public service is a priority, and capacity building is an urgent priority to improve the collection, analysis, and usage of data for public policy formation, fiscal modeling, and social programs. Also necessary is the development of public sector capacities to support productivity and improvements in all sectors, as well as the alignment of public and private entities through completion of public-private partnership (PPP) legislation. Public sector employees must be trained in governance, assistance, and supervision so that they can not only support PPP processes legislated in 2017, but also help achieve proper governance within public institutions. Lebanon continues to lack proper statistics upon which the formulation of economic policy must be based. So far, efforts to build a statistical database have been sparse, uncoordinated, and insufficient, hence the need for a master plan with the objective of building a long-term database.

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

PPPs can offer a reliable alternative in many instances, and are especially important now as public infrastructure, like the BDL and electricity providers, fail to meet citizens' needs.

While restructuring state-owned enterprises and legislative development—including the introduction of a competition law and regulatory authority—remains a prerequisite to any successful privatization program, the government must fully commit to the privatization option and announce its intention to resume this program. Privatization should not be considered as an option to generate revenues to meet short-term fiscal needs, but must instead be viewed as a process that will yield dynamic economic benefits in the long run.

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

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**Main Challenges**

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

**Proposed Measures****Measure 2.1.1**

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

**Measure 2.1.2**

Legislate and implement a census for Lebanon.

**Measure 2.1.3**

Develop a statistical master plan by CAS.

**Measure 2.1.4**

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

**Measure 2.1.5**

Use data to build nation-wide crisis-management plans for public sector economy, and implement a social safety net.

**POLICY PRIORITY 2.2****ENHANCE CAPACITIES IN THE PUBLIC SECTOR**

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**Main Challenges**

- *Create an adequate human capital base in the public sector*

**Proposed Measures****Measure 2.2.1**

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

**Measure 2.2.2**

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

# Build & reform

Agenda Priority 2

## **POLICY PRIORITY 2.3**

### *INCREASE PRODUCTIVITY*

#### Main Challenges

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

#### Proposed Measures

##### **Measure 2.3.1**

Promote and build capacities for value creation in capital markets.

##### **Measure 2.3.2**

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

##### **Measure 2.3.3**

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

##### **Measure 2.3.4**

Encourage the attraction of FDI by upgrading investment agencies, and increase incentives for inflows of FDI that contain technology transfer components.

## **POLICY PRIORITY 2.4**

### *ENHANCE THE BUSINESS AND INVESTMENT CLIMATE*

#### Main Challenges

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

#### Proposed Measures

##### **Measure 2.4.1**

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

##### **Measure 2.4.2**

Create legislation that would allow for small debts recovery.

##### **Measure 2.4.3**

Evaluate existing assessments, such as the World Bank's Doing Business report and similar international benchmarks on practices and barriers in Lebanon—act to address issues raised.

##### **Measure 2.4.4**

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

**Measure 2.4.5**

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

**Measure 2.4.6**

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

**Measure 2.4.7**

To bolster the private sector, make sure that capital control laws still allow businesses of all sizes to maintain and grow their operations, allowing for international transactions when necessary, to keep Lebanon's industries, services, and products relevant.

**POLICY PRIORITY 2.5****MAKE PRIVATIZATION WORK**

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**Main Challenges**

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

**Proposed Measures****Measure 2.5.1**

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

**Measure 2.5.2**

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

**Measure 2.5.3**

Determine public good priorities to be met by privatized entities.

**Measure 2.5.4**

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

**Measure 2.5.5**

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

**Measure 2.5.6**

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

**Measure 2.5.7**

Use PPPs to deliver financial capacity, purchasing power, and liquidity.

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# Build & reform

Agenda Priority 3

## BUILD STATE INSTITUTIONS

The institutional backbone of the Lebanese state, long noted for conditions that impair crucial state institutions, has been exposed to further stresses in the collated crises of 2020. Institutional weaknesses persisted in 2021 and contributed to the worsening of inflation and exchange rates. The building of solid state institutions and autonomous public institutions is now a matter of survival for the Lebanese state and the national economy. Public administration in Lebanon more than ever before must adhere to meritocratic standards and meet paradigms of work ethics and efficiency. To achieve [structural reforms](#) and migrate to a healthy public administration, it is of utmost importance that elected authorities reduce the size of the public sector and implement lawful and transparent hiring. In the short term, this is an essential precondition for any assistance provided by multilateral financial institutions and foreign governments. Beyond immediately required institutional reforms in the public administrations, a civil service revamp on the national level should further reduce and as much as possible eliminate inefficient, budget-draining programs, departments, and agencies, continuing steps initiated in autumn of 2019. State institutions should be augmented by the creation of autonomous and accountable public institutions and the empowerment and activation of such autonomous institutions that have been dormant. On the sub-national level (regional and municipal administrations), the aim should be to decentralize decision-making, utilize new technologies, and increase productivity. Prerequisites for decentralization include: reformation of the legal and institutional setup of control institutions (e.g., public audit, civil service board, and central inspection); establishing a digital and transparent system for budget control and management; and restructuring districts according to economic parameters aimed at social cohesion. A [merit-driven public administration](#) would be the key to attracting foreign investment, creating jobs, and restoring confidence in the local economy.

### POLICY PRIORITY 3.1

#### MODERNIZE THE CIVIL SERVICE

#### Main Challenges

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

#### Proposed Measures

##### **Measure 3.1.1**

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

##### **Measure 3.1.2**

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

##### **Measure 3.1.3**

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

***Measure 3.1.4***

Evaluate all holdings and assets of the state to identify and better allocate the use of these resources. Legislate and implement viable, well-governed, transparent, and fully accountable state asset management.

***Measure 3.1.5***

Examine options for rationalization of public service payrolls and benefits and implement a socially least-destructive solution.

***Measure 3.1.6***

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

***Measure 3.1.7***

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

***Measure 3.1.8***

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

***Measure 3.1.9***

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

***Measure 3.1.10***

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

# Build & reform

Agenda Priority 3

## **POLICY PRIORITY 3.2**

### **REFORM MINISTRIES AND AGENCIES**

#### **Main Challenges**

- *Remove redundancies in the ministerial space*
- *Rationalize the interaction of state fiscal and monetary agencies*
- *Develop a financial constitution and system of state institutions that includes resilient autonomous institutional components*
- *Align political and economic objectives in distribution of public administration units*

#### **Proposed Measures**

##### **Measure 3.2.1**

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

##### **Measure 3.2.2**

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

##### **Measure 3.2.3**

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

##### **Measure 3.2.4**

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

##### **Measure 3.2.5**

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

##### **Measure 3.2.6**

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

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## JUDICIAL REFORM

The judicial arena was central in confrontations between citizens and state representatives in 2021, down to the level of cabinet boycotts and street fighting over the issue of the investigation of the [2020 Beirut port explosion](#). Lebanon's current judicial system has been in place since the country's independence, but this longevity belies the judiciary's manifold weaknesses. At the very least, we have realized that independence does not necessarily mean sovereignty, and the first step to sovereignty is a strong and independent judiciary. The main points of concern are over weak independence and inefficiency of the judiciary, especially in the time lag on judgments achieved in judicial proceedings. A key demand in this regard is the strengthening of judicial independence. According to the Arab Barometer (2019), 91 percent of Lebanese citizens report corruption on the institutional and administrative levels as a problem. Another aspect of concern is that confessional considerations have influenced the judicial selection process. Military conflicts in Lebanon in the second half of the 20<sup>th</sup> century affected the political system and the independence of the judiciary, eroding citizens' confidence in both. Critics of the [judicial system](#) in civil society cite interference in the courts, particularly internal interference by judges in the Higher Judicial Council (HJC), as "commonplace." These critics argue that every citizen needs to feel protected by the courts, regardless of their sect or standing in society. The current system does not provide this guarantee. In the wake of the failure of the nomination process of independent and competent judges, it has become imperative to guarantee judiciary independence.

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

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

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

# Build & reform

Agenda Priority 4

## **POLICY PRIORITY 4.1**

### **INCREASE THE ABILITY OF JUDICIARY TO FUNCTION INDEPENDENTLY**

#### Main Challenges

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

#### Proposed Measures

##### **Measure 4.1.1**

Examine all current legislation on judicial independence and transparency as a concrete measure toward building a strong judiciary.

##### **Measure 4.1.2**

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

##### **Measure 4.1.3**

Integrate the principle of immovability of judges into current practices.

##### **Measure 4.1.4**

Improve recruitment of competent, quality judges by increasing impartialities in the entrance exam.

##### **Measure 4.1.5**

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

##### **Measure 4.1.6**

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

**POLICY PRIORITY 4.2****IMPROVEMENT OF JUDICIAL INSTITUTIONS**

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**Main Challenges**

- *Reform the Higher Judicial Council (HJC)*
- *Legislate and facilitate the investigation of officials*
- *Enhance integrity and transparency*

**Proposed Measures****Measure 4.2.1**

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

**Measure 4.2.2**

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

**Measure 4.2.3**

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

**Measure 4.2.4**

Limit immunities of heads of state, ministers, legislators, and other public officials through the empowerment of the appropriate institutions.

**Measure 4.2.5**

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

**Measure 4.2.6**

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

**Measure 4.2.7**

Create a mechanism by which NGOs, civil society organizations, and trade unions could resort to the constitutional council in the event they would wish to contest a judgement as being against constitutional principles.

**Measure 4.2.8**

Provide more funding and more personnel to the Supervisory Commission for Electoral Campaign for it to execute its missions and to issue recommendations.

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# Build & reform

Agenda Priority 5

## BUILD REGULATORY FRAMEWORKS

Legal and regulatory frameworks provide assurance to markets, offering a level and competitive playing field to businesses in an increasingly globalized and complex environment. A healthy legal and regulatory environment is one that continuously adapts local and national practices to international best practices. In Lebanon, designing balanced and transparent regulatory frameworks is of added importance and urgency for the national ability to achieve new levels of productivity and international competitiveness. Existing frameworks have in many cases not been kept up to standard, leaving regulators and the private sector to operate in uncertain business environments, less able to compete in the global economy. In order for the private sector to operate within a steady business environment that also enforces relevant laws and rules, Lebanon must appoint or re-mandate regulators that independently govern their relevant industries. Lebanon should develop alignments with global regulatory standards, adopting global best practices in frameworks for financial standards and state procurement processes. Financial intermediation, online privacy, cyber-security and digital currency frameworks need to be updated and made more accessible. Climate and environmental regulatory frameworks are of even greater importance than financial regulatory frameworks for facing the emergent third decade of the 21<sup>st</sup> century. Productive and services industries should lobby for [regulatory frameworks](#) that will allow corporations to embed cultures that are adaptive to change. Beyond these frameworks, buy-in and reinforcement of regulations are key to the success of their implementation.

### POLICY PRIORITY 5.1

#### MODERNIZE REGULATORY FRAMEWORK

#### Main Challenges

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

#### Proposed Measures

##### **Measure 5.1.1**

Revise and strengthen public transparency and regulation of all financial actors. Review measurements of risk exposure of banks, modernize the legal framework of credit guarantees and debt recovery procedures, and improve the credit system.

##### **Measure 5.1.2**

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

##### **Measure 5.1.3**

Reinforce the role of the Capital Markets Authority and equip it with the necessary resources to go beyond market monitoring and assessing to market development.

