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COMMON COUNTRY ASSESSMENT

LEBANON



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The Common Country Assessment (CCA) process in Lebanon has proved to be quite a complex exercise, as a series of subsequential crises have forced the UN Country Team (UNCT) to interrupt and/or suspend the exercise on different occasions.

In 2005, the UNCT embarked on the process of preparing a new CCA leading to the formulation of the UN Development Framework (UNDAF) to cover the period 2007-2011. The basis for initiating the CCA consisted of a White Paper defining key national and emerging challenges where the UNCT in Lebanon could have an entry point in supporting related programmes and interventions. However, because of the turbulent security and political situation that prevailed in Lebanon throughout 2005, including 4 changes of government, and in the interest of ensuring national ownership of the new CCA/UNDAF, a postponement by one year of the UNCT planning cycle to cover the period 2008-2012 was sought and approved.

In early 2006, the CCA/UNDAF process in Lebanon resumed when a National Workshop on Human Rights Based Development, Gender, and Conflict Prevention took place bringing together representatives of the UNCT, government counterparts from 12 line ministries, the Office of the Prime Minister, parliament, the Council of Development and Reconstruction (CDR), and the Ministry of State for Administrative Reform, as well as national counterparts from civil society organizations. Working Groups (WGs) consisting of UN and national representatives were established around the following themes: i) national reconciliation and reform; ii) governance; iii) economic development; iv) poverty, education and health; and v) environment and natural resources. Consensus around these themes was found through a joint UNCT and Government of Lebanon analysis of the root causes of the country's main problems. Unfortunately, this momentum was suddenly interrupted by the outbreak of war on 12 July 2006. In the wake of the Israeli war on Lebanon of July-August 2006, a further one year deferment was sought and approved for a CCA/UNDAF period of 2009-2013.

In 2007, the UNCT resumed again the CCA process. Based on the work accomplished in 2006 and the new CCA/UNDAF guidelines, the UNCT decided to proceed with a “light” CCA based on the availability of sufficient data produced, inter alia, by government and other sources, as well as agency assessments undertaken prior to and following the war - most of them carried out with government counterparts. This included assessments undertaken in connection with the Paris III Conference preparations. The UNDAF WG's new priorities were to incorporate both post-war emergency issues, priorities and new data, and the most relevant elements of the government's reform programme submitted at the Paris III international conference (i.e. social action plan). The final draft that was prepared with the help of two consultants was shared with the Council for Development and Reconstruction - CDR, and presented at the UNDAF prioritization retreat that took place in December 2007.

From a substantive point of view, the major finding that emerges from the CCA is the manifest weakness in governance at all levels and across a range of sectors. To address Lebanon's many and deep-seated problems, there is a need to build the capacity for good governance that is inclusive, respectful of human rights and accountable. Other main findings of the analysis to be highlighted include a lack of respect for human rights principles and related discriminatory practices, in particular against vulnerable groups, structural imbalances that have led to modest growth performance; wide regional and intra-regional socio-economic disparities; and a deteriorating environment and mismanagement of natural resources. These clusters of issues inform the options for action by the UN system in Lebanon for the next few years, within the overall framework of good governance: human rights of vulnerable groups; the education-employment nexus and productivity; empowerment and regional balance (disparities); and environmental management. Support for recovery in the South remains an on-going concern.

In 2008, with the CCA already finalized, the political crisis was evolving with an undercurrent of growing security concerns which climaxed in two weeks of violence in May 2008 between opposition and pro-majority supporters, and also took on sectarian facets. The fighting was halted with the signing of the “Doha Agreement,” a

Qatari-brokered deal between the opposing groups. This prompted the UNCT to request another extension of the programme cycle for an additional year to cover now the period 2010-2014.

We sincerely hope that this CCA serves as a good basis for the UN Development Assistance Framework (UNDAF), as it clearly identifies the priority areas that require the development partners' focus attention in terms of advocacy, policy dialogue and financial support.



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The Common Country Assessment (CCA) for Lebanon analyses the key development challenges facing the country and provides indications for UN strategy and pillars of future cooperation with Lebanon towards the achievement of the Millennium Development Goals (MDGs) and broader national development objectives. The CCA relates to the ambitious integrated reform programme, rolled out after the Paris II Conference and which provides the framework for donor and UN assistance. The reform programme social plan shows the greater awareness than in the past of the Lebanese authorities concerning the need to give more attention and resources to social problems.

The CCA is the result of an interactive and participatory process that has involved government officials and the UN country team in Lebanon. Four broad issues have been addressed: national reconciliation and governance; economic development; poverty, education and health; and the environment and natural resources. The analysis has focused on the adherence to human rights principles and on the human rights situation of the disadvantaged groups in society, in particular the poor, women, children, and refugees.

Human rights are not systematically respected in Lebanon, especially for those who belong to one of the disadvantaged groups noted above. A poor woman who also is non-Lebanese would enjoy very few of her rights. Laws, including the Constitution, protect human rights, but laws generally are inadequately and selectively implemented. Nonetheless, recently some improvement has been noted towards a better respect of the human rights of residents in Lebanon, largely due to assiduous work by NGOs.

The main findings of the Report with respect to the four selected broad issues are the following. The political and administrative governance - including the human rights environment, have been adversely affected by the deterioration in the political and security conditions, in particular Israel's war against Lebanon in July 2006. The war led to thousands of casualties, much destruction in the infrastructure, and a significant reduction in economic activity. A national reconciliation dialogue that was held over many sessions in March-June 2006, and despite agreement on many issues, produced no tangible results on the ground. Local level and community initiatives supported by civil society and UN organizations have been more successful. Rule of law, transparency and accountability have been severely weakened by the failure of the confessional political system.

Economic activity has also been adversely affected by the political and security developments. Growth has been weak since 2005, and government debt has continued to rise, currently reaching about 180 percent of GDP, while government expenditures continue to finance mainly interest on debt and wages. Employment opportunities have not been growing enough to absorb new entrants to the labor market, with emigration, of the skilled in particular, relieving some of the pressure. Unemployment, particularly of youth and women, is at very high level compared to middle-income countries in other regions. Agriculture and industry have lost their competitive edge due to structural problems, weak sector governance and poor business environment. The weak economic performance and the historically skewed distribution of income and wealth reflect the economic difficulties and limited opportunities that the disadvantaged people in society face.

Contrary to economic developments, indicators on poverty, education and health have marginally improved, overall and in most regions. But the absolute number of the "deprived" has increased in the past decade. This improvement owes much to NGO work and to government policies. Improvements, however, conceal a regression in education quality and standards, and a misallocation of government resources in both the education and health sectors, where public schools and hospitals have been built without adequate consideration for cost or needs. The record on basic education and basic health is mixed and the full achievement of the right to education and the right to health remains an arduous task. The fact that progress in the social domain is not in line with economic performance points to the possibility that the improvements in social indicators may not be sustainable.

In the environment sphere, many indicators point to a significant degradation on most aspects, in particular for water, air, biodiversity and land. In this regard, the authorities should enforce existing laws and regulations, and establish an effective environmental control and management system.

In considering Lebanon's economic and social record, it should be noted that the fundamental or structural

problems have not much changed since independence, but that they have become aggravated by wars and political crises. These problems may be summarized by ineffective public governance institutions, strong economic and social disparities between the center and other regions in the country, and weak economic productivity that is the result of those precedent limitations, including largely deficient public educational systems and standards.

In all, genuine capacity gaps transcend the individual and administrative to the institutional, which is a reflection of the nature of the political system. The obstacles to a sustained increase in productivity and to the emergence of a “public service” mentality reside in the allegiance to narrow confessional or political interests rather than to the more encompassing national ones.

There is one key message that comes out of this CCA Report, and it is a long-standing one: progress on the major political, economic and social fronts is ultimately constrained by the confessional nature of the political system whereby political and administrative power is shared along confessional lines, and where personal status laws are determined by the religious denomination of the person. In such a system, the principles of equality and non-discrimination which underpin all human rights are relegated to a subsidiary concern, and accountability, a fundamental pillar of democracy and the protection of citizens' rights, is undermined. For the past few years, the situation has been exacerbated by the enduring political crisis and security situation that have practically monopolized the attention of the authorities.

Political reforms, perhaps incremental over time to be feasible, can probably take Lebanon's political system beyond the constraining shackles of its confessional nature to a genuine democratic society with effective accountability mechanisms that work for the citizen rather than the narrow community. In that case, remarkable dynamics may be unleashed that could produce not only a higher and sustainable path of economic development, but also a significantly better human rights record for all.

The above key challenges for the attainment of the MDGs, and in terms of their impact on development targets and progress in the country, can be transformed into opportunities for UN system cooperation. A flexible, focused approach that would build on and strengthen the conflict prevention / peace building perspective could meaningfully contribute to national reconciliation and political reform. Major national initiatives include the implementation of the national physical master plan, and the implementation of disaster prevention and management.

Good governance that is inclusive and respectful of human rights and accountable could provide the main programmatic entry point. Inclusiveness through enhancement measures including reducing discrimination in laws and regulations particularly against vulnerable groups, promoting political participation, providing public services equitably ... internal accountability through national checks and balances and administrative measures, for instance, service orientation of the public service, access to information through a comprehensive statistics development strategy and programme, and results budgeting and management, external accountability through a range of actions at the national and local levels. Moreover, improvements in sector governance apply across the board, but would be of particular priority in the social sector, notably for basic education/education and also basic and preventive health, and for environmental management. Economic governance (private sector development) is another priority.

Empowerment and regional balance (reduction of disparities) through pro-poor growth and social policies targeting reduction of disparities would directly impact poverty reduction. Results could be considerably enhanced by decentralization and increased citizen participation, and broad-based civil society action.

In addition, specific issues require dedicated action, such as for instance the continuing recovery of the South; refugees and other.

Successful UN system action will require strategic partnerships with Parliament and national civil society organizations leaders in their field, among other.

AIDS	Acquired Immuno Deficiency Syndrome
BDL	Banque du Liban
CARITAS	“Charity”. A confederation of 162 Catholic relief, development and social service organizations working to build a better world, especially for the poor and oppressed, in over 200 countries and territories
CAT	Convention Against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment
CCA	Common Country Assessment
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CERD	Committee on the Elimination of Racial Discrimination
CMW	International Convention on the Protection of the Rights of all Migrant Workers and Members of their Families
CPI	Consumer Price Index
CRC	Convention on the Rights of the Child
DRC	Danish Refugee Council
EFA	Education for All
EMIS	Environmental Management Information System
EPI	Environmental Performance Index
ESI	Environmental Sustainability Index
EU	European Union
FAO	Food and Agriculture Organization
FX	Foreign currency
GA	General Assembly
GDP	Gross Domestic Product
GTZ	German Technical Cooperation officially known as Deutsche Gesellschaft für Technische Zusammenarbeit
HACT	Harmonized Approach to Cash Transfer
HIV	Human Immunodeficiency Virus
ICCPR	International Covenant on Civil and Political Rights
ICERD	International Convention on the Elimination of All Forms of Racial Discrimination
ICESCR	International Covenant on Economic, Social and Cultural Rights
ICPD	International Conference on Population and Development
ICT	Information and Communication Technology
ILO	International Labour Organization
IMF	International Monetary Fund
IPEC	International Programme on the Elimination of Child Labour
IRFED	Institut de Recherches, Formation et Développement
KAFA	Enough Violence and Exploitation
LCRVAW	Lebanese Council to Resist Violence Against Women
LEDO	Lebanese Environment & Development Observatory

LL-TB	Treasury Bills in Lebanese Pounds
MCM	Million Cubic Meters
MDGs	Millennium Development Goals
MEHE	Middle East for Hydraulic Engineering
MOF	Ministry of Finance
MOH	Ministry of Health
MOSA	Ministry of Social Affairs
MOU	Memorandum of Understanding
MP	Member of Parliament
MRI	Magnetic resonance imaging
NFA	Net Foreign Assets
NGOs	Non-governmental Organizations
NPAHR	National Plan of Action for Human Rights
NSCR	National Council for Scientific Research
PAPCHILD	Pan Arab Survey on Mother and Child
PAPFAM	Pan Arab Survey for Family Health
PHRO	Palestinian Human Rights Organization
QUALEB	EU-funded Quality Programme for Lebanon
SG	Secretary-General
SME	Small and Medium Enterprise
UN	United Nations
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations International Children's Emergency Fund
UNRWA	United Nations Relief and Works Agency
UXOs	Unexploded Ordinances
WCS	World Conference on Science
WCW	World Conference on Women
WHO	World Health Organization
WSSD	World Summit on Sustainable Development
WTO	World Trade Organization

The CCA Report analyses Lebanon's political, socio-economic, and environmental situation within the framework of the Millennium Development Goals (MDGs) and with a particular attention to the human rights perspective. It identifies major problems, root causes, and proposes major and broad areas for action, which provide indications for shaping UN initiatives and programmes in future years.

Within the particular national context, the MDGs provide the framework for the analysis, which in the first place is undertaken through the lens of human rights. The CCA Report looks at the extent to which fundamental freedoms and entitlements are satisfied in various domains, with a focus on the impact on the most vulnerable groups in society, in particular the poor, women, children, and refugees. The Report covers the political situation, reconciliation and reform in Chapter I and four separate, but related topics: good governance (Chapter II); economic development (Chapter III); poverty, education and health (Chapter IV); and, the environment and natural resources (Chapter V). Chapter VI presents Conclusions.

The first chapter examines the political situation in Lebanon, which provided the difficult and complex background against which government action took place in the past few years. Efforts and progress in national reconciliation and reform are reviewed.

The second chapter assesses key aspects of good governance, notably the rule of law and in particular the effective enjoyment of personal freedoms and entitlements under the law for the vulnerable groups. Transparency and accountability are appraised in terms of access to information, government effectiveness, corruption, and accountability mechanisms. The importance of citizen participation and civil society action are highlighted. The analysis is essential to situating Lebanon's position and progress towards the fulfillment of the MDGs and the achievement of sustainable and human development.

The third chapter looks into Lebanon's economic performance since the early 1990s through an extensive analysis of economic performance. The first section presents the main elements of the macroeconomic framework and developments during that period, and the second section briefly reviews structural elements and changes in agriculture and industry. The third section considers the issues of employment and unemployment, and the distribution of income and wealth.

Social development is looked at from the perspective of improvements in poverty, education and health. The fourth chapter examines the living conditions of the deprived, based on findings of two national surveys undertaken in 1997 and 2004. Two sections look at the education and health situations in Lebanon, with emphasis, as relevant, on women, children and other disadvantaged groups in society. Clearly, the July 2006 war has worsened the living conditions of the poor, especially as the majority lives in areas that were directly affected by the military operations.

Chapter five consists of an assessment of the state of the environment and natural resources through an examination of issues related to water, air, biodiversity and land.

The final chapter draws conclusions.

The analysis has suffered from the limited availability of recent, extensive and reliable surveys that produce sufficient data for good analysis. The Report, however, has taken full advantage of the existing statistical database. The Indicator Framework for Lebanon provides a summary of recent data that exist in relation to the MDGs, see Annex 1.

Lebanon has always found itself since its independence in 1945 in an environment affected by regional crises that have upstaged its economic well-being, social cohesion and inter-communal relations. In recent years, the Government has vigorously pursued the maintenance and strengthening of security and stability through asserting sovereignty and independence, and furthering governance and reform processes¹. Within this difficult environment, peace has to be built, national reconciliation has to be attempted, and major reform efforts have to be achieved. The United Nations development system is well placed to provide coherent and focused assistance within the framework of the Millennium Declaration and the MDGs, as the foremost international commitment on development to which also the Government of Lebanon has subscribed.²

1. The Political Context

In the past three years, several momentous events have dramatically changed Lebanon's political landscape. In September 2004, President Lahoud's term was controversially extended for three years. October 2004 marked the beginning of a wave of political assassinations of major political and national figures, notably in February 2005 of former Prime Minister Rafik Hariri, which proved a political turning point in the country. A series of demonstrations ensued and culminated in the withdrawal of the Syrian military troops from Lebanon in late April 2005. Political assassinations continued with the killing of several prominent journalists and political figures.

Parliamentary elections were held in June 2005, bringing in a new parliamentary majority (71 out of 128), and leading to the formation of a new government led by the Coalition of 14 March³. The elections were characterized by a level of genuine competition that had not been seen in thirty years. However, the political situation did not improve as it evolved into political polarization, continuing to date.

a) July 2006 war and aftermath

Immediately following the kidnapping on 12 July 2006 of two Israeli soldiers by Hizbullah, Israel waged an aggressive and destructive war on Lebanon, that lasted for more than one month and which resulted in more than 1,187 dead and 4,080 wounded people and the displacement of more than a quarter of the Lebanese population, mostly from the south of Lebanon, the Bekaa region and Beirut's southern suburbs. Access to basic services, such as health, water, and education was significantly curtailed across the country, especially for the people living in the battle areas. The scale and the scope of the damage to the economy, the infrastructure, and to public administration were substantial.

Since the cessation of hostilities in August 2006, an estimated half a million internally displaced people returned to their area of residence, and an additional 150,000 returned from outside Lebanon. To date, however, more than 200,000 persons remain displaced, mostly residing with relatives or host families. Moreover, the war led to the total or partial destruction of around 30,000 housing units, mostly located in South Lebanon and the Bekaa. In Beirut's southern suburbs, around 200 buildings were completely destroyed and an additional 100 rendered uninhabitable. More than 1 million clusterbombs, fired into Lebanon during the final days of the hostilities, caused additional deaths and tens of injured by unexploded ordinances (UXOs).

¹ The evolving situation led to increase and expand the already considerable involvement of the United Nations in Lebanon, starting with the adoption of the UN Security Council Resolution 1559 in September 2004, and followed since by a number other important resolutions.

² The assessment is based on the Indicator Framework presented in Annex I, unless otherwise indicated.

³ The denomination of "14 March" is derived from the holding on that date in 2005 of an unprecedented popular demonstration, estimated at close to one million persons, in the center of Beirut, demanding the immediate withdrawal of all Syrian troops from Lebanon.

The war and the prolonged Israeli blockade weakened the economy and resulted in \$2.8 billion in direct cost, mostly rebuilding and repair and \$2.2 billion in indirect cost, mostly lost output and income, at 2005 prices. The total direct cost to the government, to be covered from the central government budget was about \$1.75 billion.⁴ Beyond the direct losses and the immediate impact on employment and revenue generation, the indirect and long-term fiscal and overall economic implications are multiples of the above amounts and will last for a number of years (see Chapter II, section 2).

The momentum for change that was created by the Syrian withdrawal, the parliamentary elections, and the national unity and solidarity that were manifest during the July 2006 war, rapidly disappeared and the old political divides quickly resurfaced, aggravated by the withdrawal of six ministers from government and the opposition's sit-in in the center of Beirut since December 2006, and by continued political assassinations. The most recent political assassination was that of MP Antoine Ghanem – the eight political figure to be killed and the fourth victim MP from the new Parliament, on 19 September 2007, a few days before the start of the parliamentary session to elect a new President of the Republic.

A positive and notable development was the remarkable united stand by all Lebanese people and factions behind the Lebanese Army in its battle against the cross-national Fatah Al-Islam militants at Nahr El-Bared Palestinian refugee camp (which was fully evacuated from its population). The battle, which started in May 2007, was successfully ended by the Army after 105 days.

Nonetheless, the current situation is one of political deadlock, the result of an intense political polarization that reflects to a large extent aggravated regional tensions. Mediation efforts by the Arab League and France, among others, have not been successful to date. The election of a new President of the Republic is constitutionally due between 23 September and 23 November 2007. Holding the election in accordance with the constitution would itself reflect a regional and domestic political compromise, and also provide a basis for a new political and economic era.

Many outstanding domestically controversial issues, however, remain as the attempt at national reconciliation of the Spring of 2006 was neither conclusive nor successful (see below). The resolution of most of these outstanding issues is a prerequisite to the achievement of political consensus and stability. In the meantime, no effort should be spared in strengthening good governance and in raising the level of protection and enjoyment of all human rights in Lebanon.

b) National reconciliation

Peace keeping and peace building efforts aim to ultimately achieve reconciliation - getting the people to accept each other as part of their own group or be reconciled to mutual co-existence and tolerance. The United Nations has been involved in peace keeping in South Lebanon for thirty years (since 1978) and to date, through multiple initiatives, continues the search to break down the barriers and close the divide.

On the domestic level, an attempt at national reconciliation and lasting political understanding took place during March-June 2006 over fourteen dialogue sessions among the leaders of all the major political groups, also representing the major religions in the country. There were six major items on the agenda, and agreement was relatively quickly reached on four: the disarmament of all Palestinians outside the refugee camps, effectively meaning the pro-Syrian Palestinian groups; the establishment of the Special International Tribunal regarding the assassination of Rafik Hariri; the settlement of the Shibaá Farms issue and the delimitation of the Syrian-Lebanese borders; and the establishment of diplomatic relations between Lebanon and Syria. No agreement was reached over the modalities

⁴ For details, including on the Paris III Conference, see *Lebanese Republic (2007a)*, p.42.

of the election of the new President of the Republic by November 2007, and over Lebanon's defense strategy, including the issue of Hizbullah's arms. Moreover, confusion and political deadlock followed, as indicated above.

For the past many years, it is civil society that has been deploying efforts towards peace building – building bridges between ordinary people; many at the initiative of, and supported by, the UN system. These efforts to increase “normal,” cooperative contacts between opponents, in many cases focused on, involved and benefited youth (for instance, in the areas of return of displaced persons in Mount Lebanon; and, in South Lebanon) and included opening channels of communication, getting people involved in joint projects, working with the media and the educational system to try to break down stereotypes and reduce prejudice and discrimination. Further building on the potential of Lebanese youth as a force in peace building, both through education and at the level of the community, merits further support.

Both from the government and UN perspectives, the reconstruction of the South and other war-affected areas offered an important opportunity and constituted an element of peace-building. The government concentrated its efforts on relief activities during the Israeli offensive, and on (compensation for) housing repair and reconstruction and infrastructure reconstruction in the immediate aftermath, aided by pledges of about US\$1 billion made at the Stockholm Conference of October 2006. One year on, the pledges were almost fully disbursed.

The UN system made an essential contribution to support the government with the emergency relief management and operations, damage assessment and early recovery in a wide variety of fields, including mapping and clearing of landmines and cluster munitions⁵. Ongoing programmes of mine action pre- and post-dating the recent war with Israel represent important confidence-building measures at the local and regional levels. UN system activities engaged local government, civil society, and in particular youth, through a strategic partnership with people on the ground. Disaster prevention and disaster management present an opportunity for future UN action, in view of the continued lack or weak capacity of government and taking into account the UN recognized knowledge in this field.

c) Reform and Paris III International Conference

The massive task of reconstruction of public infrastructure after the fifteen years of war (1975-90) was substantively completed by the government during the nineties and the early years of this decade. Since, increasing fiscal constraints, rising debt and a stagnating economy have placed economic reform at the center of government action. The reform programme that was about to be adopted by the government before the July 2006 war was rephased and adjusted to take into account the impact of the war. To help Lebanon meet the direct cost of recovery and reconstruction, increased external support would be required to be able to meet a sustainable debt scenario. Following its adoption by the government early in January 2007, the reform programme was presented at the Paris III International Conference later that month.

The comprehensive and integrated reform programme aims to raise the real growth rate to at least 4 to 5 percent over the next five years, improve social indicators including employment creation, and reduce regional inequalities. A prerequisite for achieving the programme objectives is a significant reduction in public debt, the main source of the country's economic vulnerability, while protecting the most vulnerable segments of the population. The two basic adjustment elements are a strong effort of fiscal consolidation and structural reforms, in particular privatization measures, complemented with external support.⁶ Within the government's overall strategy, the future public investment programme would emphasize more the provision of basic infrastructure services, and the private

⁵ UN assistance, from needs assessment through impact assessment one year on is well documented, see *UNDP (2007a)*

⁶ The fiscal element of the reform programmes usually included revenue enhancement measures mainly based on tax increases, such as gasoline taxes and the Value Added Tax introduced in 2002, have been generally more successful than expenditure containment measures. Privatization measures, which have only just been initiated, would especially affect the two mobile phone operations, the cash-draining *Electricité du Liban*, and other public enterprises such as the national airline *Middle East Airlines*.

sector would play a greater role on infrastructure investment and in provision of public services.⁷ Unlike previous programmes, there is a welcome emphasis on social objectives.⁸ The socio-economic impact of the war has given increased urgency to this part of the reform agenda, which now needs to account for the substantially larger needs of the population in a context of a reduced revenue base.

In as much as the government reform programme provides an excellent basis and entry point for UN action, particularly in the economic and social fields, it does suffer from the fact that it does not cover critical areas of development such as good governance and environmental sustainability. Moreover, it does not articulate the desired development outcomes. There may be an opportunity for the UN system to assist in formulating these additional components and in specifying concrete medium-term development outcomes. Unanimously supported by the international donors, the government reform programme provides the framework for UN system action in the medium-term, and to which it should be aligned.

The Government set up an institutional structure for the implementation of the reform programme within the Presidency of the Council of Ministers and based on inter-ministerial cooperation. The short-term programme component proceeded satisfactorily and a major part was on track for completion as planned by the end of 2007.⁹ However, the intense political polarization has been instrumental in limiting the government's reform effectiveness. This situation has been exacerbated by the fact that the Speaker has not called on Parliament to meet since November 2006, thereby effectively paralyzing legislative work, which is a central element of the government's reform program.

On 25 January 2007, President Jacques Chirac of France hosted in Paris the International Conference for Support to Lebanon, the so-called "Paris III" Conference.¹⁰ The aim of the Paris III Conference was to garner international financial support to assist Lebanon in implementing its reform programs and alleviating its debt burden. Thirty six countries and seven regional and international institutions participated in the conference, and pledges amounted to \$7.6 billion, including \$1.4 billion for the private sector, a remarkable achievement and a concrete expression of support to the government reform programme. The pledges included an average grant element of \$1.7 billion, or about 8 percent of GDP, which is sizeable. However, unlike previous pledges, most of the pledges for the Government were for project financing, \$2.75 billion (and only \$1.7 billion for budget support), which, given the capacity for domestic (budget) financing of the investment programme, would constrain the actualization of those commitments in the medium term.¹¹

By mid-September 2007, \$3.4 billion in financing agreements had been effectively signed (another 1 billion is expected to be signed by end 2007).¹² The IMF (2007) has estimated that about \$0.9 billion of the Paris III pledges would be disbursed in the course of 2007, but as of September 2007 progress was less than expected.¹³

⁷ Lebanese Republic (2007a)

⁸ See Lebanese Republic (2007b)

⁹ Lebanese Republic (2007e), p.5-20

¹⁰ The Paris III Conference was named in line with two similar conferences that were held in Paris in February 2001 and November 2002. Lebanon has received significant international financial assistance through these international conferences. Paris I in February 2001 ended with no financial pledges, pending the presentation of reform programs by government. The Paris II meeting in November 2002 was more successful with pledges and disbursements of \$6.1 billion, of which \$2.5 billion by the international community and \$3.6 by domestic commercial banks, mostly to refinance government debt for longer terms and at lower interest rates. Leb. Rep. (2007a)

¹¹ Lebanese Republic (2007d)

¹² Lebanese Republic (2007e), p.4

¹³ Lebanese Rep. (2007e), p.41

The nature of the political system and political circumstances directly affect the state of governance. The recent political environment has not been conducive to progress on good governance and in particular on human rights, as the authorities' efforts have been mainly directed at political and security issues, and, economically, at attempting to control the inexorable increase of government debt.

The enduring political crisis and the array of associated problems are manifestations of the deep-seated governance problems. The fundamental problem of governance lies in the confessional nature of the Lebanese political system, where the interests of confessional groups transcend the supposedly "neutral" mechanisms of the state. In crude terms, the core problem of Lebanon's political system lies in the lack of separation of religion from the state. Hence, the continued failure to address this issue will only further compromise that rule of law prevails, and that, indeed, there is adequate progress on other aspects of governance, enabling to set Lebanon on a path of steady development.

This chapter examines the rule of law and inclusive participation, which at least in the form of a more effective implementation of human rights principle and conventions and of existing laws, should clearly enhance the situation of human rights in the country, especially that of the vulnerable groups. It also assesses the political and administrative accountability system, including transparency and decentralization, and the reforms that are envisaged to address accountability problems. Reinforcing human rights and enhancing accountability will create a virtuous dynamic in support of human and economic development.¹⁴

1. Rule of Law and Human Rights

Through its differentiated personal status laws, Lebanon's confessional system has brought differentiated, rather than shared and universal, rights to its citizens. It has also made access to political, economic, and administrative power, depend on religious and factional representation. This has undermined accountability and good governance in general, and it has made the state weak. A weak state cannot be instrumental in driving reform and progress.

The political and public discourse that is strongly embedded within the sectarian division of power and interests is a clear manifestation of weakness in the rule of law. The adoption of a common civil law applicable to all Lebanese would remove this discrimination in the law.

Among other manifestations of weak rule of law are the lack of implementation of human rights principles, and the weak application and enforcement of the law. Their root causes are the lack of government commitment and the non-respect for human rights principles.

The Lebanese Constitution (as amended in 1990) incorporates the Universal Declaration of Human Rights and requires that the principles contained in the Covenants be embodied "in all fields and areas without exception." Thus, the Constitution requires that international human rights standards be reflected in the laws of the country, and be enjoyed in practice. Despite the fact that Lebanon ratified six out of seven major international conventions and passed more than ninety laws related to human rights and transparency in the past ten years, existing laws remain below international legal standards. In some cases, the relevant framework or the laws in application of these conventions, or adequate procedural safeguards to ensure their implementation, are lacking. Nevertheless, there is a need to mainstream human rights across the spectrum of government policies. Annex II reviews the human rights system of Lebanon with respect to the ratification and implementation of international human rights instruments.

¹⁴ See UN (2006), p. 10.

With respect to the ratification and implementation of international human rights instruments, there is particular concern about the existence and or application of relevant national laws with respect to vulnerable groups, assessed in detail below. Sustained action in this regard is essential for the achievement of the MDGs by 2015. Gaps can be eliminated by the entities specifically created and dedicated to the needs of these groups. There are continuing reports of arbitrary detention and of poor conditions of detention, particularly for migrants and other non-citizens. Ill treatment, abuse and other practices amounting to torture are reported concerning initial detention in police and other security facilities, and impunity for such violations is widespread. Women continue to actively seek equal rights in various social arenas, but remain significantly under-protected on issues of personal status in particular, and as victims of many forms of violence.

There is a lack of adequate mechanisms in Lebanon ensuring compliance with its obligations under human rights treaties. Mechanisms are generally weak and lack financial and human resources. Parliament has a key role in adopting legislation in application of international human rights provisions and follow-up on the recommendations of UN monitoring bodies, which it has not implemented well. A positive development has been the commitment of Parliament to formulate a national plan of action for human rights in cooperation with national stakeholders.

Application and enforcement of the law also requires an independent judiciary. The most important manifestation of political interference in the judiciary has been the freeze of the appointment of new judges due to blocking the nomination of five members of the Supreme Judicial Council since 2005, negatively affecting the judiciary system. The Government is committed to enhance the independence of the judiciary, which requires improvement in the administration of justice ensuring elimination of discrimination and exclusion irrespective of its origin, increasing the number of judges and enhancing their role and independence, providing the public with easy access to information. Moreover, prisons and correctional facilities need to be under the jurisdiction or management of the Ministry of Justice.

a) The rights of women

Much remains to be done with respect to women's rights in Lebanon, the increasing achievement of which conditions the unleashing of the full potential of women as citizens and economic agents –essential for the success of the MDGs in Lebanon. This is especially important since incomplete women's rights almost automatically and equally translate into incomplete rights for their children and families. A wide array of laws and practices harm women's rights and largely explain the gender gap in Lebanon. The major deficiencies in this respect derive from the nationality status of women, and from Lebanon's personal status laws that are associated with the religious denomination of the person.

For instance, the nationality laws of 1960 do not allow women who are married to non-Lebanese to give their children and foreign husbands the Lebanese nationality, in violation of the ICCPR and of CEDAW, and of the overarching principle of equality between women and men. This often results in statelessness among children whose fathers cannot confer their nationality, such as stateless persons, or if the foreign father is deceased or divorced from the mother, or if a marriage is not officially registered, or when children are conceived out of wedlock. Marriage, divorce, inheritance, custody and other personal status matters do not follow a national civil law that is common to all Lebanese. Also in violation of CEDAW, personal status laws and court procedures often discriminate against women, and women receive unequal treatment before the eighteen different confessional laws that govern marriage, divorce and inheritance of the eighteen religious communities recognized by Lebanese law.