**Measure 5.1.4**

Proceed in the privatization of the Beirut Stock Exchange and the Electronic Trading Platform.

**Measure 5.1.5**

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

**Measure 5.1.6**

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

**Measure 5.1.7**

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

**Measure 5.1.8**

Fully implement Law 28 (2017) on access to information and coordinate a national plan for combating corruption. Implement the national corruption commission legislated in 2020. Design and empower regulatory frameworks that facilitate the definition and recapture of illicit gains by politically exposed persons and public servants on all levels.

**Measure 5.1.9**

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

**Measure 5.1.10**

Review regulatory frameworks in the spheres of environmental protection and climate change mitigation. Implement and update the NDCs in the context of global

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# Strategize

Agenda Priority 6

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## EDUCATION

Lebanon's education pillars continue to struggle after they were hit hard by 2020's cacophony of crises. The August 4 explosion, according to post-blast [Ministry of Education and Higher Education \(MoEHE\)](#) reports, destroyed and/or damaged at least 199 schools (90 public, 109 private), 5 technical and vocational compounds, including 20 buildings, as well as 32 higher education facilities. The financial collapse and liquidity issues have made it difficult for families to afford schooling locally, as more and more institutions only accept cash payment - while it has become nearly impossible to finance any education abroad, given the banks' ever-increasing limits on international transfers. Add to this the effects of COVID-19, which has pushed schooling norms online, creating a digital barrier for schooling (requirements of hardware and internet to be part of the classroom) at a time where 50 percent of the Lebanese are under the poverty line.

Even before 2020 hit, Lebanon faced the need to overhaul its education system in line with emerging understandings of emotional and social development processes and knowledge acquisition of children and youth. Given the fragmentations of the existing system, especially along the lines of private and public schooling, an improvement of overall education outcomes is needed across institutions, from kindergarten to high school, universities, and vocational schools. Under consideration of the shrinking ability of households to finance quality education from their own resources, and with regard to the importance of education that enables today's youth to sustain themselves in a [digital economy](#), the importance of revising and reinventing education systems from angles of financing and pedagogics is heightened. Academic institutions across the country are generally under-funded and operate with little oversight. There is little consistency in education policy and Lebanon's students emerge into a [labor market](#) that is incapable of absorbing the high number of graduates, exacerbating brain drain.

Lebanon's educational system must provide access to all school-age students, a challenge that has become more acute in the face of growing inability of households to finance private education. Academic facilities across the country must be enhanced to accommodate and improve educational access for those with physical and intellectual disabilities.

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

**POLICY PRIORITY 6.1****CREATE A NATIONAL VISION FOR EDUCATION**

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**Main Challenges**

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

**Proposed Measures****Measure 6.1.1**

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

**Measure 6.1.2**

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

**Measure 6.1.3**

Review and revise the content of the Lebanese Baccalaureate exams.

**Measure 6.1.4**

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

**Measure 6.1.5**

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

**Measure 6.1.6**

Pursue new international agreements and expand existing agreements for university exchange programs, to create opportunities for Lebanese to pursue learning abroad.

**Measure 6.1.7**

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

**Measure 6.1.8**

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

**Measure 6.1.9**

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

# Strategize

## Agenda Priority 6

### **Measure 6.1.10**

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

### **Measure 6.1.11**

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

### **Measure 6.1.12**

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

### **Measure 6.1.13**

Ensure students have the necessary hardware and internet for e-learning.

### **Measure 6.1.14**

Allow for financing solutions for students who qualify for international studying.

## **POLICY PRIORITY 6.2**

### **DEVELOP A SKILLED LABOR FORCE**

#### Main Challenges

- *Diversify education*
- *Promote lifelong learning*

#### Proposed Measures

### **Measure 6.2.1**

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

### **Measure 6.2.2**

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

### **Measure 6.2.3**

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

### **Measure 6.2.4**

Enhance the matching of labor market and education provision with the collaboration of an inter-ministerial task force, focusing on the acquisition of future-oriented skills for the digital economy.



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**POLICY PRIORITIES 6.3**  
**STRENGTHEN PUBLIC EDUCATION**

**Main Challenges**

- *Standardize education*
- *Strengthen institutional autonomy*

**Proposed Measures**

**Measure 6.3.1**

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

**Measure 6.3.2**

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

**Measure 6.3.3**

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

**Measure 6.3.4**

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

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# Strategize

Agenda Priority 7

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## HEALTH

Health was amongst the greatest issues that disrupted Lebanon in 2020 and 2021, apart from the man-made disaster of the August 4 Beirut port explosion and its burdens of destruction of physical lives and mental health as well as serious damages to important hospitals, the removal of subsidies for imported medical drugs and devices, caused tremendous distress to the wide majority. Prior to the COVID-19 pandemic, a checkup on the overall robustness of the nation's health infrastructure would show surprisingly strong vital signs, albeit with some lingering concerns, such as reports of [malpractice](#) and medical insurance fraud. A lack that was recognized was the need for universal health insurance and access to healthcare for everyone in Lebanon. In the context of Lebanon's impromptu multi-year stress test of the 2010s — the unplanned [influx of Syrian refugees](#) that began accelerating in 2013, placing strain on Lebanon's medical centers, hospitals, and primary health facilities— the health system had not [buckled](#).

Since the onset of Lebanon's liquidity crisis in the second half of 2019, however, and even more so since the outbreak of the global coronavirus crisis, concerns have mounted with regard to availability of medical procedures, hospital beds, and concerning the funding of imported medicines and medical equipment. Going into 2022, the [healthcare sector](#) requires more and more international support for provision of health services to newly impoverished population groups. Governance problems and corruption at the level of hospitals, clinics, pharmacies, and smuggling of subsidized brand medicines, have been highlighted by the crisis. Greater attention must be paid to public health issues, like the harmful effects of open waste burning.

On the public sector side, needed improvements extend beyond the securing of medical supply to healthcare reforms. This should begin with a restructuring of the Ministry of Public Health (MoPH), where manpower seems to be overstretched and has thus far not been reorganized due to political interference.

Working on the issues that the ministry has not addressed—such as closing [coverage gaps](#) and eliminating structures that are producing inequalities in these areas—must also be prioritized. The ministry must hone its ability to regulate and supervise, and it has made [progress](#) on that front. Greater effort must be made to reposition the MoPH as a regulatory body, pivoting away from its service-delivery role.

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

**POLICY PRIORITY 7.1****MODERNIZE THE LEGISLATIVE  
AND INSTITUTIONAL FRAMEWORK****Main Challenges**

- *Define the role and mandate of the Ministry of Public Health (MoPH)*
- *Improve hospital supervision*
- *Improve patient rights*

**Proposed Measures****Measure 7.1.1**

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

**Measure 7.1.2**

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

**Measure 7.1.3**

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

**Measure 7.1.4**

Prioritize substitution of imported medicines with locally produced generic drugs. Engage with the Order of Physicians to introduce sanction mechanisms regarding the handling of medical malpractice lawsuits or complaints.

**Measure 7.1.5**

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

**Measure 7.1.6**

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

# Strategize

Agenda Priority 7

## **POLICY PRIORITY 7.2**

### *IMPROVE SOCIAL INSURANCE SYSTEMS*

#### Main Challenges

- *Enable public funds and social security network*
- *Empower insurance supervision*
- *Hold private insurance accountable*

#### Proposed Measures

##### **Measure 7.2.1**

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

##### **Measure 7.2.2**

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

##### **Measure 7.2.3**

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

##### **Measure 7.2.4**

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

##### **Measure 7.2.5**

Resolve pending issues in covering healthcare costs from the Beirut port explosion.

## **POLICY PRIORITY 7.3**

### *LAUNCH AN EDUCATIONAL AND CIVIL SERVICE CAMPAIGN*

#### Main Challenges

- *Raise awareness on preventive health, especially in regards to the coronavirus*
- *Raise public awareness on health-related issues*

#### Proposed Measures

##### **Measure 7.3.1**

Ensure improved provision of healthcare services and in particular essential and coronavirus vaccines, to families and individuals who are threatened by poverty in light of the crisis in Lebanon

##### **Measure 7.3.2**

Offer free wellness packages at primary healthcare centers for individuals who fit the

criteria for extreme poverty. Subsidize an annual general checkup at select hospitals for citizens of low-income status, and all citizens above the age of 50.

**Measure 7.3.3**

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

**Measure 7.3.4**

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

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**POLICY PRIORITY 7.4**

**IMPROVE PUBLIC HEALTH**

**Main Challenges**

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

**Proposed Measures**

**Measure 7.4.1**

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

**Measure 7.4.2**

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

**Measure 7.4.3**

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

**Measure 7.4.3**

Address economic and pandemic conditions by increased integration of public hospitals into national policy, better governance of public healthcare overall, audits of patient records, and greater focus on prevention.

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# Strategize

Agenda Priority 8

## ENERGY

Lebanon's power sector is essential to economic development, yet it has turned into a heavy burden due to inefficiencies. If properly run and operated, it could easily become a major target of foreign direct investment and a primary catalyst for economic growth. The economic crisis of 2021 saw its most visible expression in the removal of fuel subsidies and breakdowns of electricity supply. Over the past decades, the power sector—primarily because of the public utility, Electricité du Liban (EDL)—has consumed billions of dollars from the treasury, due to annual deficits of \$1.5-\$2 billion, depending on fuel prices, thus contributing more than 40 percent of the public debt. Overall, transfers to EDL have averaged 3.54 percent of GDP between 2011 and 2017. Meanwhile, service provision has worsened over the years as the electrical grid deteriorates and electricity demand grows. The situation motivated citizens to desperately seek [solar energy solutions](#) on the household level. Patching the power supply gap has been attempted with [politized solutions](#), but sustainable solutions in the sectors of [renewable energy](#) and comparatively clean conventional energy are needed urgently. In light of the current economic crisis Lebanon is facing, international bodies such as the IMF and the World Bank have made it very clear that funds are conditional. Lebanon is moving forward on oil and gas exploration, and hopefully the country will find and extract enough natural gas resources to at least fuel domestic power generation, although this will take on average eight years, even if exports to foreign markets prove elusive. While the power sector requires that sustainable solutions be implemented sooner rather than later, switching to natural gas in anticipation of the discovery of local reserves will not only provide the necessary infrastructure and prepare the power sector for that phase, but is also cheaper than the heavy fuel oil and diesel oil currently being used, and more [environmentally friendly](#), reducing the sector's greenhouse gas emissions. To uphold commitments to the 2015 Paris Agreement on climate change, and the Glasgow Climate Pact of 2021, Lebanon must invest heavily in renewable energy generation, taking advantage of the country's abundant renewable resources, thus diversifying the country's energy sources, decreasing its dependence on fossil fuels (with their price volatility), and improving the country's [energy security](#).

### POLICY PRIORITY 8

#### DEVELOP AND IMPLEMENT A SUSTAINABLE ENERGY POLICY

#### Main Challenges

- *Improve sector's governance, regulation, and procurement processes*
- *Sustainably increase power generation*
- *Cut down on technical and non-technical losses*
- *Reduce the cost of power generation*

#### Proposed Measures

##### **Measure 8.1**

Use financial resources available from the IMF and bilateral partners.