Serious gaps continue to exist in the legal framework and related practices for the physical protection of women. In particular, women rarely obtain adequate legal or other protection against sexual, domestic and other forms of violence, including honor crimes.¹⁵ Women migrants and asylum seekers in particular have significant fear of detention for illegal entry. Women, including refugees and women in an illegal status, such as migrant domestic workers, often are unable to have due process in cases of abuse, exploitation, violence, etc., and some women refugees refrain from seeking due process for fear of detention for their illegal status. Fortunately, a few NGOs provide assistance and support to abused and exploited Lebanese women (e.g. KAFA and LCRVAW), as well as to foreign domestic-help workers (e.g. CARITAS).

There are important laws that need to be amended with regard to women's rights. Some of these laws have implications for children's rights as well. For example, Lebanese laws are in violation of CEDAW, specifically articles 11 and 12 concerning employment, social security and health benefits; article 15 in terms of equality between men and women before the law; as well as article 9 (right to nationality) and article 16 (marriage), on which Lebanon made reservations. Lebanon's reservations to CEDAW, however, were deemed by the CEDAW Committee as being against the object and purpose of the Convention, and should be lifted. One specific example is Article 9 (2), and article 16 (1) (c) (d) (f) and (g) regarding the right to choose a family name.

On the positive side, there is heightened perception among the public regarding the fact that women's rights are "natural" rights that need to be respected. The MDGs' indicators about gender equality and women's empowerment show good progress, particularly in education, as demonstrated below in the report. In most other areas, however, women's situation is much less positive, especially for the poor, the refugees, and the non-Lebanese.

b) The rights of children

Discriminatory practices are prevalent against children with disabilities, foreign children, refugees, Palestinian children, and children living in poverty. Discrimination takes in particular the form of difficult or no access to education, health and other social services. A corollary is child labor (for children under the age of twelve), and an apparent increase in the phenomenon of street children.

While the legal system generally provides for the protection of children's rights, implementation is inconsistent and often deficient. Legal protection against the abuse of children's rights and their exploitation is weak.

Lebanon ratified the Convention on the Rights of the Child and the Optional Protocol on the Sale of Children, Child Prostitution and Child Pornography. However, Lebanese national laws have not yet been adequately amended to be consistent with the provisions of the Child Convention. Amendment of the laws, a thorough review of implementation mechanisms and effective monitoring are crucial if the country is to put into practice its intention to protect children's rights in Lebanon. The main issues of concern are:

- The lack of a unified definition to the concept of the child consistent with Article 1 of the CRC that identifies the child as every human being below the age of eighteen years.
- Lack of thorough implementation of compulsory education for children until age twelve, which in any event needs to be raised to age fifteen. Lack of monitoring the enrollment and attendance of children in schools, especially girls, and insufficiently accurate data and statistics on drop-outs, and the need for effective action.

¹⁵ The Penal Code discriminates against women in several areas, especially in cases of "honor crimes" where "defense of honor" is considered a mitigating circumstance in cases of homicide and assault against women (articles 487, 488, 562 and 503).

■ Child labor of children under the age of twelve continues. There is a need to effectively implement Lebanon's domestic labor provisions and the ILO-IPEC programme to eradicate this phenomenon.

■ Little attention is given to the increasing phenomenon of street children. Assistance remains inadequate in the areas of social reintegration services, including vocational and life-skills training, as well as protection and rehabilitation services in cases of physical, sexual and substance abuse. Rather, detention continues to be the main policy with few alternative forms of dealing with the root causes or with solutions, which need to be adequately studied and identified.

■ There appears to be little regard for the principle of the best interests of the child in the cases of custody, guardianship and adoption, and in situations of armed conflict.

■ Weak legal protection against child physical, sexual and mental violence and other forms of child abuse and exploitation. Like the situation for women, this is seen as a private domestic affair, which leads to limited reporting and a lack of adequate protection or of sentencing in cases of child abuse. Psychological violence is also widespread, be it at home or through witnessing bomb explosions and assassinations in daily life or on TV screen as a matter of routine.

There is little reporting of incidents of abuse, rape and other forms of harm perpetrated against children who have no clear legal status in Lebanon, such as those who are illegally in the country or those who do not have proper documentation.

Article 2 of the CRC entails an obligation on States Parties to "ensure the rights set forth in the present Convention to each child within their jurisdiction without discrimination of any kind..." This translates into consistent implementation of all laws pertaining to children without any form of discrimination or favoritism against any child in Lebanon, irrespective of status or nationality. In Lebanon, however, many children, including the rural poor and non-citizens, do not enjoy the protection of the State equally with other children, and many issues emerge:

■ Discrimination continues against children with disabilities, foreign children, refugees and asylum-seekers, Palestinian children, children living in poverty, children in conflict with the law and children living in rural areas. Access to education and health and social services is not facilitated for non-Lebanese children, mostly due to lack of proper documentation, resulting in an increase in child labor among the very young. This is particularly the case for refugee and asylum-seeking children.

■ Gaps in proper/official registration of children at birth – especially among non-Lebanese children and children of non-ID Palestinians, and children born out of wedlock.

■ No established mechanism for unaccompanied and separated asylum-seeking children.

■ No established and unified law regarding the adoption and *kafalah* of children

■ Lack of correctional justice with regard to juveniles.

■ A rise of statelessness among children born to Lebanese mothers and non-Lebanese fathers (refugees, asylum-seekers, Palestinians and migrant workers) - which goes against the right to a nationality inherent in the 1948 Universal Declaration, and the concept of equality enshrined in CEDAW.

■ Recently, refugee children have become increasingly subject to arbitrary detention for prolonged periods on

grounds of illegal entry, given the heightened security measures in the country. Separated from their parents and families, children are detained alongside adult common criminals, and even confined in mental institutions.

Several NGOs specifically look after the interests of children, including street children, especially those who are subjected to all forms of violence. Ministers and politicians have recently been vocal concerning the need to protect all resident children, Lebanese and foreign, against domestic violence in particular. These are welcome developments that need follow-up in terms of a better implementation of existing laws and the development of more protective legislation, which condition the full achievement of the MDGs related to education and, more generally, other social indicators.

c) The rights of persons with disabilities

Lebanon has not yet signed or ratified the Convention on the Rights of Persons with Disabilities and its Optional Protocol which provide important guidelines and principles for the protection of persons with disabilities and the full exercise of their rights. Law 220/2000 on persons with special needs has a number of important provisions, but has yet to be comprehensively implemented on the ground, due in part to the lack of sufficient allocation within the public budget to meet the financial requirements for this implementation.

Lebanese laws have not yet mainstreamed the needs of persons with disabilities, a crucial requirement if persons with special needs are to fully enjoy their human rights, and financial resources are not allocated for adequate implementation. For example, persons with disabilities usually have difficulties accessing many public and private institutions, including schools. Educational institutions at all levels are not equipped with special curricula, tools and human resources to address the needs of students with disabilities. No support or referral systems exist to facilitate the job search for this category. The electoral law does not recognize the need for equipping polling stations for the persons with disabilities. Discrimination in treatment and access to resources, and abuse are practices that infringe on the rights of the persons with disabilities. In addition to the Ministry of Social Affairs, it is dedicated NGOs that usually follow up on the needs and rights of the persons with disabilities.

d) The rights of refugees

Refugees enjoy few legal rights in Lebanon, and Lebanon is not a signatory to the 1951 Convention Relating to the Status of Refugees. The right to seek asylum is not applicable in Lebanon, and there is no specific governmental mechanism for asylum seeking; asylum status can be sought only with the offices of UNHCR. Refugees and asylum seekers can be arbitrarily detained for illegal entry. The only document that specifically regulates the status of asylum seekers and refugees in Lebanon is a 2003 Memorandum of Understanding (MOU) signed between the General Security Services and UNHCR. This MOU in essence accepts UNHCR's status determination procedures and the agency's protective role in certain instances, but it remains limited in terms of the overall protection of refugees and asylum seekers.

As a result, refugees and asylum seekers usually suffer from a precarious situation, as they are often detained or charged of illegal entry. They avoid contact with the authorities, even to report abuses, for fear of being detained for illegal entry or forcibly expelled. This can lead to abuse from spouses, partners or from nationals, especially against women and children. Moreover, refugees and asylum seekers do not have the right to work and suffer from a lack of access to educational and health care services, which goes against several international covenants and conventions, including the Covenant on Economic, Social and Cultural Rights.

Since February 2007, UNHCR has begun considering all Iraqis, with very few exceptions, from central and southern parts of the country as *prima facie* refugees. As a result, to date around 10,000 refugees have been registered. However, these refugees do not fall under the terms of the MOU and remain without effective protection

from abuse and detention for illegal entry. While the government has deployed much effort towards regularizing the status of and granting entry visas to some Iraqis, detention remains a major concern among the vast majority of refugees.

Even though Lebanon is not a signatory to the 1951 Convention relating to the Status of Refugees, it still has certain obligations under human rights law. The human rights of refugees and asylum seekers in Lebanon must be viewed through the lens of Lebanon's obligations under customary international law and human rights conventions, in particular the International Covenant on Economic, Social and Cultural rights (see Annex I below).

Palestinian refugees

There are over 400,000 Palestinian refugees registered with United Nations Relief and Works Agency (UNRWA) in Lebanon, although not all of them reside in the country.¹⁶ Around 53 per cent live within the boundaries of twelve official refugee camps, and the rest living in unofficial or informal settlements scattered throughout Lebanon. The camps are administered by UNRWA which provides registration, educational and health services as well as special assistance for the most needy families. However, not all Palestinian refugees residing in Lebanon have legal residence status; approximately 3,000 to 5,000 Palestinians are without any form of valid identification documents and are commonly referred to as non-IDs.¹⁷ Non-IDs are considered illegal immigrants and enjoy no rights. They encounter major restrictions and, subsequent, frustrations in Lebanon. There are restrictions on movement, whereby many seldom leave refugee camps for fear of being arrested. Other obstacles include difficulties in accessing hospital care and an inability to register their births, marriages or deaths. Of particular concern is the fact that non-ID children are unable to take the Lebanese exam, the Brevet, and thus receive no recognition of their educational achievement – however, in many cases they do not finish school. Access to university is generally unobtainable. This issue has been taken up in recent years by NGOs and by the Government.

The presence, role and future of the Palestinian refugees in Lebanon continues to draw heated political discussion across the spectrum in the country. There is consensus, however, and the Palestinian leadership agrees, against the permanent resettlement of those refugees in the country, with insistence instead on achievement of their right of return to their original lands and homes. In the meantime, their situation has continued to deteriorate over the past twenty years in terms of their immediate economic livelihood and future prospects.

Palestinian refugees suffer significant limitations on their right to work, being shut out from dozens of professions and employment opportunities, particularly the syndicated professions. This affects their access to all other human rights, including the right to health and to education beyond the basic minimum that UNRWA is able to provide. In recent years, the Government has placed additional restrictions on Palestinian ownership of property and on movement, placing checkpoints around many of the camps, especially in the South of Lebanon. Many cases of arbitrary arrest and ill-treatment were reported, particularly in the aftermath of the Nahr El-Bared crisis in Tripoli.

Despite the special political and economic difficulties surrounding the Palestinian refugee issue in Lebanon, the Government does have human rights obligations towards them by virtue of its commitment under international conventions and treaties (see Annex II). A welcome development was the establishment by the Government in 2005 of the Lebanese-Palestinian Dialogue Committee, which has been working to find temporary and long-term solutions to several issues and problems arising for the Palestinian refugees. The efforts of the Committee can be strengthened by reliance on the minimum universal standards of human rights as it seeks to resolve these problems.

¹⁶ UNRWA records are based on voluntary reporting by the refugees themselves and, accordingly, are indicative rather than conclusive in respect of the number of Palestine refugees and, broadly, Palestinian refugees in the country.

¹⁷ This is according to recent estimates by the Danish Refugee Council (DRC) and the Palestinian Human Rights Organization (PHRO). However, the exact numbers are unknown as it is difficult to establish exactly who is a non-ID Palestinian since their lack of status discourages them from coming forward and identifying themselves.

2. Transparency and Accountability

a) Government effectiveness and performance

The low level of government effectiveness and the poor performance of the public sector have been compounded by the significant increase in the size of the public sector. Employment in the public sector increased from around 9 percent of total employment in the mid-1970s to more than 13 percent in 2004.¹⁸ The public administration, including the judiciary, is beset by complicated and time-consuming procedures, a slow process of automation, and a growing cost on the economy. Since the early 1990s, the government wage bill (including pensions and indemnities) has fluctuated little, averaging 10 percent of GDP and close to 30 percent of total expenditure (see Table 2 in Chapter II). Citizens generally view the administration official as a taxing and costly obstacle rather than a provider of a public service. Gross government debt, practically nil in the mid-1970s, stood at 50 percent of GDP at end 1992, then one of the lowest rates in the world and had increased to 178 percent of GDP by mid-2007, which is among the highest debt rates in the world (see Table 1 and section 1c in Chapter II).

In addition to structural problems, which the present government reform programme has started to address, there is lack of capacities in the public sector, due to inability to attract good quality staff, low wages, freeze on recruitment, which has rendered many ministries ineffective, etc. In the public administration, there is little respect for gender equality, especially in the top grades 1 and 2 where in 2004 only 2 percent and 10 percent of total, respectively, were women; in grade 3, nineteen percent were women.

The inefficiency of the administration is largely and basically due to the close control that politicians exercise over appointments, particularly in senior positions. The understanding is that administrative appointments are roughly allocated in line with the political division of power. In consequence, many administration officials owe their allegiance to their political mentors, to whom they are in practice accountable rather than to rules, regulations, and principles of public service conduct. Thus, performance evaluation reports, though mandatory, are rare and have no bearing on promotions or the career prospects of officials. The negative impact on productivity and efficiency of such a system is obvious. It also explains the lack of effective administrative oversight and accountability.

Administrative reform has been a recurring theme of government policy statements, but, overall, improvements have been modest, incremental, and not in line with the size and importance of the problems. The Lebanese administration is, after all, the emanation of the Lebanese political system, and administrative reform, unless it is associated with political reform, will only be limited to technical considerations.

In order to promote increased citizen participation, to achieve a more balanced development and to reduce regional disparities, administrative reform calls for decentralization, involving the creation of a public space where citizens can exert effective influence on the running of their community affairs. Important characteristics of decentralization are that local entities are elected; they possess an independent character vis-à-vis the state; and, in particular, they enjoy partial financial and administrative independence from the national budget policy and state bureaucracy.

The Taif Agreement of 1989 includes a section on administrative reform, including administrative decentralization within a context that safeguards the unity of the country, leaving to legislators to pursue the practicalities of its implementation. A number of administrative decentralization proposals have been presented for discussion since 1995, but they all lacked a clear demarcation between the central government and its 'de-concentrated' expressions, on the one hand, and the elected decentralized authorities, on the other. The only area where administrative decentralization

¹⁸ See Leb.Rep. & UNDP (2006), p. 232, and Gaspard (2004a), p. 182.

has been applied is at municipalities. The Taif Agreement calls for another higher level of decentralization than that of the Qada, but a decentralization law is still pending.

b) Corruption

The prevalence of corruption is a corollary of a weak system of transparency and accountability. According to the corruption perception index compiled by Transparency International – a subjective measure, Lebanon ranked 99 out of 179 countries reporting in 2005. Nepotism and clientelism are common in the hiring and appointment of public officials. Interference in the judicial process is frequent. Business costs routinely include bribery and kick-backs to officials, rates increasing with the amounts of the transactions involved. The root cause of corruption lies in a poor accountability culture.

Over the past decade, there has been growing recognition of the problem of corruption in Lebanon. The government reform programme includes a number of initiatives to address the issue of corruption, including pilot projects in two key ministries. Media organizations have launched initiatives against corruption, and investigative reporting training sessions for journalists and reporters have been conducted. But corruption remains endemic since very few corruption cases have been successfully prosecuted and the popular perception – not totally unjustified – is that corruption is at the heart of the political and administrative system in Lebanon.

c) Access to information

Transparency and accountability are intimately related principles. Access to information that is comprehensive, regularly updated in a timely manner, and easily accessible by all people as a matter of right, is essential to good accountability. However, there is yet no clear legislation in Lebanon that guarantees the right of access to official information. Although much official information is published, e.g. in the Official Gazette and by the Central Administration for Statistics, updates are irregular, and access not automatic. There is difficulty in accessing legal information, particularly amendments of laws (as they are not codified). Most ministries and public agencies do not have information offices or do not make their information easily available to all. The information and data published on the website of 23 public entities is not always relevant and up-to-date. Within the the government reform programme, the Ministry of Finance has stepped up efforts recently to enhance transparency, including making available on a regular basis various budget and financial data including audited accounts, which are published by the media and on its website.