##### **Measure 8.2**

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

##### **Measure 8.3**

Reduce the fiscal deficit in the power sector through the reduction of technical and non-technical losses, as well as significantly reduce illegal connections, and implement more efficient bill collection.

- *Equitably increase the electricity tariff*
- *Restructure Electricité du Liban (EDL)*
- *Strategize for offshore and onshore exploration*
- *Develop regional partnerships and grid networks*
- *Increase competition in the gas and fuel import markets*
- *Boost the share of gas in the energy mix*
- *Remedy absence of comprehensive national energy strategy*
- *Develop integrated strategy that covers fossil and renewable energy resources*

**Measure 8.4**

Fully implement Law 462 (2002) aiming at developing and implementing solutions to modernize the sector and turn it profitable by, among other things, involving the private sector through a public-private partnership, and appoint an independent regulatory authority with full authority and an independent fiscal and managerial mandate, to regulate the sector and restructure EDL into an optimal governance structure.

**Measure 8.5**

Fully implement EDL's Master Plan for grid reinforcement.

**Measure 8.6**

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

**Measure 8.7**

Conduct a full audit for EDL and all institutions operating within the sector and prepare financial statements for previous years.

**Measure 8.8**

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

**Measure 8.9**

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

**Measure 8.10**

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

**Measure 8.11**

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

# Strategize

Agenda Priority 8

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**Measure 8.12**

Incentivize the development of an upstream market and develop services and logistics across the entire extractives value chain.

**Measure 8.13**

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

**Measure 8.14**

Implement clean energy production incentive tools. This can be done by amending Law 462 (2002) to allow feed-in tariffs (FIT) to be introduced, or by introducing net metering that would allow consumers to inject power generated at their premises into the grid.

**Measure 8.15**

Implement the 2021 Distributed Renewable Energy (DRE) draft law.

**Measure 8.16**

Launch process to privatize generation plants.

**Measure 8.17**

End the monopoly of EDL on the power distribution sector, which would allow for greater competition in the electricity sector and allow for investors to set up their own electricity distribution network.

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## WATER

Lebanon is blessed with substantial [natural water resources](#), including [surface water](#), groundwater, and spring water, but little has been accomplished in the way of conservation or sustainable exploitation of these resources. [Mismanagement](#), outdated storage infrastructure, inefficiencies across the sector, and the influx of Syrian refugees, compounded by the 2020 crises, have increased water stress and water scarcity. Water supply emergencies of 2021 were correlated with fuel shortages at pumping stations and treatment plants. In general, the water crises of the year were outweighed by other crises, but issues remained unresolved. Currently, the Ministry of Energy and Water (MoEW) is largely understaffed and past attempts to reorganize managing bodies have fallen short. The confluence of these factors has left most of the country to rely on costly private distribution networks. Further, tap water is not safe to drink. The [development of the water sector](#) and related transportation infrastructure is crucial to the future diversification of the Lebanese economy. While Law 221 (2000) reformed the governance of the water sector, creating four regional water authorities under the supervision of the MoEW, this restructuring has not been successful and mismanagement still runs rampant. Outdated storage facilities lead to leaks and lost water, and Lebanon's karst topography makes leakage from artificial reservoirs common.

Further, of the 12 planned dam projects as of 2015, only two are operational today: the Qaraoun dam and the Chabrouh dam. While there are laws that govern well digging, it is estimated that 80 percent of wells in Lebanon were dug illegally, diminishing the supply from public wells. In the agriculture sector, which accounts for 61 percent of the country's water usage, inefficient irrigation practices are another cause for concern. All these inefficiencies equate to a colossal waste of water, and efforts must be taken to upgrade storage facilities, and transport networks, and rethink current practices regarding pricing and distribution.

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

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

In addition, the Bisri Dam Project was cancelled by the World Bank, and reached its time limit for funds disbursement, due to the non-completion of tasks that are preconditions for the commencement of the project.

Due to the 2020 changes in prices and conditions, the need to reassess water facilities and the accessibility of clean water in Lebanon must be prioritized - especially as larger segments of the population fall prey to weak infrastructure and poverty.

# Strategize

Agenda Priority 9

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## **POLICY PRIORITY 9.1**

### **UPDATE WATER STRATEGY AND SECTOR GOVERNANCE**

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#### **Main Challenges**

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

#### **Proposed Measures**

##### **Measure 9.1.1**

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

##### **Measure 9.1.2**

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

##### **Measure 9.1.3**

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

##### **Measure 9.1.4**

Continue the implementation of water metering, reassess the current pricing scheme, and introduce a new water tariff regime that is connected to the actual usage of water by the consumer.

**POLICY PRIORITY 9.2****MAXIMIZE EFFICIENCY ACROSS THE SECTOR TO REDUCE LOSSES****Main Challenges**

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

**Proposed Measures****Measure 9.2.1**

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

**Measure 9.2.2**

Assess and strategize optimal efficiency of water transport infrastructure.

**Measure 9.2.3**

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

**Measure 9.2.4**

Assess and optimize efficiency of water use by industry.

**Measure 9.2.5**

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

**Measure 9.2.6**

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

**Measure 9.2.7**

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

**Measure 9.2.8**

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

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# Strategize

Agenda Priority 10

## TRANSPORT

Weaknesses and deficiencies relating to the safety, governance and security of external transport were put into sharp relief by the historic catastrophe of the Beirut Port explosion on August 4, 2020. This singular event altered priorities and perceptions of risks in the overall transportation sector of Lebanon and focused attention away from environmental and congestion concerns in domestic transport that had been focus areas of debate in the previous years. The port explosion and softening of traffic patterns in the wake of the economic crisis notwithstanding, the long-term governance, sustainability, and environmental compliance needs of the Lebanese transportation infrastructure remain as they were up to the crisis.

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

In the crisis year of 2021, transportation infrastructures and assets have been further degraded, while fuel and transport costs skyrocketed. Missed opportunities for reaping greater economic and social benefits relate to infrastructure and operations across all modes of transportation. This translates into lost economic benefits thanks to the sub-optimal utilization of the country's geographic location, which gives it an advantage in areas such as commercial shipping. Additionally, transportation infrastructure inefficiencies have obstructed the realization of tourism potentials in a variety of segments, from religious and ecological to leisure and cultural tourism, and have also limited Lebanon's potential as an aviation hub. Moreover, inefficiencies and infrastructure problems in [domestic mobility](#), as well as over-reliance on individual and quasi-individual transport in and between urban centers, are contributing to social risks (for example, medical and environmental) and to high direct losses and opportunity costs in the economy (due to [traffic congestions](#), above-average vehicular damage incidents, etc.).

The lack of a coherent strategy for cross-border and [national transport](#) in general, and the absence of plans for more specific domestic needs, such as preventive maintenance of inter-urban and urban mobility infrastructures throughout the country, has been identified as a drag on the Lebanese economy. Knowledge of the insufficient and fragmented allocation of funds to transportation infrastructure developments makes it even more important to strategize mobility and transportation as one pillar of a national economic plan.

**POLICY PRIORITY 10.1**
***DEVELOP A TRANSPORT POLICY FOR NATIONAL AND CROSS-BORDER MOBILITY***
**Main Challenges**

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

**Proposed Measures**
***Measure 10.1.1***

Develop a comprehensive national policy for sustainable transportation that will regulate passenger and freight transport by road, sea, and air, and incentivize the development of public and shared transportation in both urban and rural areas. Policy will address critical issues facing the sector such as road traffic congestion and the environmental and health impacts of road transport, taxi and bus service licensing, trucking operations and safety issues, public parking, and implementation mechanisms for all provisions of traffic Law 243 (2012).

***Measure 10.1.2***

Prioritize intracity transportation development with a strong public transport component for Greater Beirut.

***Measure 10.1.3***

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

***Measure 10.1.4***

Develop frameworks organizing commercial transport and integrating all Lebanese ports and airports into advanced digitized traffic management systems and modern, durable traffic networks. Build more resilient port capacities, enforce supervision, and increase safety precautions in the freight sector.

***Measure 10.1.5***

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

***Measure 10.1.6***

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

***Measure 10.1.7***

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

# Strategize

Agenda Priority 10

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## Main Challenges

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

## **POLICY PRIORITY 10.2**

### ***IMPROVE URBAN MOBILITY AND THE ENVIRONMENTAL COMPATIBILITY OF TRANSPORT***

#### Proposed Measures

##### **Measure 10.2.1**

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

##### **Measure 10.2.2**

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

##### **Measure 10.2.3**

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

##### **Measure 10.2.4**

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

##### **Measure 10.2.5**

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

##### **Measure 10.2.6**

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

**Measure 10.2.7**

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

**Measure 10.2.8**

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

**Measure 10.2.9**

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

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# Combat

Agenda Priority 11

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## GENDER INEQUALITY

Violations of women's rights are not just detrimental to society, human rights, and the dignity of women, but are also extremely damaging to a country's prospects for sustainable economic development. To date, Lebanon has made some inroads toward correcting the injustices inflicted on women, but many improvements to the standing of women in the economy appear to have been halted or rolled back under the impact of the nation's economic crisis and the COVID-19 pandemic in 2020. Lebanon has a reputation for openness, liberties, and freedom, but in reality the country lags behind others in the region, such as some North African Arab states that have introduced laws that have considerably improved the social and economic status of women. There are some positive indicators concerning Lebanese women's level of education and engagement in decision-making positions (namely in the judicial and public administrations), but these do not reflect their real status or participation in the labor force, their role within the family, or the general attitude of society—attitudes that are not only problematic for gender equality but also for [gender or sexual orientation](#).

While substantial work is still needed in all areas of combating gender inequality, the situation at the end of 2021 causes new concerns over the exploitation and under appreciation of female workforces. The newly deteriorated economic situation calls for integration of rational efforts to achieve progress on [gender equality](#) into overall needs to maintain the country's social integrity and escape from all-engulfing economic misery. Campaigns for gender equality have visibly increased in number and intensity. Their next phase deserves to aim for full incorporation into, and alignment with the overall economic and cultural identity of the country.

Lebanon still lacks proper civil laws guaranteeing equal rights for women, and there are various legal constraints that discriminate against women at home and [work](#). Societal attitudes and perceptions continue to subordinate women, suppressing their innovation, creativity, productivity, and—most importantly—their basic freedoms. Lebanon still has reservations about some major international conventions—such as the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)—and has yet to reform [domestic laws](#), change unfair customs (e.g., unequal employment opportunities and [family status laws](#)), and combat gender-based violence (GBV), including harassment in schools, universities, and the public and private spheres. There are insufficient laws protecting the rights of women, and insufficient institutional support when women are facing the judiciary.

Lebanese laws must be brought in line with international conventions, and stakeholders must work together through a grassroots campaign to cement equality in practice. Empowering women is not only a fundamental social and human right, but also a pillar of sustainable economic development—we need gender equality at all levels to develop the country further.



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**POLICY PRIORITY 11.1**
**REFORM LAWS TO FOSTER PROTECTION FOR WOMEN**


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**Main Challenges**

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

**Proposed Measures**
**Measure 11.1.1**

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

**Measure 11.1.2**

Further expand and integrate civil society projects to influence attitude and behavioral change on women's issues (e.g., wage gap, personal status, and sexual harassment in the workplace and public spaces).

**Measure 11.1.3**

Mandate by law a further increase in parental leave—maternity and paternity— that would allow flexible work schedules for parents and advocate for child-friendly spaces/nurseries in the workplace. Integrate home office work opportunities for mothers and fathers into the legal frameworks for labor, taxation, and social protection.

**Measure 11.1.4**

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

**Measure 11.1.5**

Lebanon should adopt CEDAW in its entirety, without reservations. The Optional Protocol, which was included as an addendum to CEDAW, has still not been adopted by Lebanon. Additionally, UN Security Council Resolution (UNSCR) 1325 on women, peace and security must be integrated into state legal and regulatory policies to better protect women during and after armed conflicts.

**Measure 11.1.6**

Develop public projects, and incentivize private sector projects, to train and support women for merit-based advancement in the workplace and in political life.

**Measure 11.1.7**

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

**Measure 11.1.8**

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

# Combat

Agenda Priority 11

## **POLICY PRIORITY 11.2**

### **EMPOWER WOMEN AND ENCOURAGE PARTICIPATION**

#### Main Challenges

- *Provide opportunities for women to increase technical and life skills*
- *Remove social barriers that prevent women from accessing leadership roles in their homes and the public and private sector*

#### Proposed Measures

##### **Measure 11.2.1**

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

##### **Measure 11.2.2**

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

##### **Measure 11.2.3**

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

## **POLICY PRIORITY 11.3**

### **INCREASE THE NUMBER OF WOMEN IN LEADERSHIP ROLES**

#### Proposed Measures

##### **Measure 11.3.1**

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

##### **Measure 11.3.2**

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

##### **Measure 11.3.3**

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

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## POVERTY

[Multi-dimensional poverty](#) has increased in 2021, doubling from 42 percent of the population in 2019. According to United Nations estimates, almost 4 million Lebanese were experiencing multi-dimensional poverty by the second half of 2021.

In 2020, the moderate poverty (\$14/day) count in Lebanon is estimated to have doubled, and the extreme poverty (\$8.5/day) count in Lebanon, to have tripled - a statistic based on the exchange rate of 1,500 LBP to the dollar, whereas the market rate of the Lebanese pound has been dancing between 6,000 LBP and 8,500 LBP between Q2 and Q4 of 2020 and plunged below 30,000 at the start of 2022.

2021 hit Lebanon hard in terms of poverty, as the crises of 2020 compounded to create [hellish circumstances for all strata of society](#).

The August 4 Beirut Port explosion combined with capital control and the devaluing currency, made it nearly impossible for any Lebanese —formerly considered rich or poor—to pay the necessary costs to repair material damages of their dwelling.

There is also a different kind of damage to consider. The limits on international transfers have made it virtually impossible for Lebanese families to send their children abroad to pursue higher education, resulting in a different kind of poverty - an intellectual and cultural poverty. Most families are only allowed to wire \$10,000 a year to support a studying offspring, barely enough to cover food and board in most cases, let alone tuition. In the face of 2020's surprises, Lebanon is seeing a new kind of poverty as well, dissolving the middle class, and deflating the rich.

Before 2020, Lebanon's governments successively failed to devise a comprehensive [social safety net](#) plan due to fiscal, monetary, or political constraints, dumping the workload on NGOs and international donors, and intervening only to meet the bare minimum of needs, with limited resources allocated to line ministries.

Post-explosion reality brutally exposed the Lebanese government's lack of preparedness to take good care of its people. As predicted, NGOs and the international community filled the care gap—doing everything in their power to circumvent the Lebanese government, for lack of trust, in the process of collecting and distributing funds and services.

Poverty reduction efforts on the national level deserve the attention of political stakeholders, civil servants, and elected officials, but also needs support from religious institutions (as the traditional providers of poverty alleviation in Lebanese communities), wider civil society (including charitable and humanitarian NGOs), and private sector individuals and institutions (from schools and microfinance institutions, to manufacturers and banks). In 2020 the participation of the diaspora in alleviating poverty has become even more important than before, due to the diaspora's ability to contribute fresh dollars into the economy—a scarce and valuable commodity.

Evaluation, encouragement, and further development of public and private sector efforts toward the achievement of the [eradication of poverty](#), regardless of sect, religion, gender, or sexual orientation, must be integral to the process of designing any plan for the Lebanese economy.

# Combat

Agenda Priority 12

## **POLICY PRIORITY 12.1**

### **TARGET AND SUPPORT THE EXTREME POOR AND THE DISADVANTAGED**

#### Main Challenges

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

#### Proposed Measures

##### **Measure 12.1.1**

Rapidly advance development of the National Social Protection Policy.

##### **Measure 12.1.2**

Immediately expand coverage and effectiveness of existing social safety nets such as the National Poverty Targeting Programme (NPTP) and Emergency Social Security Network (ESSN).

##### **Measure 12.1.3**

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

##### **Measure 12.1.4**

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

##### **Measure 12.1.5**

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

##### **Measure 12.1.6**

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

##### **Measure 12.1.7**

Implement the ratified law on disability.

##### **Measure 12.1.8**

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

**Measure 12.1.9**

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

**Measure 12.1.10**

Create a long-term, national strategy to incentivize the diaspora to contribute to the rebuilding of Lebanon and poverty alleviation, whether by contributing talent, knowledge and skills, or financial support.

**POLICY PRIORITY 12.2**

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

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

**Proposed Measures****Measure 12.2.1**

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

**Measure 12.2.2**

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

**Measure 12.2.3**

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

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# Combat

Agenda Priority 13

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## CORRUPTION

Corruption—defined in this case as the misuse of public posts for personal gain—is a popular and recurring talking point in Lebanon. It regularly finds its way into political speeches, media reports, street demonstrations, and the day-to-day small talk of the Lebanese at home and abroad. [Corruption in Lebanon](#) is perceived as pervasive, and one of the main demands of the October 17 revolution (thawra) was to stop these practices. Meanwhile, international research into corruption indicates that grand and petty corruption—meaning incidents involving large spending measures on a national and sub-national level as well as citizens’ inability to obtain services without “greasing the wheels” when dealing with public servants—can significantly distort economic performances at the national as well as individual level. There is increasingly a need to better assess public finances and full transparency at state institution levels. Citizens and political leaders have long been emphasizing that something must be done in Lebanon to [curb these forms of corruption](#). Despite many years of citizen complaints and lip service from politicians, very little was done until now to achieve concrete progress regard, even in the wake of the August 4, 2020 explosion, let alone engage in serious dialogue on wider issues of corruption such as nepotism and communal favoritisms. Instead, corruption has been discounted in public discourse as someone else’s vice, in a country where it seems there is widespread corruption but no corrupt officials. When public figures were confronted with evidence implicating them, the standard response was political manipulation against the backdrop of prevalent public complacency (“Everybody else is doing it!”). This chronic lack of self-reflection and systemic inaction was enabled by a combination of factors, all of which are now challenged by the Lebanese polity. Instead of serious legal loopholes, persistent institutional failures, blatant political interference, and the systemic exploitation of confessional and regional identities, the seachange of the civil protests in Lebanon at the end of 2019 has done its utmost to destroy the state of impunity that fueled corruption and sent the wrong message to Lebanese society and the world at large. After baby steps in the right direction of reducing corruption in the two years before the thawra, [new anti-corruption forces](#) have come into existence and the pursuance of decisive measures in the fight against corruption has become possible. Sadly, until now, very little has been done, and the August 4 Beirut Port explosion has appeared as proof of this corrupt system: no serious charges had been pressed onto the culprits until end 2020 and judicial investigation run into several roadblocks in 2021. Investigations of financial misconduct and illicit enrichment were initiated in 2021, but have been captive to political and populist agendas. In addition, a full audit of the BDL and of public agencies must be completed in order to better assess the financial losses suffered by the Lebanese people. Steps that include the passage of laws (e.g., access to information) after more than a decade-long process and the announcement of the country’s first national anti-corruption strategy after nearly eight years of incremental work behind the scenes need to be empowered so that they can induce tangible change. Barriers that still hinder the [combat against corruption](#), such as poor law enforcement and the fact that the national strategy has not been formally adopted or provided with the necessary financial and human resources, are now in closer reach and can be challenged decisively.

**POLICY PRIORITY 13.1**

**PROMOTE AND INCREASE TRANSPARENCY**

**Main Challenges**

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

**Proposed Measures**

**Measure 13.1.1**

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

**Measure 13.1.2**

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

**Measure 13.1.3**

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

**Measure 13.1.4**

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

**POLICY PRIORITY 13.2**

**STRENGTHEN LEGAL AND JUDICIAL ANTI-CORRUPTION FRAMEWORKS**

**Main Challenges**

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

**Proposed Measures**

**Measure 13.2.1**

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

**Measure 13.2.2**

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

# Combat

Agenda Priority 13

## **Measure 13.2.3**

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

## **Measure 13.2.4**

Make all requests for proposals and tendering processes related to projects and contracts transparent to the public.

## **Measure 13.2.5**

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

## **Measure 13.2.6**

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

## **Measure 13.2.7**

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

## **Measure 13.2.8**

Establish and maintain a portal, supported by a mobile application, to publicly report in a timely manner on the receipt and expenditure of all international funding.

## **Measure 13.2.9**

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

## **POLICY PRIORITY 13.3**

### ***IMPROVE INSTITUTIONAL AND SOCIETAL RESILIENCE AGAINST CORRUPTION***

#### **Main Challenges**

- *Improve institutional control mechanisms in the fight against corruption*

#### **Proposed Measures**

##### **Measure 13.3.1**

Improve existing anti-money laundering (AML) policy at BDL, and introduce a random investigation mechanism of accounts and transactions.



- *Enhance integrity of public and private sectors*
- *Create anti-corruption interface tools between the public and private sectors*

**Measure 13.3.2**

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

**Measure 13.3.3**

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

**Measure 13.3.4**

Require corporate staff and civil servants to take part in regular anti-corruption and governance awareness building and training, prepared in coordination with civil society and international organizations.

**Measure 13.3.5**

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

**Measure 13.3.6**

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

**Measure 13.3.7**

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

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# Combat

Agenda Priority 14

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## POLLUTION

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

Car emissions, in particular from red diesel-powered vehicles, are a primary source of pollution, despite a law prohibiting this diesel's use. The law must be enforced and should be amended to remove the exemption for commercial vehicles or agriculture machinery. Lebanon also suffers from a [waste management crisis](#). The country dumps its waste at facilities located along the seashore, polluting the water. This has health consequences for humans and marine life, and, among other effects, has had negative impacts on the country's fishing industry. Open air dumps destroy Lebanon's natural beauty, contaminate drinking water, and threaten the environment and wildlife, while the burning of garbage fills the air with contaminants that make life unbearable for residents living nearby. Even though Lebanon is not a country with highly polluting industrial activities or resource extraction as bases of the economy, the lack of environmental protections against illegal [industrial practices](#), quarrying, construction, and real estate development activities has exacerbated the country's trouble with maintaining minimal environmental integrity and quality of life for its population. The costs can be seen in the proliferation of chronic medical conditions, such as cancers and respiratory diseases, and in negatively impacted economic activities, such as tourism.