The absence or irregularity of basic national data, such as national census, price data, labour surveys, household surveys... negatively affects decision-making in both the public and private sectors and prevents adequate measurement of development progress. A national statistical development strategy and programme along with capacity development of the statistical administration is a key challenge and priority for action, where the UN system has a comparative advantage, including in terms of promoting international standards, and clearly can make a significant contribution. The UN system can build on its recent involvement in various surveys.

d) Accountability mechanisms

The system of governance has accountability mechanisms at several levels: constitutional, the Constitutional Council; parliamentary, Parliament; special, the Special Court for the Prosecution of Presidents, Ministers and MPs; judiciary, civil, penal and administrative courts; and, administrative, Central Inspection Commission, Civil Service Board, Disciplinary Council, and Court of Audit. These institutions are limited in their effectiveness. Reasons lie in unclear regulations and operation procedures and a lack of financial and human resources. The fundamental problem, however, lies in the confessional nature of the Lebanese political system. In

normal times, its accountability mechanisms work relatively well. When the system is in crisis, which is frequent and presently the case, the accountability mechanisms become stalled. The Constitutional Council and Parliament are currently paralyzed. The reach of the judiciary, with few exceptions, is limited by political considerations. Moreover, the administrative control and inspection agencies now operate mostly on ordinary non-controversial cases.

This situation should not hide positive developments that have occurred in the enhancement of accountability mechanisms in Lebanon. The number of parliamentary question sessions has increased in recent years. An ombudsperson law was passed in 2005, though the implementation decree has not yet been approved. Ministries and government agencies have constructed web sites and established mechanisms for citizens' complaints.

More important, though, it is the written and visual media, and civil society organizations, such as the various professional organizations and NGOs, which have provided principal accountability mechanisms compared to the traditional official ones. More than being complementary to official accountability mechanisms, they often operate as their substitutes. It is, therefore, important to make sure that civil society continues to be engaged and supported as a force in strengthening the accountability framework and that its role is modernized and reinforced.

3. Citizen Participation

Parliamentary elections after the civil war failed to resolve the political crises of legitimacy, representation and national representation. The problem lies in inconsistent electoral districting and minority representation in large and heterogeneous electoral districts where the larger community essentially determines the results. Attempts to reconcile between confessional representation and the establishment of a stable system, namely on that is based on national identity and moderate politics, have failed. The National Commission for Electoral Reform, established by the government in August 2005, submitted its proposal to the Prime Minister on 1 June 2006. The draft law incorporates essential reforms, as it combines the majority voting system with proportional representation, lowers voting age, allows expatriates to vote, regulates campaign financing and the media, proposes a quota method to increase women's representation and calls for an independent body to supervise the voting process. The law remains to be discussed by the Government before submission to Parliament, where due to its critical importance for the country's future it will be subject to heated debate.

As a result of the 2000 election, there were three women members of Parliament (2.3 percent); the number doubled to six women (4.6 percent) at the 2005 parliamentary election. For the first time, two women became government ministers in 2004. While there has been a modest improvement, these results do not reflect the advancement of women in several other areas, such as education, culture and the economy. In addition to the fact that the civil war stunted the political advancement of women, a combination of socio-economic, cultural, psychological and political factors explain the low representation of women in Parliament. Lebanese politics is a sectarian, family-based system, which has negatively affected women's political participation. Therefore, the draft law proposed by the National Commission for Electoral Reform includes a quota system to remedy low representation. There is a need for increased advocacy capability of women NGOs and government initiatives for new laws and amendment of existing ones to meet the objective of increased women representation and better respect of women rights in general; the UN system is well placed to continue the provision of support in these areas.

During the civil war, municipal governments lost much of their power and independence as decision-making became centralized, and many public services were eliminated or privatized.¹⁹ In the past decade, the subject of

¹⁹ Historically, Lebanon has had a strong tradition and legacy of local government as the first municipality was established in Mount Lebanon in the late 19th century. However, in 1998, municipal elections were held in Lebanon, and later in 2001 but only in the liberated areas of South Lebanon. In 2004, municipal elections were held in more than 900 municipalities all over Lebanon, and the next elections are planned to be held in 2010.

local government and governance has attracted increasing interest of citizens and support of donors. Noteworthy is that only 139 women were elected to the municipal councils in 2004 (2.3 percent of total), and only three women preside over a municipal council (out of more than 900). Notwithstanding difficult conditions prevailing, many municipalities have endeavoured to develop capacities and initiatives for local development and recovery, such as after the July 2006 war. With regularly scheduled municipal elections, increasing support to local authorities, and new legislation on decentralization, Lebanon should witness an improvement in the conditions for local development and, hopefully, a more balanced regional development.

At both the national and local levels, there is a vibrant civil society, which in many instances fulfils an essential complementary role to government, and in instances replaces government. Civil society in its different components increasingly plays a role as lobby and in participation in the policy-making process. The roles of civil society need to be preserved and further developed to match their remarkable potential. The UN system could contribute in promoting a more participatory approach in policy-making and in clarifying the respective roles of the public and civil society sectors and the setting of monitoring and evaluation standards.

Economic development as the sustainable increase in living standards implies increased per capita income, better education and health and environmental protection. It relates significantly to the possibilities of progress on human rights and good governance in general.. The economic performance deserves special attention, because of its special link with governance issues and its impact on overall well-being of the Lebanese people. The politically unsettled situation in Lebanon, as detailed in Chapter I, has made such progress difficult, and its adverse impact on economic performance has compounded the problem.

The government economic reform programme has been devised within the parameters of the macro-economic framework and programme, monitored by the IMF. The 2007 targets of the latter programme are on track to be met.²⁰ The objectives of the reform programmes have been set out in Chapter I (Section 1.c).

1. The Macroeconomic Framework

a) The real sector

After the war ended and a new Constitution was adopted in late 1990, the expectation was that the Lebanese economy would regain the vigor of the pre-1975 period, and that economic growth would resume strongly and quickly.

After a period of accommodation during the first two years, economic growth in Lebanon resumed quickly since end 1992 under Mr. Hariri's premiership, which lasted around ten years (1992-98, 2000-04) and had a strong policy focus on the economy. Economic strategy during the period effectively rested on two pillars: a stabilization policy that was based on an appreciating then fixed exchange rate and increased government spending that had as a main objective the reconstruction of infrastructure.

Stabilization was a necessary condition for sustained growth since, following the collapse of the Lebanese Pound (LL) in the mid-1980s, consumer prices had been doubling on average every year in the 1985-93 period. The new political and peace era, and official announcements concerning the adoption of a strong exchange rate policy, led to a continuous appreciation of the LL exchange rate by 22 percent over the period end 1992 to end 1998. Since then and to date, the exchange rate has remained at the same fixed level of LL1,508/\$. Consumer prices quickly dropped, and the Consumer Price Index (CPI) increased during the 1994-2006 period by an annual average of 4 percent, and by only 2 percent per year during the 2004-07 period (see Table 1).

But overall, economic performance was out of line with the expectations held and resources spent. Except for the initial two years 1993 and 1994, when GDP growth was relatively strong at an annual rate of 6.5 percent, and as Table 1 shows, GDP has in fact been continuously on a downward trend. Unfortunately, the strong growth of more than 7 percent that started in 2004 was suddenly interrupted by the assassination of Mr. Hariri in February 2005, and by the July 2006 war.²¹ The deceleration in growth in the 1992-2006 period, despite political and financial stabilization and a strong increase in government spending, is indicative of fundamental problems in the structure of the economy. It is noteworthy that in the past years the economic growth performance has consistently been less than the human development performance, which reinforces the need for strong reform initiatives and action.²² The Government recognized in the reform programme the need to increase the growth performance as it is the key objective to attain sustained high growth in the medium-term, which would provide the basis for the achievement of poverty reduction and related social objectives.

²⁰ Leb. Rep. (2007e), p. 36-45

²¹ The July 2006 war was devastating to the economy. A very promising tourist season and strongly resurgent economic activity were interrupted, employment opportunities reduced and unemployment increased. As indicated in Chapter 1, the direct and indirect cost of the war was officially estimated at \$5 billion, or 22% of GDP. The economic impact, however, in terms of reduced economic activity and employment opportunities, continues to the present, with a greater burden falling on the most vulnerable groups in society, notably women and the poor.

²² UNDP, Human Development Report series (various years).

Table 1

Lebanon – Macroeconomic Indicators, 1992-2007

	Unit	1992	1998	2004	2005	2006	2007
Real Sector¹							
Population	Millions	3.0	3.2	3.8	3.8	3.8	Proj. 3.8
GDP -current market	\$ Millions	6,027	16,913	21,464	21,744	22,396	22,396
GDP per capita -current	\$	2,000	5,300	5,700	5,700	5,900	5,900
Average real GDP growth	% p.a.	«---- 3.0 ----»		«---- 2.7 ----»			
Real GDP growth	%	4.5	3.0	7.4	1.0	0.0	0.0
CPI change	%	99.8	4.5	3.1	-0.7	5.6	0.0
CPI (1997=100)		57	100	108	107	113	113
Fiscal Sector²							
Revenues	% GDP	11.9	19.4	23.9	22.7	22.7	Jan.-Jun. 27.7
Expenditures	% GDP	22.4	34.8	33.2	31.2	36.3	38.7
o/w on Investment	% GDP	1.4	6.0	3.1	2.2	2.2	1.7
Overall balance	% GDP	-10.5	-15.4	-9.4	-8.5	-13.6	-10.9
Government debt -end period							
o/w in FX	% of Debt	50	110	167	177	180	End June 178
External Sector³							
Merchandise exports	% GDP	10.3	3.9	9.6	10.5	12.5	Jan.-Jun. 12.5
Trade balance	% GDP	-52.8	-35.0	-30.1	-28.1	-25.7	-28.1
Current balance	% GDP	-46.4	-35.6	-15.7	-11.6	-6.9	
Overall balance	% GDP	0.9	-2.9	-3.2	0.2	7.8	-0.9
Banking and Finance⁴							
BDL gross foreign reserves	\$ Billions	4.6	9.1	13.5	14.6	16.0	End June 15.9
NFA -banking system	% of GDP	120	52	66	73	81	81
Banks' total assets	% of GDP	142	215	316	323	340	353
LL-TB aver. weighted yield	%	26.5	16.2	8.0	8.9	9.2	Jan.-Jun. 9.2
Treasury Eurobond yield	%			7.4	7.4	7.3	7.2
Bank loan/discount rate	%	13.7	12.5	8.7	8.6	8.8	8.8
Exchange rate (year average)	LL/\$	1,713	1,516	1,508	1,508	1,508	1,508

Sources: 1- Lebanese Republic, various; Gaspard (2004a). 2,3,4- MOF and BDL, various, and IMF (2007) for (3).

Notes: 1- Population is extrapolated based on two reference studies: 3.1 million in 1996 (UNFPA) and 3.755 million in 2004 (Leb.Rep. & UNDP (2006)). It is assumed to increase by 1.2% in 2005 and remain constant in 2006-07. It does not include Palestinians living in camps. GDP, CPI 2005-06 are estimates, and projections for 2007. GDP p.c. is rounded to nearest 100. CPI is Consumer Price Index. 2- Fiscal data are for consolidated general government, including Treasury operations and annex budgets. Government debt is gross. FX is foreign currencies. 4- BDL is the central bank Banque du Liban. Its foreign reserves include gold. NFA is Net Foreign Assets. Banks are commercial banks. LL-TB is Treasury Bills in Lebanese Pounds, weighted by subscriptions. Treasury Eurobond is Treasury's TBs in foreign currencies.

The structural problems of the Lebanese economy are underscored by its productivity situation. Indeed, Lebanon's real GDP in 2006 still is only about 10 percent higher than it was in 1974, whereas employment about doubled during the same period. Notwithstanding statistical errors, the clear indication is that productivity currently is significantly lower than, if not at about half the level, it was before the war in the mid-1970s. Indeed, Table 2 shows that the output (GDP) and employment structures of the economy have little changed since the early 1970s. This persistent low productivity lies at the heart of Lebanon's economic problems and reflects a few important characteristics of the Lebanese economy: a low-quality education system, particularly in the public sector, that produces unskilled labor, a relatively large share of occasional and temporary unskilled workers in the economy, an increasing number of skilled workers who emigrate, and an inefficient and constricting, rather than facilitating, public administration.

Table 2

Output and Employment Structures by Economic Activity, 1973-2004 (Percentage)

	Output (GDP)			Employment 1		
	1973	1997	2004	1973	1997	2004
Agriculture	9	6	5	18	9	8
Industry ²	16	14	12	19	15	15
Construction	5	9	7	8	11	9
Services	63	66	65	46	56	55
Public Admin.	7	5	11	9	9	13
Total	100	100	100	100	100	100

Sources: Gaspard (2004a), Leb.Rep. & UNDP (2006), Leb.Rep. (1998b, 1972).

Notes: 1- The employment structure in 1973 reflects the period 1970-73.
2- Industry consists of mining, energy and water, and manufacturing.

The reform programme initiated essential action to reverse this situation through ambitious fiscal adjustment and growth enhancing structural reforms, but also expanded social development initiatives and programmes targeted to women and youth. Growth enhancing structural reforms at the initiative of the Ministry of Economy and Trade aim at improving the business environment and include increasing competitiveness, compliance with international standards, SME support, WTO accession ... The UN system could provide specialized technical support in these areas, including monitoring and control.

b) The external sector

The performance of the external sector has largely been positive, with all the major balances improving over time. Merchandise exports, which mostly consist of manufactures, have gradually and strongly picked up with the

regaining of normal economic activity, although they still have not reached their pre-war level of 18 percent of GDP during the period prior to 1975. But in contrast to the pre-war period, most factor and non-factor services, except for travel and transportation, now have a negative balance. Although the trade balance has remained at relatively high deficit levels, transfers and remittances from abroad have been instrumental in bringing about a significant reduction in the current account deficit.

On the other hand, owing to a continuously strong positive capital account, the overall balance of payments has often remained in surplus. In the 1993-2006 period, the cumulative overall balance showed a net surplus of \$9 billion, according to official data. However, this satisfactory external performance has recently witnessed a reversal in its historical trend, mainly due to the new phenomenon of the government becoming active at foreign borrowing. If foreign borrowing by government and the associated debt amortization are excluded from the balance of payments, then the cumulative surplus of \$9 billion turns into a cumulative deficit of \$1 to 2 billion. What this means is that, by excluding foreign borrowing and debt amortization from the balance of payments, more funds have in fact been leaving than entering Lebanon during the post-war period.

c) The financial sector

This section on the financial sector deals with fiscal and banking issues. On the fiscal front, the major development has been the strong and sustained increase in government debt, which reached 180 percent of GDP at the end of 2006 and ranked Lebanon as one of the most heavily indebted countries in the world.²³ The issue of debt is the most important threat to the economy, and features central in the macro-economic reform programme of the government. It is of primary concern to the Lebanese people, particularly the younger generations, who will be responsible for reimbursement of accumulated debt. Under the reform programme, debt reduction measures include mainly fiscal adjustment taking into account the effects on vulnerable groups, privatization of public services, including telecommunications and electricity, and mobilization of increased financial assistance.

Government spending in terms of GDP substantially increased since 1992, by more than 50 percent at end 2006, with a parallel increase in the fiscal burden on the population, as illustrated by the increase in revenues. The problem with the expansion in government spending, and the associated increase in government debt, however, lies more in its unproductive content rather than in the increase itself, see Table 3 below.

Table 3

Government Expenditures, 1993-2006

(Billions of US dollars; percent)

Expenditure category	Cumulative spending	Percent of total
Interest	31.1	37.1
Wages 2	24.5	29.2
Consumption, transfers	17.0	20.3
Investment	11.2	13.4
Total expenditures	83.8	100.0

Sources: Compiled from Ministry of Finance publications.

²³ Investment for reconstruction benefited significantly from international support, mainly in the form of concessional loans, but "overall more than two-thirds of capital expenditures were funded by market borrowing at high interest rates. Total public sector interest payments were double the size of the capital expenditures during the 1990s. This underlined the debt dynamics that evolved." (Leb. Rep. (2007 ...), p.1-2)

Notes: 1- Figures are for consolidated general government, including Treasury operations and net annex budgets after transfers to the main budget. Allocation of net annex budgets among expenditure categories is estimated.
2- Wages include pensions and end-of-service payments.

Two-thirds of total government spending in the 1993-2006 period was for wages and interest on debt, and only about 13 percent were for investment, including inefficiencies and waste. Apart from the reconstructed physical and social infrastructure, little of government spending contributed to improve the conditions of the vulnerable groups, in particular the poor. In fact, spending on interest mostly benefited the holders of financial wealth, and spending on wages mainly benefited employees in the public administration.