Pollution was not one of the big worries of the Lebanese in 2021 and the contractions of the economy likely were reflected in some reductions of pollution. On the other hand, pollution from private power generation has been increasing and the overall environmental situation remains dire. Over the last 25 years, Lebanon's environment has suffered rapid degradation—from the seashore to the mountain top—as well as the destruction of many symbols of Lebanese heritage. It is ironic when one considers that, in many ways, Lebanese citizens and companies share the blame with the politicians and government entities that fail to punish those who violate environmental protection regulations. The number of traditional homes and buildings in major cities is dwindling. In fact, neighborhoods are being erased and replaced by vertical structures, and there are few public spaces in the capital. Lebanon's environment is, put plainly, in a catastrophic state, and partial or ad hoc measures to change this trajectory will not suffice. The government must declare the state of the environment a national emergency, and devise, adopt, and enforce relevant legislation. Public and private stakeholders need to stand united in the fight against pollution. Reduction in wasteful use of fossil fuels, moreover, is a behavior that is increasingly detrimental on social and economic levels as demonstrated by the strain on human health and fiscal resources that has contributed to the country's economic disaster of 2019/21.

**POLICY PRIORITY 14.1**

**COMBAT AIR AND WATER POLLUTION**

**Main Challenges**

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

**Proposed Measures**

**Measure 14.1.1**

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

**Measure 14.1.2**

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

**Measure 14.1.3**

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

**Measure 14.1.4**

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

**Measure 14.1.5**

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

**Measure 14.1.6**

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

**Measure 14.1.7**

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

**Measure 14.1.8**

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

# Combat

Agenda Priority 14

## **Measure 14.1.9**

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

## **Measure 14.1.10**

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

## **POLICY PRIORITY 14.2**

### **COMBAT NOISE POLLUTION**

#### Main Challenges

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

#### Proposed Measures

## **Measure 14.2.1**

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

## **Measure 14.2.2**

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

## **Measure 14.2.3**

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

## **Measure 14.2.4**

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

## **Measure 14.2.5**

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

## **Measure 14.2.6**

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

**Measure 14.2.6**

Enforce the prohibition of firearm usage for celebratory purposes.

**POLICY PRIORITY 14.3****STOP ENVIRONMENTAL DEGRADATION  
AND PROMOTE GREEN LEBANON****Main Challenges**

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

**Proposed Measures****Measure 14.3.1**

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

**Measure 14.3.2**

Maintain firefighting equipment on municipal, provincial, and national levels, and improve career prospects for professional firefighting personnel.

**Measure 14.3.3**

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

**Measure 14.3.4**

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

**Measure 14.3.5**

Enforce laws protecting historic buildings and natural sites, and introduce more barriers against the demolition of historic buildings and natural sites.

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# Develop

Agenda Priority 15

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## COMPETITIVENESS

Exportation is considered a lifeline to Lebanon's economic future. To access export markets, improvements of competitiveness are vital and must transcend temporary cost advantages of the productive sectors due to currency depreciation. Lebanon has been active in negotiating a large number of framework trade agreements with Arab states, as well as Eastern European countries. However, trade agreements have not gone beyond simple tariff reductions, which have been demonstrated by economic literature to offer little to no gain. In light of this, fiscal revenue measures and specifically customs barriers must be legislated with great care to not violate trade agreements. Moving to eliminate tariffs is not the main objective: Non-trade barriers remain the main obstacle facing the flow of merchandise, and these barriers have been erected by both Arab and EU trading blocs, which constitute over 60 percent of Lebanese export destinations. Moreover, the liberalization of agriculture and services, two sectors that are important to Lebanon and other developing countries, has been put on hold by developed countries, starting with the EU and more so by the imposition of trade wars in 2019.

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

The international trade liberalization process must thus be accompanied by internal measures to increase competitiveness. Because the Lebanese economy is overwhelmingly composed of micro, small, or medium-sized enterprises (MSMEs), any long-term plan to promote economic growth must target MSMEs and include *mise à niveau* programs to upgrade national competitiveness and enable local producers to penetrate foreign markets.

**POLICY PRIORITY 15.1****MAINTAIN A FREE AND FAIR TRADE POLICY****Main Challenges**

- *Reassess trade policy, domestic and international*
- *Negotiate new agreements*
- *Improve interaction with multilateral trade partners.*

**Proposed Measures****Measure 15.1.1**

Set up a new inter-ministerial and sectoral committee, under the leadership of the Ministry of Economy and Trade, to reassess and negotiate bilateral trade agreements and examine protective tariffs.

**Measure 15.1.2**

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

**Measure 15.1.3**

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

**POLICY PRIORITY 15.2****UPGRADE THE COMPETITIVENESS OF THE NATIONAL ECONOMY****Main Challenges**

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

**Proposed Measures****Measure 15.2.1**

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

**Measure 15.2.2**

Support export productivity gains through appropriate measures and incentives on the level of manufacturing and agro-industry production.

**Measure 15.2.3**

Reduce the cost of manufacturing production e.g. cost of energy, or adopt other innovations that are not socially distortive.

# Develop

Agenda Priority 15

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**Measure 15.2.4**

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

**Measure 15.2.5**

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

**Measure 15.2.6**

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

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## ENTREPRENEURSHIP SUPPORT

Since independence, Lebanon has adopted liberal economic policies whereby market forces dictate the behavior of economic agents. In the past few years prior to the 2019 crisis, the growth of the public sector has been higher than that of the private one, and state intervention has risen, resulting in more corruption and inflation. Instead of adopting a regulatory framework that facilitated investment and encouraged growth, the state created obstacles for the private sector, imposing a heavy burden on the fiscal budget, and indirectly reducing economic efficiency and productivity.

[The Lebanese enterprise environment](#) has been strung between the state's underlying concept of entrepreneurship in a free-market economy and the corruption of the economy into fragmented silos with clientelistic structures under the control of competition-distorting oligopolies. Lebanon in 2020 was ranked as number 143 on its Ease of Doing Business ranking, showing difficulties in establishing businesses, tax payments, corruption, enforcing contracts and obtaining permits.

After years of sluggish growth, the economy picked up from 2004 and into 2010, with an average economic growth rate of 7 percent, only to suffer again from severe external shocks that curbed growth and accelerated the rate of young talent leaving the country—the brain drain. During the crisis years of 2020 and 2021, this brain drain reached worrying heights.

Efforts to reinvigorate the Lebanese entrepreneurship potential—often referred to in reports on the successes of Lebanese migrants and, more recently, in assessments of the involvement of Lebanese individuals in [tech entrepreneurship](#) in the emerging digital age—were kickstarted in the 2010s with [Circular 331](#) issued by Banque du Liban (BDL), the central bank of Lebanon, which aimed to encourage and support the channeling of deposits from commercial banks into knowledge economy ventures by way of venture capital funds and intermediaries. In addition, in light of the current crisis, Circular 331 funds dried up, due to its overreliance on funds from the [banking sector](#) and the 2020 liquidity crisis. In this context, new impulses for funding, development, and exits in the ecosystem are urgently needed for 2022 and beyond. For the Lebanese economy to leverage the growing entrepreneurship successes in this ecosystem into wider gains—in the form of [job creation](#), [financial growth](#), capital markets opportunities, and the transition into a [digital economy](#) that can compete internationally—sustained efforts need to be further increased to develop knowledge economy capacities, the tech entrepreneurship ecosystem, its financial and legal support systems, and the encouragement of the entrepreneurial spirit of all Lebanese. In light of the rampant corruption in the public sector, and the outdated Lebanese legal and regulatory systems, it is time to free entrepreneurs to channel energy into the productive economy. Administrative reforms should be put in place to lessen the burden on entrepreneurs from regulatory and legal standpoints, allowing for more flexibility and better ease of doing business, to foster competition and growth.

# Develop

Agenda Priority 16

## **POLICY PRIORITY 16.1**

### **PROMOTE INNOVATION AND DIVERSIFICATION**

#### **Main Challenges**

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

#### **Proposed Measures**

##### **Measure 16.1.1**

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

##### **Measure 16.1.2**

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

##### **Measure 16.1.3**

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

##### **Measure 16.1.4**

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

##### **Measure 16.1.5**

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

##### **Measure 16.1.6**

Provide incentives to first-mover firms with future-oriented technology that export innovative and competitive tradable goods.

**POLICY PRIORITY 16.2****STRENGTHEN LEGAL AND INSTITUTIONAL FRAMEWORKS FOR ENTREPRENEURSHIP****Main Challenges**

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

**Proposed Measures****Measure 16.2.1**

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

**Measure 16.2.2**

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

**Measure 16.2.3**

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

**Measure 16.2.4**

Enforce intellectual property protection through better laws and regulations.

**POLICY PRIORITY 16.3****WIDEN ECONOMIC REACH OF MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES****Main Challenges**

- *Extend nascent support frameworks for Micro, Small, and Medium Enterprises (MSMEs)*
- *Link startups and MSMEs to diaspora investors*
- *Provide incentives for investing in microfinance institutions*

**Proposed Measures****Measure 16.3.1**

Develop various schemes in support of MSMEs, such as revolving and guaranteed funds.

**Measure 16.3.2**

Create a one-stop-shop portal for MSMEs and startup entrepreneurs to access information and inquire about financial support and other incentives, which would help reduce the burden on companies with regards to administrative formalities, obtaining permits, registration property, and others.

**Measure 16.3.3**

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

# Develop

Agenda Priority 16

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**Measure 16.3.4**

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

**Measure 16.3.5**

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

**Measure 16.3.6**

Develop incentives for investors to participate in microfinance institutions.

**Measure 16.3.7**

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

**Measure 16.3.8**

Support programs and non-profit cooperatives aimed at consolidating small farmer communities and boosting their productivity.

**Measure 16.3.9**

Incentivize sector-specific funds in productive sectors and social impact enterprises.

**Measure 16.3.10**

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

**Measure 16.3.11**

Allow MSMEs to list on the Electronic Trading Platform (ETP) to attract foreign investors for both equity and debt, which would allow for better investment in working capital, which would help promote exports.

**Measure 16.3.12**

Establish a more flexible legal structure to help promote competitiveness, and abolish out-dated taxes such as stamp duties.

**Measure 16.3.13**

Partly privatise the Lebanese Commercial Register to allow for better registration of companies, their Board of Directors and Shareholders meetings.

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## LABOR

[Labor](#), described by economic historian Karl Polanyi in 1944 as a “fictitious commodity,” is the lynchpin of any economy. As human capital is bound up in questions of justice, prosperity, dignity, inclusion, and national identity, the issue of labor intersects with many of the agenda and policy priorities in this Economic Roadmap. In Lebanon, the importance of labor as social and economic resource is especially high, given that the country has comparatively low stores of exploitable finite resources such as hydrocarbons and metals. The destruction of financial assets and constructed capital in course of the crisis years of 2020 and 2021 has further highlighted the importance of human capital as a resource for rebuilding the national economy. This observation remains valid despite the outmigration of Lebanese professionals and workers in the past two years, but shows the great need to protect human capital and stop further brain drain in 2022.