Commercial banks have been the main beneficiary of government's indebtedness. Despite a remarkable increase in their total assets (from 142 percent of GDP at end 1992 to 353 percent at mid-2007, see Table 1), this expansion has been accompanied by a disturbing bank disintermediation. In fact, banks' claims on the private sector have fallen from a third of their total assets at end 1992 to 23 percent in 2005, with a parallel increase in their claims on the public sector, from a quarter of their assets to 53 percent during the same period²⁴. Banks have found less risk in lending to the public sector, especially since TB rates have usually been higher than the rates on loans or credit to the private sector. Banks need to break the vicious circle of deriving their profits mainly from lending to government and the central bank and instead gradually re-engage in mainstream economic activity. The loan proceeds are used by the central bank to stabilize the exchange rate and by government to finance its debt interest and wage bills, and this continuous process is driving the increase in public sector debt amidst a sluggish economic activity.

2. Agriculture and Industry

a) Agriculture

The contribution of agriculture to the economy is relatively small and has been continuously on the decline, representing 5 percent of GDP and 8 percent of employment in 2004 (see Table 2 above). But, agriculture is the mainstay of the rural economy and has a significant impact on rural well-being and poverty alleviation. The July 2006 war affected agriculture in a major way. FAO estimated around 40,000 farmers were affected and assessed the damage and losses in agriculture, including fisheries and forestry, at US\$ 280 million. The livelihood of 5,000 fishermen and their families was severely affected through the loss of boats, fishing nets and property and through the major oil spill that polluted the shore. Moreover, unexploded ordnances (UXOs), especially cluster bomblets, continue to make casualties and to render access to lands and restarting farming activities hazardous in many areas of the South.

The performance of the sector as a whole and its development are hindered by a variety of constraints, including low competitiveness of agricultural products; low farmers' income resulting in declining household income, which contributes to rural poverty and increased vulnerability of rural women (most farming activities are carried out by women as unpaid family labour); lack of farmers' access to social services and physical infrastructure such as irrigation networks and marketing facilities; degradation of natural resources; and, rural-urban migration, an enduring phenomenon, though in part limited by the lack of employment prospects in cities. The limited prospect for urban employment, coupled with low productivity and incomes in rural regions and the diminishing emigration opportunities, have severely reduced the economic outlets to excess labor in agricultural regions.

²⁴ The public sector is here defined as general government and the central bank.

Agriculture's low productivity is the result of structural problems at almost every level and stage of the production process. There are problems in the mobilization of the factors of production. Access to agricultural lands is hampered by constraints related to cost and ownership as there is increasing pressure on agricultural land, high proportion of non-registered lands and small size and fragmentation of holdings does not allow economies of scale ... (73 percent of all farm holders each cultivate an area of less than 1 hectare, totaling only 19 percent of cropped area). There is low mobilization of water resources and inadequate irrigation infrastructure resulting in inefficient irrigation practices. Even though agriculture relies on cheap foreign and occasional labour, labour cost represents a high proportion of the cost of production as mechanization is not widespread.

Agriculture suffers from inadequate production patterns, quality and safety issues. Farmers face the double challenge of high production cost and low product quality. Small farmers often lack proper information on new technologies and alternative practices. Farmers receive little in terms of advisory and credit support services. The low adoption and compliance with quality and safety standards stems from the lack of farmers' knowledge and awareness of health and safety requirements, on the one hand, and weak control, inspection, certification, accreditation infrastructure and insufficient law enforcement mechanisms, on the other.

Underdeveloped marketing infrastructure results in producing low quality produce that does not respond systematically to market demands and decreases market value. The marketing system of agricultural products is underdeveloped, and middlemen dominate the marketing process, thus significantly reducing farmers' share in the final price of their products. The result is a high cost of production of many products and a poor quality and, consequently, a low competitiveness in the domestic market and traditional markets and a difficulty to access new markets. Moreover, Lebanon has been engaged lately in a number of multilateral trade agreements, which need to be accompanied by a series of measures and targeted actions and programs aiming at developing the sector in the new trade liberalization environment.

Inadequate institutional and organizational structures at different levels include insufficient support services and plant/animal control systems, lack of active farmers' groups and cooperatives, lack of coordination and fragmented decision-making. Moreover, the sector suffers from official neglect; the share of the Ministry of Agriculture in the total government budget is well below 1 percent.

To increase agricultural productivity and boost the performance of agriculture and the rural economy, which is of critical importance for rural poverty reduction and overall progress on the MDGs, strong action is required to reinforce the governance of the sector, including the legislative and regulatory frameworks, together with focused socio-economic policies that will target farming and the rural economy.

b) Industry

Similar to agriculture, though to a lesser extent, industry's contribution to the economy has been in a continuous decline. From 1973 to 2004, industry's share fell from 16 percent to 12 percent of GDP, and its share in total employment fell from 19 percent to 15 percent during the same period (see Table 2). As for agriculture, the industrial sector suffered considerably from the July 2006 war. The ILO (2006) report on the immediate war impact estimates that in industry thousands of employees were dismissed, and thousands of small and medium enterprises had severe or partial damages and market losses. Thus, 142 industrial enterprises were completely or partially destroyed, while more than 900 medium and 2,800 small enterprises suffered extensive damage. The report estimates at 30,000 the loss in seasonal jobs in tourism, and at \$2 billion the direct and indirect loss in the sector.

Industry suffers from stagnant productivity that is the result of the predominance of small establishments - many of which cannot take advantage of economies of scale, heavy reliance on occasional unskilled and foreign labor, and low investment that mostly originates from own rather than bank funds. This situation has been aggravated

by the modest rates of economic growth and the economic stagnation since 2005.

Despite these structural and cyclical shortcomings, Lebanese industry has succeeded in registering a strong export performance. Noting that about 90 percent of merchandise exports are of industrial origin, the figures in Table 1 above show that merchandise exports increased from 9.6 percent of GDP in 2004 to 12.5 percent in 2006. The explanation of this export performance, which is apparently inconsistent with the stagnant economic situation, may partly lie in the booming Arab markets that are a major export destination for Lebanese products.

The low performance of the industrial sector is due to high production costs (high cost of energy and communications, increasing grey economy ...) and lack of quality assurance (only about 10 percent of industrial enterprises were certified, lack of awareness and requirements of export markets, ...), which compromise the competitiveness of the Lebanese industrial products.

Nonetheless, industry in Lebanon faces difficult challenges that are not all of its own making. The high cost of doing business in Lebanon (World Bank Ease of Doing Business index: 2008 rank 85 out of 178 countries, down eight from one year earlier)²⁵ which is largely due to administrative and legal obstacles, as well as the uncertain political and business situation have adversely affected domestic and foreign investment. Moreover, industry has rarely benefited from official policy support.

The above problems are creating increasing competitive pressure on the industrial sector and lead it to gradual isolation from the global economy. The government recognizes these shortcomings and aims at creating an environment conducive to investment in the sectors deemed most profitable, such as information technology, telecommunications, and light industry (clothing, jewelry, agro-industries, pharmaceuticals, among others), which require a high degree of knowledge and human value added. A Lebanese support strategy is still to be developed to fulfill key strategic economic and business objectives.

Recently, however, a greater official awareness has developed concerning the need to provide support to the industrial sector in Lebanon. The Ministry of Industry has initiated a program "Industry for Lebanese Youth 2010" that aims to develop the industrial sector and promote modern industrial practices through incubators, industrial mergers, clusters and the industrial zoning. In addition, the Ministry of Economy and Trade established an EU-funded Quality Programme "QUALEB" with the objective of achieving greater export volumes to EU markets.

In order to support and activate the development of the private sector, notably SMEs and damaged and destroyed enterprises of the productive sectors, important financial assistance has been made available by the international donors under Paris III.

3. Economic Development and Human Rights

This section examines two specific issues of economic development: employment and unemployment, and the distribution of income and wealth. Progress in these two domains significantly affects the economic and social well-being of the vulnerable groups in society, including in particular women and the poor.

a) Employment and unemployment

Lebanon's resident population in 2004 was estimated at 3.8 million, of which about 35 percent less than 20 years of age. About two-thirds of the resident population is of working age and only about a third is labor active,

²⁵ Higher rankings indicate simpler regulations for businesses and stronger protection for property rights. Main difficulties in Lebanon concern opening and closing a business, enforcing contracts and dealing with licenses, see, <http://www.doingbusiness.org>

1.2 million²⁶, compared to more than half in developed countries. Even though women's labor activity rate marginally increased to 23 percent in 2004 relative to 1997, the total activity rate was only 47.8 percent in 2004, Table 4. A major reason for this low overall activity rate is the weak participation of women in the labor force. Special attention should be given to avoid social discrimination for gaining access to work and to eliminate impediments faced by the poor in gaining access to work.

Table 4

Labor Activity and Unemployment Rates by Gender, 1997-2004
(Percent of the respective category)

	1997			2004		
	Men	Women	Total	Men	Women	Total
Activity Rate	77.3	21.7	49.3	73.9	23.2	47.8
Unemployment Rate	8.9	7.2	8.5	9.9	15.4	11.3

Sources: Leb.Rep. & UNDP (2006), Leb. Rep. (1998b).

Notes: Figures are for the 15-64 age category.

There is a substantial foreign workforce in Lebanon that is not taken into account in the manpower surveys. Estimates put the total number of foreign workers at between 400 and 500 thousand, which is a substantial number²⁷. In 2006, a survey was conducted by FAFO, a Norwegian Research Institute, to assess the labour force among Palestinian refugees in Lebanon. By ILO criteria²⁸, 63 per cent of the potential workforce were found not to be seeking work and, subsequently, not in the labour force. The labor force participation rate was found to be a low 42 percent (16 percent female and 69 percent male).²⁹

Table 2 above provides the employment structure by sector over time. There has been a significant decrease in the rate of employment in agriculture and construction and a corresponding increase in public administration. The largest sector is the services (37.4 percent of employment in 2004), two-thirds of whom are women. In the past decade, the work and professional status of women noticeably improved. Since most women work in services and as permanent salaried workers, their work status usually is more stable than for men. In general, the proportion of women as salaried workers increased from 72.5 percent in 1997 to 83.3 percent in 2004.

²⁶ Most of the information in this section is derived from the extensive official manpower surveys (Leb.Rep. & UNDP (2006) and Leb.Rep. (1998b)), and from ILO (2007). Manpower surveys in Lebanon suffer from various methodological problems. They exclude residents of Palestinian refugee camps, most foreign workers, some child labor, and underestimate the workforce in agriculture.

²⁷ See ILO (2007), pp. 24-5. It is not clear whether this number is part of the national labor force of 1.2 million, or should be added to it so that the 1.2 million would then account only for the "domestic" labor force. Moreover, this estimate of the number of foreign workers should be compared to the figure in the 2004 survey of about 250,000 for all non-Lebanese in Lebanon!

²⁸ The ILO definition of labour force indicates the weight of the working age population (15 years or over) engaged actively in the labour market by either working (employed persons) or seeking a job (unemployed persons).

²⁹ FAFO, p. 130

However, women employers represented only 1.1 percent of the work force compared to 6.4 percent for men (even though the number of women employers increased by more than 25 percent over the period; likewise, as a percentage of total, the number of women in the Manager category increased from 9 to 11 percent)³⁰.

Most Lebanese workers work for little pay, and the legal minimum monthly wage of \$200, which has not changed since 1996, is at or below subsistence, especially for a household with the average number of four members. The adverse pay and working conditions of labor in general are more the result of a weak labor movement than simply of deteriorating economic conditions. Much work remains to be done to achieve equal pay and benefits for women in the workplace, and to eliminate gender discrimination in the area of social and health benefits. For instance, elements in the Labor Law (207/2000) discriminate against women in the area of equal pay and other compensation. The National Social Security Fund law contains provisions that discriminate against women in regard to social and health benefits (in violation of CEDAW, articles 11 and 12 concerning employment, social security and health benefits).

Most of the foreign workers are unskilled, working as domestic help, and in farms, factories, construction sites, and in various services. Most are also poorly paid, and without protection in unregulated working environments. Palestinian refugees suffer from restrictions to their right to work and at work as they are not able to work in many skilled professions because of their status. A positive development was the decision of the Minister of Labour of June 2005 to amend the Lebanese labour law concerning Palestinian refugees residing in Lebanon to allow work in some sectors such as manual and clerical jobs.

The Lebanese constitution guarantees freedom of association and effective right to collective bargaining. However, some categories of civil servants do not enjoy these rights yet.; the new labour code under preparation may remedy to that. The large number of trade unions is testimony of exercising this right (381 in March 2006, and 62 trade union federations³¹). Unfortunately, trade unions have become disorganized since the early 1990s, mainly as a result of political manoeuvring.

Employment objectives for the persons with disabilities have not yet been reached. According to Law 220/2000, employers in both the private and public sectors should recruit persons with disabilities at the rate of 3 percent of the total number of their employees. In 2006, the labor force of the persons with disabilities was estimated at about 27,000, but only 7,052 were actually working. This is mainly due to limited access to education and vocational training, limited appropriate physical infrastructure in the workplace, and non-implementation of relevant legislation. Employers' attitude and the rules of the market vis-à-vis qualifications of the labour force also hinder the employment of this group.

The manpower surveys registered a small decrease in child labor in the (10-14) age group, from 2.7 percent 1997 to 2.1 percent in 2004. These numbers may be misleading, however, since the labor surveys exclude children under 9 years of age, and children in the Palestinian refugee camps. Also excluded are working children in South Lebanon, particularly in agriculture. With respect to the latter and following the July 2006 war, there has been increased child labor to support the diminished household income due to damages to school infrastructure and houses.

³⁰ Leb. Rep. (2006), Leb. Rep. (1998b)

³¹ ILO GB 295/5 of March 2006)

As in 1997, the unemployment rate is also estimated at about 8 percent in 2004 (rather than 11 percent as in shown in Table 4, owing to different definitions of “unemployment” that are used in the surveys).³² Poverty and gender affect the unemployment rate; one quarter of women in poor households are unemployed.³³ The unemployment rate of women more than doubled to 15 percent during the period 1997-2004, which points to their vulnerability in bad economic times. Female unemployment may be a reflection of increased numbers of women seeking jobs, which may due to economic reasons and as well social and cultural changes. Unemployment has mostly affected the young men and women. In 2004, close to half the unemployed were between 15 and 24 years of age, and young women were affected by far more than young men. Youth unemployment stems from scarcity of job opportunities for young people due to narrow labour market, gap of skills and mismatch with labour market requirements, etc, on the one hand, and economic instability and macroeconomic deterioration, recruitment practices of employers giving preference to personal contacts etc., on the other.

The Lebanese authorities have not traditionally attached a high priority to unemployment issues or to the need to generate employment opportunities. This attitude by the authorities and the worsening economic conditions have resulted in an increase in unemployment, together with an increasing emigration of skilled manpower that has partly eased the unemployment problem. The brain drain phenomenon, even though cyclical, has been persistent over the past few decades and it involved in particular well educated and skilled youth. Lebanon’s brain-drain is holding back its ability to reconstitute social and human capital necessary for sustaining post-conflict economic recovery and invites a comprehensive response from the government in cooperation with the private sector. The UN system is well placed to provide support to policy-making and capacity development initiatives, including youth entrepreneur programmes and other employment initiatives as well as skills development for marginalized persons.

b) The distribution of income and wealth

In an environment of weak economic performance, the distribution of income and wealth becomes a proxy indicator of the economic situation of the vulnerable groups in society, and of the poor in particular.

Since the late 1950s, when the first national socio-economic survey was conducted by the French mission IRFED, and in practically all subsequent similar surveys until the 2004 Living Conditions national survey, a common finding consistently emerged: about half the population in Lebanon lives in economically “poor” or “deprived” conditions³⁴. While that “poverty” level is not strictly defined, it refers to a situation where most of the family budget is allocated to food, where households cannot make ends meet and have to resort to outside financial assistance, and where savings are inexistent.

The distribution of income, though still strongly skewed, has improved over time. Gini coefficients, which provide a summary measure of the degree of inequality of the distribution, that were in excess of 0.5 with respect to income in the early 1970s fell close to 0.4 in the late 1990s. Thus, while the bottom half of households earned 17 percent of total income in 1971, their share increased to 21 percent in 1997 and 22 percent in 2001. For the same period, the share of the top 10 percent of households fell from 48 percent in 1971 to 39 percent and 36 percent in 1997 and 2001, respectively ³⁵.