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

To understand already predictable risks, shore up responsive capabilities to unpredictable elements, and enhance the supply of work, Lebanon needs to develop its knowledge base on labor issues in the 2020s to maximize creation of sustainable jobs and minimize losses to digital destruction of work. It may be best served in this by measuring the labor force participation rate, and the gap between actual participation and potential participation. The last official measurement of Lebanon’s unemployment rate, in 2007, settled on 9.7 percent. Determinants of current and future labor markets and processes—such as labor unionization, collective bargaining, regulation of specific labor market admissions, evolution of social insurance in reflection of social and human conditions (such as increasing longevity)—are in need of new assessment. This assessment must be completed before it is possible to develop a new national labor policy. Such a policy, however, must be devised and function as the cornerstone of the sustainable future of Lebanese labor, as much of the existing regulatory framework governing Lebanon’s labor-related social insurance system is radically outdated. Against the background of job losses and company closures in the weakening Lebanese economy, new urgency has emerged to improve the labor market organization as well as social safety nets and relevant institutions. The framework for the National Social Security Fund (NSSF) and other retirement benefits date to the 1960s and are inadequate for managing today’s radically different and rapidly changing role of human capital.

# Develop

Agenda Priority 17

## **POLICY PRIORITY 17.1**

### **ESTABLISH IMMEDIATE MEASURES FOR LABOR INFLUX**

#### Main Challenges

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

#### Proposed Measures

##### **Measure 17.1.1**

Restructure and strengthen the mandate of the National Employment Office to rapidly and efficiently collect information from Lebanese residents and Lebanese returning from abroad, as well as Syrian and Palestinian refugees, and create a file for each applicant. Institute state partnership with foreign donors and international financial institutions (IFIs) in design and rollout of financial aid and lending programs for the protection of payrolls and jobs at Micro, Small, and Medium Enterprises (MSMEs) in the formal economy.

##### **Measure 17.1.2**

Qualify and quantify the labor pool as well as its social development levels, and match it with available demand for labor.

##### **Measure 17.1.3**

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

## **POLICY PRIORITY 17.2**

### **STRENGTHEN WORKERS' RIGHTS**

#### Main Challenges

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

#### Proposed Measures

##### **Measure 17.2.1**

Draft new bylaws for unions and implement legislation for a more constructive and independent role for unions.

##### **Measure 17.2.2**

Develop and fund training and development programs to provide new job skills to the unemployed. Support the creation of upskilling services and access of Lebanese talent to diaspora and international remote work markets by introduction of credible long-distance work certification.

***Measure 17.2.3***

Amend the Lebanese labor law to include all foreign workers, unifying the rules for local and foreign workers, thereby integrating current special rules applied to migrant workers into the labor law. Include access to registration and ability to receive compensation from the National Social Security Fund (NSSF).

***Measure 17.2.4***

Review and redesign financial inputs to, and benefits packages of, work-related social insurance systems. Support the establishment of remote work in both national and cross-border contexts.

***Measure 17.2.5***

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

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# Develop

Agenda Priority 18

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## OUTREACH TO THE DIASPORA

Each year Lebanon has been producing more university graduates and workers than its economy can absorb. Together with cultural and political factors, accentuated in 2020 by the sharp economic collapse and the August 4, 2020 port explosion, the lack of opportunities at home has pushed Lebanese to migrate abroad for over a century. These outflows and migrations to countries in Europe, Western Asia, the Americas, Africa, and Oceania have translated into a [huge diaspora](#)—Lebanon has one of the world's highest ratios of expatriates to residents. In 2020 alone, over 500,000 Lebanese (have reportedly applied for a visa to move or study abroad). Since the end of the Lebanese civil war in 1990, the attraction and integration of the diaspora's human capital financial energies was a—sometimes informal and sometimes more formal—political paradigm aimed at boosting economic development. Given the ongoing depreciation of the LBP, combined with the state's capital control and restriction of transferring money abroad, the diaspora's contribution to Lebanon - especially in fresh funds - is more important than at any point since the creation of the Lebanese nation.

One element the state must work to ameliorate is the current inability of the public and private sectors to provide adequate job and career opportunities to highly qualified graduates of tertiary academic institutions. The lack of opportunity, combined with the financial failure of the state and the banks, has led to unprecedented braindrain.

Brain drain has been a concern over the past 25 years and has become a much greater concern in 2021 than in many previous years, as the country is visibly unable to generate living incomes, let alone enough career options for highly qualified graduates in the foreseeable future. However, while the state may be unable to completely stop emigration, it ought to develop the means—through designing policies and engineering institutional capacities—to make inroads toward helping more Lebanese find jobs in their homeland. While such efforts would likely be futile as standalone political or fiscal initiatives, they could generate multiple benefits if done in conjunction with improvements in Lebanese competitiveness and strengthening heritage preservation and increasing national identity appreciation (see Agenda Priorities 15 and 19 in this Economic Roadmap).

Furthermore, one must not overlook the complexities that come with trying to engage a large diaspora that collectively holds considerable (indeed, potentially vast but so far unquantified) amounts of financial wealth, human capital, and entrepreneurial energies. [Policymakers](#) and influencers must, therefore, focus on developing means to reduce brain drain, as well as policies to improve the utilization of remittances and generally redirect capital inflows from fueling unproductive consumption and asset inflation toward providing development capital that creates high-skilled jobs.



**POLICY PRIORITY 18.1****CAPITALIZE ON DIASPORA RESOURCES****Main Challenges**

- *Develop a registration protocol and conduct a census for Lebanese residents and expatriates.*
- *Incentivize and attract diaspora tourism*
- *Optimize existing outreach channels and increase the strength of diaspora network*
- *Incentivize the use of remittances to fund sustainable investment projects*
- *Promote opportunities for diaspora investors to develop export-oriented ventures in Lebanon and make efforts to rebuild trust*

**Proposed Measures****Measure 18.1.1**

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

**Measure 18.1.2**

Mandate the tourism and economy ministries to develop and implement a strategy to attract diaspora tourism and investment in Lebanon.

**Measure 18.1.3**

Involve Lebanese embassies, and especially the economic attaches appointed by the Ministry of Foreign Affairs and Emigrants at 20 major embassies, to more actively disperse information on investment opportunities in Lebanon for diaspora members.

**Measure 18.1.4**

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

**Measure 18.1.5**

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

**Measure 18.1.6**

Encourage diaspora investments into Lebanese startups.

**Measure 18.1.7**

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

**Measure 18.1.8**

Standardize Lebanese products and certification norms in order to improve export prospects for goods.

# Develop

Agenda Priority 18

## **POLICY PRIORITY 18.2**

### **INSTITUTIONALIZE RELATIONS WITH THE DIASPORA**

#### Main Challenges

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

#### Proposed Measures

##### **Measure 18.2.1**

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

##### **Measure 18.2.2**

Develop and simplify procedures that diaspora investors can follow when embarking on an investment process in Lebanon. Empower embassies to provide free and competent legal guidance to potential diaspora investors.

##### **Measure 18.2.3**

Build trust among diaspora communities abroad by promoting Lebanon as a safe investment destination.

##### **Measure 18.2.4**

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

##### **Measure 18.2.5**

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

##### **Measure 18.2.6**

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

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## HERITAGE PRESERVATION

The August 4, 2020 port blast destroyed many of Lebanon’s heritage gems, including Lebanon’s iconic Sursock museum. In 2022 and for all years ahead, the Lebanese government’s priority in terms of [heritage preservation](#) should be to protect destroyed properties from being bought up for commercial projects, and also to protect landmarks and make sure they are restored and renovated. Cities in the Eastern Mediterranean region may disagree on which city can claim to be the world’s oldest continually inhabited settlement, but it cannot be denied that urban settlements in this region have [histories](#) and identities that are more than deserving of protection and preservation for future study and enjoyment. Until today, however, the Lebanese state has not shown a universal understanding and political will to improve and enforce existing laws on the protection of antique treasures. Nor has the country shown any signs of developing and pursuing a national strategy to preserve our natural and built heritage, a matter of pressing urgency as post-explosion damage remains. In matters of heritage, Lebanon still relies on outdated legislation—Law 166 (1933) issued under the French Mandate. The country’s architectural identity is being lost as chaotic real estate developments are pursued for profit motives but in total absence of any vision to preserve heritage clusters and integrate them into a master plan for future development. Our natural heritage, including our coast and historical landscapes, are being disfigured.

### POLICY PRIORITY 19.1

#### LEGAL REFORM FOR HERITAGE PRESERVATION

#### Main Challenges

- *Update the legal code*
- *Create a central plan for preservation*
- *Protect heritage sites destroyed and/or damaged during the Beirut Port explosion*

#### Proposed Measures

##### **Measure 19.1.1**

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

##### **Measure 19.1.2**

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

##### **Measure 19.1.3**

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

##### **Measure 19.1.4**

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

##### **Measure 19.1.5**

Protect heritage sites damaged or destroyed during the August 4 port explosion from predatory, commercial buyers.

# Enable

Agenda Priority 20

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## MANUFACTURING

Support for productive sectors and activation of export potentials are undisputed needs of Lebanon as the country passes one fatal milestone of economic contraction and social destitution after another. The role of industry in national development has been researched exhaustively. Due to artificial restraints against development of competitive domestic markets for domestic manufacture and due to indirect import subsidies whereby importation of consumer goods was favored over local production even where local manufacture was viable, as well as lack of size, non-realization of concerted private sector efforts and absence of effective public sector support, the Lebanese manufacturing industry has for years been held back from reaching import substitution and export potentials. Significant human capital, location, and trade network advantages of the manufacturing place Lebanon were diverted into commerce or generally underutilized. In course of the national crisis of everything in 2019-22, however, enablement of industries has become a survival need for jobs and livelihoods, a fact exacerbated by two years with no policy making or macroeconomic action by the state. In the quest of preserving jobs, elevating quality, advancing competitiveness, and improving sustainable returns in Lebanese industry, many of the listed proposed measures under the preceding four pillars and 19 policy priorities of the Executive Economic Roadmap 4.0 are relevant for the enablement of private sector industry. The need to implement policy priorities in terms of legal, institutional, and structural reforms on the level of private sector industries has sadly been amplified by the failure to implement or even tackle the vast majority of measures that have been proposed to the public decision makers by the many and highly qualified contributors to the previous iterations of the Executive Economic Roadmap. You may therefore recognize one or several proposed measures copied over from one or several previously existing policy priorities under the new manufacturing policy priority, in addition to the proposed measures that our editorial team has drawn up on basis of the [Economic Framework roundtables in March 2021](#) and our magazine's special reports of the past two years. Additions and feedback submissions to the proposed measures in pillar 5 for the enablement of industries are highly encouraged and requested.

**POLICY PRIORITY 20.1**

**ENABLE MANUFACTURING COMPANIES**

**Main Challenges**

- *Tackle the issue of Special Economic Zones for the manufacturing industry*
- *Resolve the problems of cross sectorial coordination and missing standards*
- *Ease access to capital and improve access to export markets*
- *Propagate investment opportunities in manufacturing*

**Proposed Measures**

**Measure 20.1.1**

Encourage industrial manufacturers to adhere to cross sectorial collaboration.

**Measure 20.1.2**

Create a supra-industrial steering and evaluation mechanism to aid domestic supply chain development and innovative pairings of industries for mutual benefits.

**Measure 20.1.3**

Enhance customer care, comply with coherent ESG standards and principles, and invest in community building.

**Measure 20.1.4**

Operate outside the local jurisdiction to sustain the levels of operation.

**Measure 20.1.5**

Pursue partnerships with international companies and focus especially on multinational companies in high value-added industries.

**Measure 20.1.6**

Achieve synergies and productivity gains by clustering for improved capacity utilization.