³² According to the FAFO (2006) study, of the Palestinian labour force, when using a relaxed definition of unemployment, 25 per cent of Palestinian refugees were found to be unemployed. The study interviewed 2,800 Palestinian families inside and outside Palestinian refugee camps. To ensure a more accurate account of the situation, FAFO also developed a relaxed definition. To do so, the Palestinian labour force included the discouraged or those who want to work but do not seek work because they believe none is to be found.

³³ Leb Rep. and UNDP (2006)

³⁴ For details on the surveys, see Gaspard (2004a), particularly Chapter 3, and Leb.Rep. & UNDP (2007).

³⁵ Ibid, p. 75, and Leb.Rep. (1998a), and Kasparian (2003).

The distribution of wealth in Lebanon is much more skewed than that of income, which reduces the likelihood of a significant improvement in the distribution of income in the long term. Wealth is considered in terms of two aspects: land and financial wealth. Although some of the data with respect to wealth is dated, it should be noted that the distribution of wealth has little changed in the last few years.

For land, an official survey of farms in 1999 indicated that the top 5 per cent of all farmers exploited 47 percent of the total farm area, whereas, on the other end of the distribution, the smaller half of the farmers exploited only about 8 per cent of the total farm area³⁶. The corresponding Gini coefficient is 0.69, which is indicative of a very unequal distribution. In addition, it shows that most farmers in Lebanon, by virtue of the small size of their holdings, cannot take full advantage of scale economies, which explains in part their low incomes.

In terms of financial wealth, the distribution is even more skewed. Based on end 2006 data, bank credit to agriculture amounts to only 1 percent of total credit. Concerning the regional distribution of bank credit, central Lebanon (Greater Beirut and Mount Lebanon), which represents 55 percent of the population, obtains 80 percent of all deposits and 90 percent of all credit. More strikingly, the bottom half of all beneficiaries from bank credit or loans receive only 3 percent of total bank credit, whereas the top 5 percent receive about 85 percent!³⁷

³⁶ Leb.Rep. & FAO (2000)

³⁷ See various BDL publications. Information on the size distribution of bank deposits is not published.

The achievement of poverty reduction is central to the achievement of the MDGs. In the past decade, progress towards the MDGs for Lebanon witnessed improvement in the domains of poverty, the overall health of women and children, and in education. But deficiencies remain in all domains.

The government reform programme presented at the Paris III meeting contained a welcome, unprecedented social component, a Social Action Plan³⁸. The Plan has three objectives: reduce poverty and improve education and health indicators, increase the efficiency of public spending while preserving budgetary allocations at an appropriate level, and minimize regional disparities. An annual package of US\$ 76 million was designed for specific interventions in the short-term to target the most needy, along with a number of institutional measures to reduce poverty and regional disparities. The long-term component of the Plan is to implement policy reforms in the social, education and health sectors. A summary of the Plan's proposed reform measures with a timeline for their implementation is presented in Annex III. At present, social outcomes are weak and not commensurate with the level of social spending (8 percent of GDP in 2005).

1. The Poor in Lebanon: A Living Conditions Sketch

Except for some limited studies on disadvantaged groups in areas of Lebanon, very few national surveys have been conducted that target the living conditions of the poor or the deprived. The notable and relatively recent exceptions are the two national surveys by the Ministry of Social Affairs and UNDP (1998 and 2006) that were conducted for the years 1995 and 2004. The surveys did not use strictly comparable methodologies, but they are largely consistent and support a valid comparison.³⁹ They have produced detailed information on national living conditions, including on the poor, who are referred to as "deprived" in the surveys.⁴⁰

a) Poverty characteristics

The main finding of the 2004 survey is that the living conditions of the poor in Lebanon have noticeably improved in relation to 1995. Moreover, improvements have been significant and across the spectrum of categories, except for the income-related category where deprivation has increased.

Table 5

All Households, by Basic Needs Satisfaction, 1995-2004 (Percent)

	Very Low	Low	Intermed.	High	Very High	Total
1995	6.8	24.1	42.3	21.3	5.5	100
2004	5.2	19.4	39.3	26.6	9.6	100

³⁸ See Lebanese Republic (2007b).

³⁹ The surveys covered 62,000 and 13,000 households, respectively in 1995 and 2004. They measure poverty by adopting the Unsatisfied Basic Needs approach, whereby households, and individuals, are classified according to ten indicators on living conditions. These indicators are then grouped into four categories: housing (number of rooms, dwelling area, heating source), water and sewage (source of drinking water, sewage system), education (level, continuation), and income-related (number of private cars, dependency ratio, main profession). The indicators are ranked on a common scale, and an arithmetic average is computed that provides the final living conditions index. A "deprivation" threshold level is pre-determined, which provides a ranking according to basic needs satisfaction: very low, low, intermediate, high, very high. The first two rankings of "very low" and "low" refer to the deprived.

⁴⁰ "Poor" and "deprived" are used interchangeably in this report.

“Poverty is a serious problem in Lebanon...”⁴¹ As Table 5 indicates, about a quarter of all households lived in deprived conditions in 2004, against 31 percent in 1995, which is a significant improvement. Also, the proportion of the most deprived decreased from about 7 percent to 5 percent of all households. The same conclusions roughly equally apply to individuals. Just completed study results by UNDP indicate that, in 2004, the poverty headcount, lower poverty line (\$2.4 per capita per day) was 8 percent of the Lebanese population, and the upper poverty line (\$4 per capita per day) 28.6 percent of the population, which is a relatively high level. The poverty gap index (measuring the gap between average income of poor households and the poverty line) for the extremely poor was low, whereas for the overall poor it was 8.1 percent, which means that many poor are clustered below the upper poverty line. The poverty severity index, which measures the inequality among the poor, was relatively low for the extremely poor by middle-income countries’ standards, and relatively high for the overall poor (3.3 percent) by Arab countries’ standards.⁴²

Considering the progress achieved over the categories of indicators, the improvements occurred in housing, water and sanitation, and educational conditions, and all were significant changes. The most noticeable improvement was in housing (area per person) and adult education. But there was increasing deprivation only in the income-related category, and in each of its three indicators, and the adverse change was also significant (see Table 6).

Table 6

Deprived Households, by Deprivation Category, 1995-2004 (Percent)

	Living Conditions	Housing	Sewage & Water	Education	Income Related
1995	30.9	25.9	18.9	32.8	42.8
2004	24.6	16.6	16.6	24.1	51.6

Sources: Lebanese Republic and UNDP (2006, 1998).

Aggregates and rates, however, can hide inequalities and absolute deterioration. In fact, the number of deprived households in relation to the overall Living Conditions Index has actually increased from a total of 199,000 households to 208,000. Moreover, the education indicators do not account for the quality of education, which has much deteriorated since the early 1980s (see section 2 below). As for income-related deprivation, the rate of 52 percent in 2004 is high, affecting more than half of all households; it reflects the worsening of employment and economic dependency. In addition, that rate is much higher than any of the other deprivation rates, the closest being 24 percent of all households being deprived in the education category.

This apparent incongruity between a significant deterioration in the income-related indicators and an equally significant improvement in most of the other indicators merits closer examination. The prominent improvement in housing and education compared to the situation in the mid-nineties is largely the result of non-market and non-economic factors. In the case of housing, the improvement in the housing indicator is due to a lower fertility rate, emigration and a smaller household size. In the case of education, the improvement in the education indicator is due to the contribution of education policy, improved infrastructure and continued, significant support from NGOs.

⁴¹ Leb. Rep. (2007...), p. 4

⁴² UNDP (2007a).

In any event, the progress achieved in non-income domains clearly owes to improved infrastructure and sustained public policies but little to developments in the economic sphere, whether in terms of increased economic activity or in employment opportunities. The overall improvement in the living conditions of the deprived, since it largely depends on transfers or on outside assistance through government and NGOs, risks becoming unsustainable if economic conditions would continue to deteriorate and given the large number of income-deprived households.

b) Regional poverty

Table 7 shows that there are important disparities in the regional distribution of poverty. Except central Lebanon (Beirut and Mount Lebanon) and the North, all the other Mohafaza (districts) had an increase in the share of deprived households. Coincidentally, these are the same regions that were the most affected by military operations during the July 2006 war. But polarization at the national level remains: the center, with about 55 percent of the population, accommodates about a third of all the deprived households, whereas the two thirds of the deprived live in the regions or so-called periphery. This urban poverty seems to be on the increase driven by poverty symptoms such as child labour, over-crowding and environmental deterioration.

Table 7

Deprived Households, by Mohafaza, 1995-2004 (Percent)

	Beirut	Mount Lebanon	North	Bekaa	South	Nabatieh	Total
1995	7.6	29.9	26.2	15.3	10.3	10.8	100
2004	4.4	27.9	23.3	17.8	15.4	11.2	100

Looking at deprivation within the regions in Table 8, all regions except the South, which had a slight deterioration, witnessed a reduction in deprivation rates. In other words, proportionally fewer households within each Mohafaza were considered deprived in 2004 relative to 1995. The peripheral regions of the Bekaa, the South and Nabatieh witnessed only marginal changes in their living conditions. The most striking improvement took place in the North, where the survey found that the reduction in poverty rates was strongly correlated with improvements in the education indicators.

Table 8

Deprived Households, Within Each Mohafaza, 1995-2004 (Percent)

	Beirut	Mount Lebanon	North	Bekaa	South	Nabatieh	Total
1995	15.9	23.6	42.8	39.9	36.4	50.3	30.9
2004	9.3	16.2	31.2	37.7	37.3	46.4	24.6

Sources: Lebanese Republic and UNDP (2006, 1998).

An important finding of the 2004 survey was that the improvements in the living conditions of the deprived, particularly in the southern regions, were significantly associated with the implementation of social (mainly health and education) policies through public institutions, such as the Council for the South, and NGOs during the 1980s and 1990s. However, if all the regions benefited from an improvement in most of the indicators on housing, water and sanitation, and education, they all consistently experienced deterioration in the income-related indicators. Again, this development underscores the need for policies to revive economic activity across Lebanon and not merely in the center.

The situation in South Lebanon has worsened since the July 2006 war as several matters diversely affected the villages and their residents. Destruction of dwellings, enterprises and of already below-average infrastructure, e.g. roads, electricity and water installations, was severely felt by the inhabitants. Despite the aid received in cash and in kind, incomes significantly fell owing to the sharp contraction in economic activity. Three factors contributed to that contraction: unemployment, the retrenchment of activity in agriculture, which is the main source of income in most villages, and the general economic crisis that continues to affect the country.⁴³

c) General findings

Notwithstanding the difficulties and ambiguities that are associated with the concept of “poverty”, a socio-economic picture, with clear contours, has emerged regarding some characteristics of the poor or the deprived in Lebanon, and regarding the effectiveness of relevant policies. The picture is complex because of the regional and intra-regional disparities in indicators.

■ Based on the results of the two surveys, the deprived who are most at risk of increasing unemployment and poverty conditions are women-heads of households, particularly those with several children and those who are widows and aged 65+.

■ Poverty is independent of household size, and the majority of the deprived are of average household size. Still, it does not mean that household size is not correlated to poverty. Indeed, the studies on living conditions show a high concentration of poor among households of large (more than seven members) and very small sizes (elderly living alone ...).

■ Poverty is more prevalent among agricultural workers and unskilled workers in construction, industry and services, the majority of whom are illiterate and semi-literate, and non-salaried.

■ Social policies in the past have effectively helped large households that are poor, to the detriment of small and poor households that are headed by women, especially the elderly and widowed.

■ Regarding the strong positive correlation between poverty reduction and education, one can deduce from the 2004 survey that improving education to the intermediary level is associated with the sharpest drop in deprivation for the poor household.

There is considerable scope for poverty reduction and for reducing regional disparities in the next decade towards the achievement of this key MDG. Moreover, poverty reduction is a feasible proposition (concerning extreme poverty, requiring outlays of \$ 12 per capita per annum over the medium-term). Poverty reduction will require pro-poor policies that lead to more sustainable increases in employment, productivity and incomes and a balanced

⁴³ A report by CRI (2007) provides detailed qualitative data derived from an extensive survey of 25 villages in the South that have been affected by the war. The survey focused on the impact of the war on the livelihoods of various stakeholders and vulnerable groups, including women-heads of households, the unemployed, the elderly, and the persons with disabilities.

development approach with increased emphasis on the productive sectors. It will also require geographic-based targeting interventions as part of expanded social safety nets, as being established under the reform programme.⁴⁴ The balanced development approach would be well served by the approval and implementation of the national physical master plan for the Lebanese territory, prepared in a participatory manner by the Council for Development and Reconstruction.⁴⁵ Policy adjustments should result in creating the fiscal space necessary to drive poverty reduction initiatives.

2. Education⁴⁶

As noted in the previous section, the 2004 survey found that, much more than for the other living conditions indicators, an improvement in the education level is strongly associated with a fall in deprivation levels. For instance, about 70 percent of illiterate households lived in deprived conditions. More specifically, 21 percent of household heads who had an elementary education or less – representing about half the population, lived in deprived conditions, whereas only 3 percent of household heads with at least an intermediary level of education – representing the other half of the population, lived in poor conditions. The same findings equally strongly apply within regions.

In recent years, there has been a steady increase in the number of schools and of students and schools, particularly in the public sector, see Table 9. A major reason for the increasing share of students in public schools is that the prolonged economic stagnation has led to financial problems in many middle-class families. Still, general education is dominated by private schools, including not-for-profit schools providing free education usually at the elementary level (managed by civil society organizations). The quality of education provided in private schools, especially below the secondary level, often is quite superior to that in public schools.

Table 9

Students in Public Schools, 1995/96 - 2005/06 (Percent of all students)

Education type	1995/96	2005/06
General	31	36
Technical	22	36
Higher	56	48
Total	30	37

Source: Lebanese Republic, Pedagogical Center for Research and Development, Bulletins for school years.

⁴⁴ UNDP (2007c), p. 11 and p. 19

⁴⁵ Leb. Rep. (2005a). The Plan was prepared on the basis of the earlier national land use mapping undertaken by the Ministry of Agriculture and FAO (to be updated).

⁴⁶ The analysis concerning general education equally applies to a large degree to technical and higher education in public and private institutions.

The key goal is to achieve at least primary education for all children by 2015. Whereas there has been considerable improvement in the net enrolment ratio in primary education (73 percent in 1991; 92 percent in 2005), more needs to be done to ensure that the national objective of compulsory education be achieved without delay. Moreover, there are grave regional disparities in education indicators due to deprivation and other issues affecting gender. Even though the apparent (gross) intake is sound (male 102 percent, female 100 percent in 2005), the primary completion rate of 90 percent in 2005⁴⁷ indicates problems of repetition and school drop-outs. Repeaters in primary school as percentage of enrolment were 12 percent for boys and 8 percent for girls in 2005. The implication is clear that more and sustained action is required to ensure that the right to education of each child can be exercised and be fulfilled, particularly for children of poor households and for children with special needs.

A highly positive development of the past years is that schooling rates for boys and girls at practically all education levels are very close, with slightly higher rates for girls at the intermediary level and above. The ratio of girls to boys in primary and secondary education in 2005 was 104 percent, which supports the goal of empowerment of women.

The steady increase in the average number of schooling years in recent years, as a result of government policy to extend the schooling age to thirteen years and other factors, has resulted in significant reduction in illiteracy, defined as no schooling; 8.8 percent for the age group of 10+ years in 2004, female illiteracy 11.8 percent and male illiteracy 5.6 percent. The literacy rate for 15-24 year olds was 98 percent and the ratio of literate females to males 95 percent in 2004.

The general education sector in Lebanon suffers from various problems, above all from deterioration in education standards and in the quality of education for a large number of students, which is of special concern as the achievement and quality of education are directly related to successfully reducing poverty rates. Official tests conducted by the Ministry of Education, in association with UNESCO and UNICEF, have confirmed this conclusion. In this regard, the number of drop-outs and repeats has increased, particularly in the public sector, and rates are smaller for girls than for boys. It is not uncommon to encounter university students who have difficulty in expressing simple ideas in writing.

There are several reasons that explain the worsening of education quality and standards. Training systems of teachers are insufficient and inadequate, as indicated by fact that only 14 percent of all teachers in primary education are trained teachers. Old teaching habits, particularly learning by rote, are common. Teaching environments often are not stimulating, and most teachers are poorly paid. Orientation programs for students, and special attention to students with special academic and other needs, are rare. In addition, the appointment of teachers suffers from political favoritism, especially for appointments in remote rural regions. These observations largely apply to public schools, and much less so to private schools. They also apply more forcefully to the regions outside the center, where deficiencies can be more acute.