**Measure 20.1.7**

Increase diversification on levels of management and board of directors to improve distribution of power and responsibility.

**Measure 20.1.8**

Adopt a long view of seeking to compete internationally by capitalizing on quality, uniqueness, and sophistication.

**Measure 20.1.9**

Invest in R&D.

**Measure 20.1.10**

Develop synergies between manufacturing and agricultural industries, and focus on collaboration between manufacturing branches such as packaging and industrial manufacturing.

# Enable

Agenda Priority 20

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**Measure 20.1.11**

Comply with the basic economic equation of achieving growth by ways of investment, and advocate for a government that can secure an enabling environment of a strong legal and regulatory framework in addition to an agreement with the IMF.

**Measure 20.1.12**

Adopt lean manufacturing principles for improving competitiveness and productivity.

**Measure 20.1.13**

Advocate for the establishment of special economic zones (SEZs) for manufacturing industry.

**Measure 20.1.14**

Open hubs for small and medium size businesses in SEZs and allow them to develop

**Measure 20.1.15**

Create common export bureaus for adjacent industries.

**Measure 20.1.16**

Seek export technical assistance from potential export markets.

**Measure 20.1.17**

Create a demand model for manufacturing jobs in Lebanon.

**Measure 20.1.18**

Engage with public sector partners and economic advocacy partners in efforts to improve hard and soft infrastructures for transportation, export facilitation, shift to renewable sources of energy, waste management and other macro-level priorities highlighted in Executive Roadmap pillars two, three, and four.

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## AGRO-INDUSTRY

Import substitution and exportation potentials in the agro-food sector are perhaps even more pronounced than in other sectors of Lebanese industry, given the large share of agro-food companies in overall manufacturing. However, a superior concern for the food processing and agro-industrial realm has emerged during the 2019-22 economic crisis in the need of developing food safety and food security far beyond the levels that were deemed sufficient under a paradigm of extreme import dependency. Some subsectors of agro-industrial production have been courted by development initiatives since the 1990s and partnership agreements with the European Union have been signed but the sector is faced with challenges that have been unmet in the past. In the quest of preserving jobs, elevating quality, advancing competitiveness, and improving sustainable returns in Lebanese industry, many of the listed proposed measures under the preceding four pillars and 19 policy priorities of the Executive Economic Roadmap 4.0 are relevant for the enablement of private sector industry. The need to implement policy priorities in terms of legal, institutional, and structural reforms on the level of private sector industries has sadly been amplified by a failure to implement or even tackle the vast majority of measures proposed to public decision makers by the many and highly qualified contributors to the previous iterations of the Executive Economic Roadmap. You may therefore recognize one or several proposed measures copied over from one or several previously existing policy priorities under the new agro-industry policy priority, in addition to the proposed measures that our editorial team has drawn up on basis of the [Economic Framework roundtables in March 2021](#) and our magazine's special reports of the past two years. Additions and feedback submissions to the proposed measures in pillar 5 for the enablement of industries are highly encouraged and requested.

### POLICY PRIORITY 21.1

#### *ENABLE FOOD PROCESSING & AGRO-INDUSTRIAL PRODUCTION ENTREPRISES*

#### Main Challenges

- *Develop food safety and responsible food consumption culture*
- *Resolve the problems of cross sectoral coordination and standards*
- *Overcome niche barriers in export markets and develop new markets*

#### Proposed Measures

##### **Measure 21.1.1**

Upgrade and diversify product lines and branding adapted to export markets.

##### **Measure 21.1.2**

Adhere to ESG standards and principles, and encourage family-run enterprises to institutionalize.

##### **Measure 21.1.3**

Consider alternative financing solutions.

##### **Measure 21.1.4**

# Enable

## Agenda Priority 21

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Reestablish previously destroyed agro-industrial infrastructures or those fallen into disrepair in the past two decades and build back factories.

### **Measure 21.1.5**

Advocate for a greater focus of cooperatives and agro-industry associations to promote collaborations.

### **Measure 21.1.6**

Push for the implementation of the overdue Lebanese food safety law and the activation of the official accreditation council (Colibac).

### **Measure 21.1.7**

Support legislative initiatives that ease doing business and enable access to finance, such as improved mergers or acquisition laws.

### **Measure 21.1.8**

Improve consumer trust in the food industry through better relations with academia.

### **Measure 21.1.9**

Create strong awareness of consumer rights and contribute to the development of responsible consumer culture.

### **Measure 21.1.10**

Upgrade the food safety system in Lebanon and comply with national and international food safety standards.

### **Measure 21.1.11**

Invest in research and development (R&D).

### **Measure 21.1.12**

Advance the development of geographical and quality certifications

### **Measure 21.1.13**

Penetrate national markets in export destinations and seek to transcend ethnic product niches in export markets

### **Measure 21.1.14**

Engage with public sector partners and economic advocacy partners in efforts to improve hard and soft infrastructures for transportation, and export facilitation, commit to using renewable sources of energy, and implement sustainable waste management and other macro-level priorities highlighted in Executive Roadmap pillars two, three, and four





## MEDIA

The services sectors of commercial and news media as well as the print industry have contributed to the historic reputation of Lebanon as a hive of creativity and, in regional comparison, free expression. Digital content creation and ventures in Lebanon benefit from a large, multilingual and ambitious talent pool. Economic restraints against development of Lebanon as a natural design, media, and content creation heavyweight in the Middle East and North Africa region have to be addressed. In the quest of preserving jobs, elevating quality, advancing competitiveness, and improving sustainable returns in Lebanese industry, many of the listed proposed measures under the preceding four pillars and 19 policy priorities of the Executive Economic Roadmap 4.0 are relevant for the enablement of private sector industry. The need to implement policy priorities in terms of legal, institutional, and structural reforms on the level of private sector industries has sadly been amplified by the failure to implement or even tackle the vast majority of measures that have been proposed to the public decision makers by the many and highly qualified contributors to the previous iterations of the Executive Economic Roadmap. You may therefore recognize one or several proposed measures copied over from one or several previously existing policy priorities under the new media and content development policy priority, in addition to the proposed measures that our editorial team has drawn up on basis of the [Economic Framework roundtables in March 2021](#) and our magazine's special reports of the past two years. Additions and feedback submissions to the proposed measures in pillar 5 for the enablement of industries are highly encouraged and requested.

### POLICY PRIORITY 22.1

#### ENABLE MEDIA, PUBLISHING AND CONTENT CREATION VENTURES

#### Main Challenges

- *Promote the use of Lebanese talent internationally*
- *Create media clusters and coworking creative opportunities*
- *Improve access to finance*

#### Proposed Measures

##### **Measure 22.1.1**

Lobby for additional investment in content creation, and the establishment of a specialized investment fund.

##### **Measure 22.1.2**

Tap into available international funds and support programs targeting quality content and journalism.

##### **Measure 22.1.3**

Create "free zones" for media.

##### **Measure 22.1.4**

Develop physical and digital infrastructures and technology clusters.

# Enable

Agenda Priority 22

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**Measure 22.1.5**

Engage with educational institutions to qualify skilled graduates in neuroscience, data analytics, and coding.

**Measure 22.1.6**

Partner with the Lebanese diaspora and overseas entities in the creation of remote work opportunities for Lebanese content creators.

**Measure 22.1.7**

Establish an independent entity that promotes Lebanese content in international creative festivals.

**Measure 22.1.8**

Support designation of the content creation industry in Lebanon as a strategic pillar for the country by the government or the public sector.

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## HOSPITALITY

Hospitality, albeit often dichotomous in terms of the warm and welcoming “ahlan wa sahlan” mindset that characterizes operators from the smallest to the very large versus legal obligations, adhered-to industry standards and staff professionalism at hospitality ventures, is both a significant services industry for hard-currency revenue generation and a major employer in the Lebanese labor market. Lebanese concepts for hospitality management, restaurant branding and design, franchise solutions with region-wide appeal in Arab markets, and creation of new food and beverage concepts (F&B) persist although they have suffered in the pandemic and economic crises. In the quest of preserving jobs, elevating quality, advancing competitiveness, and improving sustainable returns in Lebanese industry, many of the listed proposed measures under the preceding four pillars and 19 policy priorities of the Executive Economic Roadmap 4.0 are relevant for the enablement of private sector industry. The need to implement policy priorities in terms of legal, institutional, and structural reforms on the level of private sector industries has sadly been amplified by the failure to implement or even tackle the vast majority of measures proposed to the public decision makers by the many, and highly qualified, contributors to the previous iterations of the Executive Economic Roadmap. You may therefore recognize one or several proposed measures copied over from one or several previously existing policy priorities under the new hospitality and food and beverages industry policy priority, in addition to the proposed measures that our editorial team has drawn up on basis of the [Economic Framework roundtables in March 2021](#) and our magazine’s special reports of the past two years. Additions and feedback submissions to the proposed measures in pillar 5 for the enablement of industries are highly encouraged and requested.

### **POLICY PRIORITY 23.1**

#### ***ENABLE FOOD & BEVERAGE AND HOSPITALITY ENTREPRISES***

#### **Main Challenges**

- *Improve access to finance*
- *Rebuild Lebanon as a tourist destination*
- *Develop integration with international source markets of tourism*
- *Develop usage of hospitality exports such as franchising*

#### **Proposed Measures**

##### **Measure 23.1.1**

Coordinate efforts for accessing international grants, technical assistance, and capacity building programs.

##### **Measure 23.1.2**

Develop industry-level strategies for contributing to the rebuilding of inbound tourism in Lebanon.

##### **Measure 23.1.3**

Advocate for reforms that will benefit F&B enterprises and the hospitality sector.

##### **Measure 23.1.4**

Shift from short-term profit orientation to long-term sustainable hospitality ventures.

# Enable

Agenda Priority 23

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**Measure 23.1.5**

Seek investment for overseas expansion of Lebanese F&B concepts.

**Measure 23.1.6**

Create a platform for sharing experiences of F&B operators with investors and industry peers.

**Measure 23.1.7**

Diversify businesses and distribute workforce in popular branches to achieve a material return to remain resilient.

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## KNOWLEDGE ENTERPRISES

Lebanon's information and communications technology (ICT) sector and the native tech entrepreneurship ecosystem has passed through several, complex and contradictory but always noteworthy, phases since the implementation of reconstruction and development efforts in the early 1990s. Rollouts of mobile telephony happened ahead of other countries in the Middle East and North Africa region but the duopolistic system fell victim to policy disagreements and corruption. The New Economy enthusiasm at the turn of the century translated into many inventive commercial establishments in the software and IT industry but encountered strong competition by companies located in much larger countries that improved faster than Lebanon in terms of tech infrastructures and ease of doing business. In the 2010s, the nascent entrepreneurship ecosystem received a much appreciated funding boost but this comparative advantage was drawn asunder by the financial crisis of 2019. Given that the strongest asset base in the Lebanese economy is one of human capital, ease of communicating, and knowledge-based entrepreneurialism, it is a no-brainer to focus on the tech entrepreneurship and knowledge enterprises as industry of great future importance. In the quest of preserving jobs, elevating quality, advancing competitiveness, and improving sustainable returns in Lebanese industry, many of the listed proposed measures under the preceding four pillars and 19 policy priorities of the [Executive Economic Roadmap 4.0](#) are relevant for the enablement of private sector industry. The need to implement policy priorities in terms of legal, institutional, and structural reforms on the level of private sector industries has sadly been amplified by the failure to implement or even tackle the vast majority of measures proposed to the public decision makers by the many, and highly qualified, contributors to the previous iterations of the Executive Economic Roadmap. You may therefore recognize one or several proposed measures copied over from one or several previously existing policy priorities under the new information technology and knowledge enterprises policy priority, in addition to the proposed measures that our editorial team has drawn up on basis of the [Economic Framework roundtables in March 2021](#) and our magazine's special reports of the past two years. Additions and feedback submissions to the proposed measures in pillar 5 for the enablement of industries are highly encouraged and requested.