In looking further at the fundamental reasons behind the failure to produce an efficient and effective education system in Lebanon, two main reasons stand out, and both are related in varying degrees to failures in government policy.

The first reason is related to the absence of a coherent education policy, let alone a vision of the role of the education system and its role in society and the economy. Worse, official policy, through government expenditures, has led to a serious misallocation of human and financial resources. Large public schools have been built, and many teachers appointed in regions, where the corresponding needs do not exist, in order to satisfy regional political

⁴⁷ EFA data indicate a survival rate to grade 5 of 94 percent in 2005, 96 percent for girls and 91 percent for boys.

considerations. Moreover, quality monitoring systems practically are absent in the public education system. Thus, the relatively high government budget expenditure on education (public expenditure per student on primary education as percent of GDP per capita was 7.2 in 2005; public spending on education was 4 percent of GDP in 2005 and 11 percent public and private), and the much smaller student-teacher ratio in public schools when compared to private schools (pupil-teacher ratio in primary education was 14 in 2005; in the public sector it was 9), are not commensurate with results in education and usually are more indicative of waste in public expenditure than of higher quality in public education.

The second reason is related to socio-economic conditions in the country. Stagnant, if not falling incomes, and the shortage in employment opportunities have forced parents to shift their children from private to public schools. Moreover, although high value is attached to a good education by practically all in Lebanon, parents in deprived households or in rural areas usually do not have the means, knowledge or skills to provide a stimulating environment for the education of their children.

The problems and difficulties of general education are multiplied in the case of disadvantaged children, such as the refugee children, children with special needs, poor children and all other vulnerable children.

The government reform programme for the education sector aims to achieve outcomes in basic education that will be efficient and meet international objectives, with particular attention to the problem of dropouts and special emphasis to peripheral areas. Priority is also being given to teacher training and leadership development in education (headmasters and school directors). An education strategy was recently completed that will lead into comprehensive sector reform that will seek to address the above problems. The success of education reform is of special importance to the government as it recognizes the relationship between poverty reduction and education.

3. Health

Although the government has endorsed the MDGs, national efforts towards reaching the goals have been suboptimal in some areas, and sufficient in others.

a) Population health status: Epidemiological transition⁴⁸

Lebanon is currently considered in epidemiological transition, whereby the infectious and communicable diseases remain endemic, with an increase in the prevalence of non-communicable and degenerative diseases. Available data suggest geographical discrepancies and gender discrepancies in terms of population health status. Whereas the chronic diseases are of public health significance, so are the gaps in preventing infectious diseases.

Certain communicable diseases remain present. The percentage of children immunized against measles has regressed in recent years, and in the deprived regions of Akkar and the Bekaa, vaccination coverage is well below the national average. Despite high immunization rates claimed by the government, measles is endemic with 846 cases reported in 2005. Officially reported at over 90 percent, WHO-UNICEF estimates for EPI coverage were at a low coverage of 50 percent in 2005. Lebanon has an intermediate incidence of tuberculosis, with an incidence rate of 11 per 100,000 in 2005, but detection and cure have significantly improved. Other main disease concerns recently were typhoid fever, shigellosis, other diarrhoeal disease pathogens such as rotavirus, and hepatitis (A & E).

⁴⁸ In the absence of a national health information system, data usually are obtained from studies that are related to specific projects, such as the Pan Arab Survey on Mother and Child (PAPCHILD) and the Pan Arab Survey for Family Health (PAPFAM) that have been undertaken in 1996 and 2004, respectively. Moreover, data on mortality, causes of deaths and morbidity are not available. Nonetheless, small-scale studies, usually limited to certain population groups and geographic areas, are numerous. However, it is frequently difficult to generalize the results of these studies to the population at large because of their lack of representation and reproducibility, and sometimes because of the poor quality of the data.

As for HIV/AIDS, Lebanon is a low-prevalence country and with a low prevalence among women, registering 900 cumulative reported cases by end 2005. The incidence HIV in the age group 15-49 is only 0.1 percent. The main mode of transmission remains sexual contact. Recently, there has been a change in disease patterns whereby new cases are being reported among young people rather than adults.

With respect to life style-related diseases, chronic and degenerative diseases may be on the rise, but data are insufficient. Depression and cancer cases are increasing, with around 4,000 new cases of cancer being reported every year, and 14 percent of the young reporting cases of depression or anxiety. Moreover, about half the adults are smokers, with a higher proportion among men than women. In addition to smoking, emerging issues include drug abuse, alcohol consumption, obesity, road accidents, and environment-related health problems, e.g. water-borne diarrhea diseases and asthma, which seem to be increasing. Emerging health issues affect child survival.

Achieving the right to health implies as well the right to reproductive health. Lebanon has witnessed significant improvement in reproductive health outcomes and indicators, as clearly demonstrated in the results of the 2004 PAPFAM study, on which most of the data below are based. Between 1996 and 2004, the infant mortality rate dropped from 28 to 19 per 1,000 live births, but regional disparities remain significantly high. For a country with low infant mortality and under five mortality rate (30 per thousand in 2005), a maternal mortality rate of 80 per 100,000 live births is high⁴⁹ (104 ten to fifteen years earlier), considering that 88 percent of deliveries are attended by trained health personnel and that 79 percent of pregnant women receive antenatal care in private health facilities. The study also indicates that about 44 percent of women in the 15-24 age group used some method of contraception, but the use of modern contraception methods has declined from 33 percent in 1996 to 29 percent in 2004. In family planning, in 70 percent of the cases the contraception decision was the result of a joint decision by the couple, which shows considerable progress in terms of equality in decision making.

Disability is an emerging health concern in Lebanon. The prevalence of disability among the general population is estimated at 4.3 percent, with around 1.8 percent suffering from severe disabilities. The number of persons with disabilities in Lebanon has significantly increased because of war, and also other reasons, such as road traffic accidents and genetic disorders as a result of inter-marriage among relatives, which contribute to childhood disability. Around 15 percent of the injured during the July 2006 war will be permanently persons with disabilities. In 2004, half of the persons with disabilities reported not having received any health care in the previous year despite the establishment of a special program for medical and social assistance to the persons with disabilities at the Ministry of Social Affairs.

b) Health system performance

Since the early 1990s, the health system in Lebanon has continued to develop and expand in the same unregulated and unplanned manner. The system's performance is inefficient as health outcomes do not correspond to the more than 12 percent of GDP (of which public spending one third) that are nationally spent on health. This high level of public expenditure results from fragmented, inefficient resource allocation and service delivery; excessive investment in hospital capacity and high technology; lack of quality assurance and consumer protection. Moreover, the Ministry of Public Health does not provide (except for a few public primary health care centres) or finance (as a third party payer) outpatient health services; and, practically does not extend preventive care.

The current health system is dominated by a flourishing of business-oriented and high-technology private sector that favors large cities and high-income patients. In fact, there is a surplus of doctors, especially specialists, and a surplus of high-technology medical equipment. On the other hand, there is a shortage of nurses and other paramedical staff, and primary health care is inadequately covered, Table 10.

⁴⁹ World Bank Indicators notes a "modeled" rate of 150 in 2000 (see Indicator Framework).

Table 10

Human Resources for Health, by Mohafaza, 2003

Mohafaza	Medical Doctors (%)	Physicians Per person	Pharmacists (%)	Nurses Per person
Beirut	37	1/125	20	
Mt Lebanon	32	1/417	42	
North	12	1/661	16	
South	12	1/482	18	
Bekaa	7	1/665	3	
Total	100	1/364	100	1/1,600

Source: Tabbarah (2003).

Health care cost in Lebanon is inflated and characterized by high out-of-pocket costs as 53 percent of the population in 2005 lacked any kind of health insurance. Hospital services are severely underutilized, with an occupancy rate of approximately 60 percent, and costly medical equipment is also underutilized. For instance, the MRI/population ratio is three times that of the recommended European standard, while the cost of an MRI is four times that in developed countries.

Most of the health services are tailored for either very young children or for adults in general. Public health services are much more affordable than very costly private services, and yet the utilization rate in the public sector, including of reproductive health services, is quite low (estimated at around 15 percent) relative to that in the private sector, even among the poor segments of the population. This phenomenon is in part due to the perception of "low quality" that is attached to public health services, a perception that is not necessarily always well-founded, and to the inadequacy of these services with respect to the needs of special groups such as young people. But this problem hides a more serious one, which is that the public authorities themselves may be indirectly promoting the use of private health services by providing subsidized access to these, thus ensuring their survival despite their excess capacity and high cost.

In addition, many rural areas now enjoy recently built public hospitals with modern equipment, and yet there are problems of shortage of qualified staff, including management, see Table 10. Retaining qualified health staff in public hospitals in rural regions is difficult, owing in part to relatively low salary scales, and unattractive living conditions and career development options. Another reason is that, as in the case of schools in regions outside the center, a large number of these hospitals, which are underutilized, were built for political considerations. In this regard, the authorities and or politicians do not consider the health issue from an integral solution-perspective (needs assessment, hospital, staff, management, etc.), but as an enduring and visible sign of their contribution and influence. Clearly, the resulting cost in terms of underutilization and misallocation of resources is quite high.

Quality issues in the health sector have been relatively neglected, mainly because of a weak regulatory and auditing capacity at the Ministry of Public Health, and because of the absence of a regularly updated data system.

The government, however, has initiated several health programs. For instance, a National Reproductive Health Programme, a joint initiative between the Ministry of Public Health, the Ministry of Social Affairs, and the Ministry of Education, targets the general population, with particular emphasis on young people aged 12 to 18 to provide them with the proper information and raise their awareness on sexual health issues. Moreover, the Ministry of Public Health is currently supporting the establishment of a maternal mortality audit system, which will allow the identification of causes of maternal death, to be further supported by the development of protocols and capacity development. Efforts have also been deployed towards establishing a hospital and primary health care accreditation system. Attempts at developing national medical protocols, however, have been shy and limited. The main problem here remains the poorly standardized curricula in the medical and health professions, and the strongly commercial character of the health system in Lebanon.

The July 2006 war clearly and suddenly increased the burden on the health system, particularly in historically deprived areas. The response of the health system was better than expected and has unexpectedly resulted in the improvement of some aspects of the health programs and systems. The large inflow of donor funds and international assistance have accelerated the development of previously inexistent programs and systems, such as the logistics supply chain system and management, the early disease and outbreak warning and response system, the water quality monitoring system, and the establishment of a mental health program. Moreover, the war also accelerated the health system reform in some priority areas such as the upgrading of many health facilities in terms of modern technology and premises.

At the Paris III meeting, the Ministry of Public Health proposed a health strategy that aims, inter alia, at improving the equity of the health system and assuring financing to provide health services at a minimum level of acceptable quality. In this regard, six recovery phases were specified including, in particular, the improvement of the overall quality of health services delivery and reduction of regional discrepancies, the provision of cost-effective and safe drugs, with the rationalization of their prescription and consumption, and the strengthening of the Ministry's preventive programs and its regulatory capabilities. The need to improve overall the neglected public sector and to allocate more resources to preventive and primary health care are highlighted with a view to achieving the related health goals and, more generally, the right to health.

1. Introduction

Lebanon has not exploited its national assets for economic development in an efficient and sustainable manner. The Adjusted Net Savings index deteriorated in recent years, from -10 in 1997 to -18.1 in 2003⁵⁰, which means that the opportunities and assets available to the country are shrinking over time. Lebanon's rank in terms of the Environmental Sustainability Index (ESI), 129 out of 146 countries in 2005, confirms the serious challenges faced. On the other hand, the Environmental Performance Index (EPI), shows that current, as opposed to past, environmental performance is significantly better and that important work is being undertaken to resolve environmental problems (Lebanon ranked 36 out of 136 countries, first among Arab countries)⁵¹. The integration of the principles of sustainable development within national policies and programs is an emerging issue, which is increasingly addressed by the government with a view to achieving environmental sustainability. It lies at the basis of the achievement of the relevant MDG goal.

The state of the environment and natural resources in Lebanon and also the reasons or causes that have contributed to the prevailing environmental situation are assessed by examining three identified priority environmental issues: water (quantity and quality), air (transport and energy), and biodiversity and land, using a coherent approach based on the Pressure-State-Response-Outcome framework.⁵² Due account is taken of the severe impact of the July 2006 war on the environment and the general environmental degradation that resulted from it. In this regard, the continued presence of unexploded ordnances and cluster bombs and their impact for sustainable natural resource management is emphasized. This and other issues, including the emerging issue of climate change, pertaining to the environment in Lebanon could better be addressed by the government through the adoption of a disaster risk reduction approach.

The availability and reliability of data on the environment constitute a major constraint. Trends are difficult to discern since most data are available for only one or two years.⁵³ Overall, there is a serious lack of national data monitoring systems, institutions and capacities with respect to indicators on the environment and natural resources, in particular for the monitoring of water quantity and quality, and air quality. A central data base of environmental indicators, which is regularly and professionally updated, is a prerequisite for well-informed and effective decision making.

2. Water

The cost of water resource degradation in Lebanon in 2000 was estimated at \$175 million (then, 1 percent of GDP), which was likely underestimated⁵⁴. Since, the state of fresh water in terms of both quality and quantity was negatively affected by the July 2006 war. The main impact on the fresh water sector was the damage to the water and waste water networks, particularly in the South and the southern suburbs of Beirut. The destroyed water infrastructure degraded the water quality due to cross-contamination and seepage and reduced the water supply due to

⁵⁰ See, World Bank, (2006). "Adjusted Net Savings" is a sustainability indicator that measures the true rate of savings in an economy after taking into account investments in human capital, depletion of natural resources and damage caused by pollution.

⁵¹ The ESI is a composite index tracking 21 elements of environmental sustainability covering natural resource endowments, past and present pollution levels, environmental management efforts, and a society's capacity to improve its environmental performance over time. The EPI has two broad protection objectives - reducing stress on human health, and promoting ecosystem viability and sound natural resources management; it is measured using sixteen indicators, tracked in six policy categories: environmental health, air quality, water resources, productive natural resources, biodiversity and habitat, and sustainable energy. See, <http://www.yale.edu/esi> and <http://www.yale.edu/eji>

⁵² Indicators were compiled, according to the international system of environment and development indicators, adopted by the Lebanese Environment & Development Observatory (LEDO) in 2001. Leb. Rep. and UNDP (2001)

⁵³ Available information in the LEDO is outdated, going back to the year 2000 or earlier years. Data may thus not reflect the present situation.

⁵⁴ Sarraf (2002)

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increased water losses.⁵⁵ Moreover, the Jiyeh power plant incident that spilled 12,000-15,000 tons of heavy fuel oil polluted 150 kms of coastline, and thereby impacted nature-based tourism and the economy in terms of livelihoods of fishermen and communities.

The most representative indicator of the water resource (water quantity) is the annual water resources that are available for exploitation, i.e. the water balance. Taking into account natural losses, the water balance is estimated at 3,030 MCM (million cubic meters), which account for 40 to 50 percent of the originally available amount. At present, available water resources are globally correct, but with scarcities in the South and North-East.⁵⁶ However, it is estimated that the increasing water demand will lead to a deficit of more than 800 MCM by 2025 if the water balance remains at its current level. That deficit may be reached much earlier depending on the number of dry seasons. Thus, the country's water demand will not be met in the near future – making it a critical issue of national importance - unless there is proper implementation of government plans to construct additional storage capacity and drastic measures are taken to increase water use efficiency. Moreover, the sloping lands offer a good opportunity to harvest rain water for agriculture (and small power generation schemes), which could change rural lives considerably.