# Enable

Agenda Priority 24

## **POLICY PRIORITY 24.1**

### **ENABLE TECHNOLOGY AND KNOWLEDGE ENTREPRISES**

#### **Main Challenges**

- *Improve access to markets*
- *Develop access to finance*
- *Develop new coworking spaces and ecosystem infrastructure*

#### **Proposed Measures**

##### **Measure 24.1.1**

Focus on premium outsourcing.

##### **Measure 24.1.2**

Solve the access to impact finance by encouraging businesses in Lebanon to have a social impact, measure it and communicate on it to investors.

##### **Measure 24.1.3**

Find and develop niches of export growth for knowledge and IT enterprises.

##### **Measure 24.1.4**

Encourage all Lebanese knowledge enterprises and freelancers to use platforms offered by Lebanese IT enterprises for reaching global markets.

##### **Measure 24.1.5**

Create spaces for IT and knowledge enterprise actors to exchange and brainstorm ideas.

##### **Measure 24.1.6**

Advocate for labor law reforms to formalize the work of freelancers in Lebanon.

##### **Measure 24.1.7**

Lobby for legal facilitation for the incorporation of social enterprises.

##### **Measure 24.1.8**

Engage with public sector partners and economic advocacy partners in efforts to improve hard and soft infrastructures for transportation, export facilitation, shift to renewable sources of energy, waste management and other macro-level priorities highlighted in Executive Roadmap pillars two, three, and four.

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## CHEMICALS

The chemicals producing and processing industries of Lebanon have long been significant on regional level and have displayed potentials for exports to Arab markets and for participation in production ventures. In this, similar to the paper and apparel industries, the diverse chemicals sector entails both companies that are of medium size regionally (but large employers by local standards), such as paints and pharmaceutical manufacturers, and small and micro enterprises producing [organic skincare products](#) and [clean cosmetics](#). The country's biotechnology and pharmaceuticals sector has for decades been dominated by imported medical drugs. A shift to more domestic production is warranted by economic constraints on importation and by the fact that local manufacturers have technical capacities which can be activated through both substitution of imports with local products in the Lebanese market and partnerships between manufacturers and international companies for growing regional markets. In herbs and essences, Lebanon has potentials that have been widely discussed in the late 2010s, such as potential for cultivation of cannabis. Local medicinal herbs and boutique beauty products can nurture exports and have investment potentials.

### **POLICY PRIORITY 25.1**

#### ***ENABLE SPECIALIZED CHEMICALS, HEALTH AND BEAUTY ENTREPRISES***

#### **Main Challenges**

- *Empower substitution of imported pharmaceuticals with Lebanese generics*
- *Develop supply chain and certification for locally developed organic skincare products*
- *Enhance regional market access and reputation of cosmetics made in Lebanon*

#### **Proposed Measures**

##### **Measure 25.1.1**

Improve online sales and deliveries of boutique producers of organic cosmetics through partnerships with logistics specialist firms, online communication agencies, and multiple ecommerce platforms.

##### **Measure 25.1.2**

Support natural cosmetic formulations produced in Lebanon by developing regulations, testing and certification for locally sourced ingredients.

##### **Measure 25.1.3**

Invest in research and development (R&D) of products using local medicinal herbs and essential oils.

##### **Measure 25.1.4**

Align with consumer trends in cosmetics and focus on non-harmful, sustainably produced, and cruelty-free tested products.

# Enable

Agenda Priority 25

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## **Measure 25.1.5**

Adopt best practices of disclosing sources and using only environmentally and socially responsible ingredients as well as plastic-free recyclable packaging and economic transparency to enhance reputation of Lebanese beauty products to sophisticated consumers.

## **Measure 25.1.6**

Substitute as much as possible imported brand medicines with far more affordable products of similar quality under local manufacture and suspend doctors' authority to tick a "non-substitution" box when prescribing medicines.

## **Measure 25.1.7**

Shift from subsidizing imported medical drugs to subsidizing imports of raw materials. Build trust in generic medicines of local production and, for not locally produced drugs, originating from reference countries through awareness building and communication campaigns.

## **Measure 25.1.8**

Allow subsidies of imported brand drugs if no substitution is feasible at near or equal quality.

## **Measure 25.1.9**

Work towards bi-lateral agreements with regional markets; implement product standards and country of origin certificates that ease exports of Lebanese health and beauty products to key target markets.

## **Measure 25.1.10**

Establish an industry alliance and support organization for small and artisanal producers of organic skincare and cosmetics and develop a country-of-origin certification mechanism for health and beauty from Lebanon. Develop export campaigns to boost image and awareness of Lebanese beauty.

## **Measure 25.1.11**

Continue and step up R&D for cannabis-based medicinal products and legalization of medical use of products that comply with health requirements such as proven non-addictiveness.

## **Measure 25.1.12**

Engage with public sector partners and economic advocacy partners in efforts to improve hard and soft infrastructures for transportation, export facilitation, shift to renewable sources of energy, sustainable waste management and other macro-level priorities highlighted in Executive Roadmap pillars two, three, and four.





## RENEWABLE ENERGY

Prior to the crisis of everything, considerations in the energy sector focused on resources exploration and power generation with state leadership and a dominant presence of the public utility, EDL. The energy exploration and hoped-for exploitation of oil and gas wealth was both government-organized and speculative. The power production and distribution was both deficit generating and politicized, with a significant but nominally illegal and broadly corrupt segment of private power generation in the shadow economy. Fledgling companies and minor public sector projects of photovoltaic solar energy systems on municipal and provincial levels have been pursued since the 2000. Simple solar thermal systems (water heaters) had been brought to market even earlier. However, efforts dedicated to renewable energies were driven, and often strongly subsidized, by foreign development funding. Adoption of [renewable energy](#) solutions relying on wind, solar, and hydro sources was slow and impeded by required upfront investments (despite the diminishing costs of PV systems globally, the artificially low tariffs for electricity produced at high cost from fossil fuels acted as barrier against adoption of renewable energy) and by delays in administrative processes. The equation of power was turned on its head by the Lebanese crisis of 2020 and the predictable removal of subsidies for EDL. In the course of 2021, subsidies ceased in a few steps and the energy dependence of Lebanese households under a corrupt and politicized system turned into abject energy poverty. In parallel, the world was forced by climate shocks to ask how long planet earth will survive if the usage of fossil fuels and other climate risks remain uncurbed. Seeking solutions for Lebanon's survival need for electricity in the context of the necessary global transition to renewable energies, Executive not only produced a Special Report on Energy but also invited renewable energy experts to a roundtable that convened on November 19, 2021. The Roadmap recommendations for the renewable energy industry represent a combination of recommendations derived from the renewable energy roundtable and report (both realized in partnership with Konrad Adenauer Stiftung REMENA) and measures that were proposed in previous years and included in the Roadmap's Strategize Energy policy priority.

# Enable

Agenda Priority 26

## **POLICY PRIORITY 26.1**

### **ENABLE RENEWABLE AND CLEAN ENERGY PRODUCTION COMPANIES**

#### Main Challenges

- *Update, adopt, and enforce renewable energy (RE) laws*
- *Develop comprehensive energy strategy with clear role for private sector RE industry*
- *Integrate renewable energy solutions in utility power generation*
- *Impose quality standards, empower independent regulator*

#### Proposed Measures

##### **Measure 26.1.1**

Issue and implement RE laws, namely Law 462 of 2002 and the Distributed Renewable Energy Law (DRE Law) of 2021.

##### **Measure 26.1.2**

Implement plan for grid reinforcement to pave the way for smart and clean grid solutions by the government; end EDL monopoly in electricity distribution and develop both distributed and utility scale RE projects to achieve national climate commitments.

##### **Measure 26.1.3**

Improve governance of energy sector; promote transparency at the Ministry of Energy and Water and administrative units.

##### **Measure 26.1.4**

Develop comprehensive strategies for electricity and oil & gas that are inclusive of power purchase agreements and wheeling in the electricity sector and cognizant of resource finds and climate mitigation needs in oil & gas as well as political and international realities.

##### **Measure 26.1.5**

Pursue decentralization and digitization of renewable energy sector.

##### **Measure 26.1.6**

Involve the private sector, affirm standards, and power-up the independent regulator.

##### **Measure 26.1.7**

Activate and de-risk finance of RE.

##### **Measure 26.1.8**

Ensure equitable provision of energy and protect vulnerable users.

##### **Measure 26.1.9**

Strategize to employ full spectrum of power generation options from gas-fired plants to decentralized and utility-scale wind and solar.

**Measure 26.1.10**

Put ultimate pressure for adoption of RE solutions on the relevant ministries and the entire political establishment.

**Measure 26.1.11**

Issue long-term warranty obligations and maintenance commitments as licensing requirements for new suppliers of RE solutions on household level, especially solar photovoltaic (PV) system vendors.

**Measure 26.1.12**

Replace heavy fuel oil with gas in power plants.

**Measure 26.1.13**

Organize an awareness campaign on system sizing and operation and component technologies, types, and specifications, documentation, standards, and maintenance and operation requirements.

**Measure 26.1.14**

Establish a regulatory body for decentralized power distribution.

**Measure 26.1.15**

Develop a conducive policy environment that will contribute to capitalizing on the use and benefits of solar energy.

**Measure 26.1.16**

Install solar panels on the rooftops of school buildings as a means to support the education sector.

**Measure 26.1.17**

Utilize existing micro grids of back-up generators to scale up solar energy on the short term.

**Measure 26.1.18**

Engage with public sector partners and economic advocacy partners in efforts to improve hard and soft infrastructures for transportation, export facilitation, shift to renewable sources of energy, waste management and other macro-level priorities highlighted in Executive Roadmap pillars two, three, and four.

**Measure 26.1.19**

Transition to a more open and competitive power market that supports the renewable take-off.

# Enable

Agenda Priority 26

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**Measure 26.1.20**

Diversify the energy supply and energy demand management on the technical side, but also tackle the political economy constraints that would allow the leapfrog towards renewables, by controlling the oil cartel value chain, and the diesel generators market and network.

**Measure 26.1.21**

Introduce participatory tools and channels in the energy transformation process that could foster acceptance and contribute to fair power dynamics and energy policies.

**Measure 26.1.22**

Construct new gas-powered plants in Zahrani and Deir Ammar with a capacity of up to 2,000 megawatts and a natural gas import facility in Zahrani.

**Measure 26.1.23**

Support financial vehicles that make it attractive to Lebanese depositors to invest their “libano dollars” in solar power projects.

**Measure 26.1.24**

Add climate risk mitigation measures to public and private RE projects to attract greater investments.

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