Water quality has been mainly affected by activities that are caused or produced by humans, with the major sources of pollution being the discharge of raw sewage, industrial wastewater, and uncontrolled solid waste disposal and leaching of chemicals from dumpsites and agricultural land, and salt water intrusion, has adversely affected the access to clean water.⁵⁷

Beyond the importance of the quantity and quality of the water resource, there is the issue of “access” through safe or improved reliable (i.e. regular) supply of potable water at household level, and as well of “access” to a public sanitation network at the household level. In general, services provided are inefficient and unreliable with public health risks. Although almost three-quarters of households are connected to a public/private water network, about 80 percent of them suffer delivery failure in summer time: access to water at best a few hours per day to a little as a few hours per week. This failed service is still high in winter when 50 percent of households experience service problems. Two-thirds of households are connected to a public sanitation network. However, many community-based wastewater treatment plants do not work properly. The rest of households are equipped with on-the-plot wastewater treatment systems - septic tanks, cesspits - with poor and not monitored pollution removal rates.⁵⁸

In this regard, policy, promotion, practices and behaviour of hygiene promotion, water conservation and preservation, and environmental protection are weak. However, the increasing and high priority to the development of water and waste water infrastructure and services is a highly positive development, which in the medium to long terms should contribute significantly to the achievement of the related MDG goal and targets, and more generally favourably influence living conditions in the peripheral areas and the rural economy.⁵⁹

The two main factors directly affecting water availability and quality are agriculture and population pressure. Agriculture accounts for approximately three quarters of the total water consumption in Lebanon. There is much waste through over-irrigation, which reaches as high as 300 percent in some areas. In addition, excessive use of fertilizers and the unregulated application of pesticides have led to the contamination of both surface and ground

⁵⁵ Post-Conflict Environmental Assessment (UNEP, 2000)

⁵⁶ Abdulrazzak and Kobeissi (2002). It is noted that FAO (1997) estimated average global water resources at 2,600 MCM, of which manageable water resources estimated at 2,200 to 2,500 MCM and average annual water demand 2,818 MCM by the year 2030 (World Bank(2003)), which would represent a deficit of about 300-600 MCM.

⁵⁷ Leb. Rep. and UNDP (2001). An indicator on water quality is not available.

⁵⁸ Leb. Rep. and UNDP (2006)

⁵⁹ Leb. Pep. (2007d), p.14-17

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water.⁶⁰ Moreover, comparing the environmental performance of the agricultural sector to its contribution in the national economy makes evident the urgent need to rationalize agricultural practices, and to minimize their negative impact on natural resources.

In addition, population contributes to the pressures exerted on water quantity through the increase in population density in urban areas and the over-exploitative habits of the Lebanese population. Water quality is also affected owing to inadequate planning and the inefficient management of domestic and industrial wastewater.

Most importantly, the emerging water crisis is driven by profound failures in water governance. The legislative and regulatory frameworks and the institutional structure that govern the management of water resources are deficient and outdated, and poorly enforced. The institutional framework to implement and oversee the relevant legislation is weak and lacks focus, with overlapping jurisdictions, and is not interlinked within a comprehensive and integrated national water policy. Water tariffs are inadequate in that they do not ensure cost recovery; and, same charges are applied to rich and poor households.

As not much influence can be exercised on global water availability (snow, rain), three important lines of action stand out to address root problems: making available adequate water and sanitation systems and services⁶¹; promoting behavioural change of decision-makers, farmers and the population in general towards better water and environment conservation (quality, quantity); and, creating an enabling environment/context for law enforcement and control measures.

In the end, the need is for an effective and tangible commitment by the authorities to environmental matters, to be confirmed by the introduction, implementation and enforcement of relevant legislation, and the design and putting into practice of a national long-term plan that includes the necessary control and management mechanisms for water resources. In short, it is a major challenge for Lebanon to establish an integrated water management strategy and approaches as part of an overall integrated natural resources system.

The authorities have begun to take action in recent years. New legislation effectively consolidated the 22 water authorities into four regional water entities (Law 221 of May 2000 and its application decrees of July 2005), and a ten-year development plan for water and wastewater was adopted. Whereas these measures have reflected a focus on issues of water supply, the authorities need to pay more attention to efficient management of the demand for and exploitation of water resources and to the operation of waste water management facilities.

3. Air

Air quality assessment is undertaken through the study of the impact on the transport and energy sectors, the main air polluting sectors. In addition to the negative impact of transportation and energy use on air quality, industry, agriculture and waste management also contribute to the deterioration in air quality. The main indicators used for air quality were pressure indicators focusing on the emissions of different air pollutants from the transport sector, and as well some indicators on emissions in the energy sector, the consumption of energy and fuel, and fuel imports.⁶² The cost of air quality degradation in Lebanon in 2000 was estimated at \$170 million (then, 1 percent of GDP).⁶³

⁶⁰ World Bank. (2003).

⁶¹ The World Bank estimated the financial needs over the next ten years at \$600 to 800 million in order to provide an adequate water supply and sanitation coverage in Lebanon (Owen, 2000).

⁶² Government has taken action to improve the study of air quality. For instance, the National Council for Scientific Research (NSCR), which does research on air pollution, and the Lebanese Atomic Energy Commission at the NCSR are in the process of establishing a laboratory to study ambient and indoor air pollution.

⁶³ Sarraf (2002)

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In transportation, whereas rural areas are not perceived to face critical pressure, air quality in large cities is significantly influenced by the transportation system.⁶⁴ Pressures of the transport sector are aggravated by the absence of a sustainable transport policy that regulates the influx of vehicles into large urban areas, especially Beirut, and the inefficient public transport schemes. Other important contributors to the degradation of air quality are the relatively large vehicle fleet (one car for every three persons) and the relatively large number of old cars in circulation. Critical factors of degradation of air quality caused by the transport sector are insufficient legislation and enforcement of legislation, and related weak institutional capacity and financial resources.

The government has acted in several areas to mitigate some of the pressures of transportation on air quality. The national road network has been and continues to be upgraded. The phasing out and then banning of leaded fuel was successfully implemented. A compulsory annual car maintenance check was introduced. The planning of a traffic management system was completed.

The energy sector is another major source of air pollution due to insufficient and uncontrolled national energy production and poor fuel quality caused by weak governmental monitoring of fuel imports. The enduring wasteful (oil-fired) power plants (especially in Zouk, near Beirut) and of the distribution networks in terms of operation and maintenance is an impediment to an efficient environmental management of the energy sector. Energy facilities suffer from technical and non-technical losses that are related to deficient network conditions and to an illegal overuse of power lines by citizens. Moreover, the recurring massive annual deficit of the national electricity authority has been a principal cause of the public deficit.

Limited financial resources are causing shortages in fuel supply, and affecting the quality of service provision through a reduction in the technological upgrading of equipment, which keeps old machinery and networks in place, causes losses, and increases air pollution. As a result, power failures, interruptions and rationing schedules are frequent. The unreliability of the government power generation system has produced a proliferation of uncontrolled and scattered private sources of energy, further raising the cost of energy and increasing noise and air pollution.

The energy sector has long been in a transition and reform phase, from an administrative, institutional and environmental perspective. Lebanon's high level of dependency on external sources of supply for national power generation, and the rapidly changing market conditions have adversely affected the sector. The limited scope of existing legislation, policies and plans is constraining the implementation and enforcement of efficient monitoring programs, in particular of strict fuel standards, as well as the shift to alternative sources of energy.

The establishment and implementation of the necessary legislation and of the regulatory framework and reliable management system that are at the basis of any successful transportation or energy system, and hence at the basis of ensuring a clean air environment, represent a key challenge of governmental action. Initial preparatory studies were recently initiated within the context of the reform programme.⁶⁵

4. Biodiversity and Land

The cost of the degradation of wild life and land in Lebanon in 2000 was estimated at \$100 million (then, 0.6 percent of GDP).⁶⁶ The effect of the July war aggravated the deterioration of the environment in general and the bio diversity and land in particular through the continued presence of unexploded ordinance, rubble disposal and and construction; moreover, the oil spill affected environmentally sensitive ecosystems and the habitat of sea turtles and migratory birds.⁶⁷

⁶⁴ Universite Saint Joseph and Beirut Municipality (2006)

⁶⁵ Leb. Rep. (2007e), p. 20

⁶⁶ Sarraf (2002)

⁶⁷ UNDP (2007b) and FAO (2006)

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The main issue is green cover degradation, since it directly links to both biodiversity loss and land degradation. In 2000, it was estimated that 59 percent of Lebanon's territory was affected by desertification.⁶⁸ Lebanon's rich natural wealth - 9,119 species, of which 4,633 are plants and 4,486 animals,⁶⁹ has long been subjected to frequent and intense pressures and threats of various nature, social, economic, political, agricultural and cultural. The disappearance of some species is directly related to the destruction of their habitat. Some natural sites and ecosystems benefit from a voluntary increasing interest of conservation or preservation, with or without the benefit of legal frameworks. The remaining overwhelming number of sites undergoes variable degrees of exploitation.

The green cover is one of the essential natural resources of the whole ecosystem. In addition to being a key factor in the sustainability of habitats for biodiversity, it is associated with soil quality, the ground water reservoirs, as well as the quality of air. However, many human activities exert pressures over the green cover leading indirectly to manifestations at the level of soil erosion and risk of desertification, loss of natural habitats, and an increasing risk of shortage in ground water resources.

Green cover degradation negatively affects the quality of life and thus constitutes a non realized human right. It relates to socio-economic factors in the country, and to the needs and land use of local communities. Though the extent of the impact is unknown, the green cover degradation and biodiversity loss have adversely affected many services and products that sustain human lives. It can lead to the elimination of small crafts and enterprises, especially those that are managed by rural women, as well as the loss of eco-tourism opportunities that enhance economic activity in rural areas. For instance, the depletion of thyme plants has directly affected traditional thyme production that is usually undertaken by women.

The degradation of the green cover in Lebanon has been complicated by the overlapping of responsibilities among various government institutions (Ministry of Agriculture, Ministry of the Environment, General Directorate of Urban Planning, etc.) leading to inadequate performance and duplication of efforts. In addition, biodiversity and nature conservation are not high priorities to decision makers, hence the insufficient financial resources that allocated for nature conservation. Although laws and decrees relevant to nature conservation are in effect, limited enforcement renders them practically inoperative.

In order to restore the degraded green cover, the Ministry of the Environment is implementing the National Reforestation Plan. In Phase 1 (2003-2005), a total area of 305 hectares was replanted with local forest species. Currently, the second phase (2005-2007) aims at the forestation of about 362 hectares.⁷⁰ Another important national initiative of nature conservation included the declaration of nature reserves and of natural landscapes and spot of natural beauty, totaling seven and nineteen, respectively, in 2005.⁷¹

There are many factors that have directly affected the green cover degradation, including forest fires, over-grazing and over-cultivation, increased quarrying and rapid and unregulated urbanization. Beyond these factors, there are inadequate land tenure systems that lead to over-cultivation, and urban planning and ecosystem management are virtually absent. The root causes of the problem may be viewed as being economic and institutional: the relatively high poverty levels in rural regions, and the non-enforcement of existing laws and regulations designed to protect the environment, indicative of authorities insensitive to environmental issues - though this is gradually but slowly changing for the better.

⁶⁸ GTZ, Leb. Rep. and UNDP (2000)

⁶⁹ Leb. Rep.(1998c)

⁷⁰ GTZ, Leb. Rep. and UNDP (2000)

⁷¹ Leb. Rep. and UNDP (2001)

The major finding that emerges from the analysis is the manifest failure of governance at all levels and across the range of sectors. To confront Lebanon's many and deep-seated problems, there is need to transform governance into good governance that is inclusive and respectful of human rights and accountable. Such perspective offers an excellent entry point for UN system action during the transition of the next few years from recovery and reconstruction to reform and development. It also would enable the UN system to position itself beyond the MDGs – which by and large are within reach - to embrace the wider objectives and scope of the Millennium Declaration.

Other main findings of the analysis to be highlighted include non-respect for human rights principles and related discriminatory practices, in particular against vulnerable groups, structural imbalances that led to modest growth performance; the wide regional and intra-regional socio-economic disparities, and, the deteriorating environment and degradation of natural resources. These clusters of issues inform about options for action by the UN system in Lebanon in the next few years, within the overall frame of good governance – inclusive and respectful of human rights and accountable: human rights of vulnerable groups; education-employment nexus and productivity; empowerment and regional balance (disparities); and, environmental management. Support for recovery in the South remains an on-going concern.

National Reconciliation and Reform

Lebanon's political system of confessional representation is inclusive of minorities and "democratic", a singular system in a region in need of democratic institutions. But Lebanon's confessional system has made religious and community considerations override national and citizen concerns, and has thus constituted an obstacle to state and national formation, let alone to economic and social progress.

The situation in Lebanon is now fraught with many risks. It is a politically divided country, with many long-standing unresolved problems. Yet, the country has demonstrated resilience and a remarkable capacity of survival as it successfully withstood a series of strong political and security shocks in the past two and a half years. However, attempts to reconcile the confessional system with the establishment of a stable political system have failed. The system's failures have mainly been associated with regional instability that has deflected on Lebanon's weak state.

The long-standing political crisis and the dominant responsibility of Lebanon's confessional political system constitute the main obstacle to reform and progress in the domain of human rights, governance, and development in general. Future progress will largely depend on the easing of the political situation, and the Lebanese authorities' willingness and capacity to translate their legal responsibility under international commitments, and under the Constitution, into laws and safeguards to promote fundamental rights and freedoms. Lebanon will have to build on its important elements of strength – open economy, dynamism of its population, extensive historical social capital, its multi-dimensional networks across the globe - to meet its domestic, but also formidable regional, challenges. The challenges can be met with the sustained help of the international community and the UN and UN system in particular.

The extreme political polarization and its disastrous consequences are a constant reminder of the need for a return to open dialogue and for national reconciliation, both at the political and popular levels, and peace building, which could be a crosscutting theme of UN support to Lebanon drawing upon the capacity of the different pillars of the UN and UN development system. The UN system could provide lead support to peace building efforts by focusing on the development of Lebanese institutions that would render the political dynamics in the country more immune to internal and external shocks - such as modern parliamentary election law, national physical master plan implementation, decentralization, disaster prevention and management ...; this approach would involve a strong partnership with Parliament and Government and leveraging the potential of civil society. The UN system could also build on the long-standing experience of recovery efforts in the South and a variety of experiences at the community level involving civil society and in particular youth.

The comprehensive and integrated reform programme, including the public investment programme, that aims to set the recovery on a steady, sustainable path and to cater to social objectives, particularly concerning vulnerable groups, has been strongly and unanimously supported by the international donor community. The reform programme would benefit from extensions on governance and environmental sustainability, which the UN system could usefully support. The reform programme provides also for the UN system the framework within which to frame its future action. The UN system could bring to bear its global expertise and as well its specialized technical knowledge and engage and multiply partnerships with official and other donors. Specific support will continue to address particular problems, such as refugees.

Good Governance

The state of human rights and good governance in Lebanon has modestly improved in recent years, but a lot of progress still needs to be accomplished in this regard. More than thirty years of arrested development have obviously affected priorities, and have taken their toll on skills, and on the capacity and incentives for all kinds of reforms. The fundamental challenge for Lebanon, however, lies in changing the nature of its political system by reconstituting a strong state (adopt a common civil law; modern parliamentary election law; reinforce independence of the judiciary ...). The requirement is for a strong state that will govern in an inclusive and accountable manner and that will be instrumental in driving reform and progress.

Human rights in Lebanon are protected by its laws, but many laws are ineffectively implemented and enforced, if at all. Of particular concern is inclusiveness in terms of the law, notably with respect to the poor, women, children, refugees and non-Lebanese in general, who enjoy few of their human rights. Debate concerning the economic and social rights of non-citizens, including Palestinian and other refugees, migrant workers and others, has not yet been translated into improvements in their situation. The authorities need to reaffirm commitment to human rights principles and address human rights infringements in a more systematic manner in accordance with law.

Incremental measures towards ensuring equality among citizens and respect for the human rights of all people within Lebanon's jurisdiction can be instrumental in strengthening the foundations of the state. In this regard, two options for UN system action. A broad political and social commitment is required to support the Parliamentary Human Rights Committee's efforts to articulate a national plan of action for human rights, and to ensure its implementation over the next five years. Parliament, however, also has a key role in adopting the necessary legislation to implement international human rights treaty provisions, in withdrawing reservations to conventions, especially the Convention on the Elimination of All Forms of Discrimination Against Women, and in ensuring the follow-up by government on recommendations formulated by UN monitoring bodies.

The related principles of transparency and accountability need to be the continued focus of government action. The right to access to information has to become matter-of-fact in government action. In addition, measurement and monitoring of development as well as policy making and decision-making, etc. require up-to-date statistics and information. Notwithstanding the prerequisite of reform of the political system, there is need and scope to strengthen the effectiveness of the accountability mechanisms, including by expanding and strengthening the role and capacity of Parliament in this respect (thereby limiting the prevalence of corruption). Another necessary step is the working of a reasonably small and efficient public administration, including an independent judiciary (as was the case prior to the civil war in 1975). Privatization of public services and decentralization as part of administrative reform would further help considerably. Accountability action constitutes a critical underpinning of the drive to achieve the MDG goals and presents an area for UN system support.

Prompt assistance by NGOs and the international community has significantly alleviated the burden on the

poor and the vulnerable in general. The country's vibrant civil society illustrates the freedom of association and sense of initiative. Citizen participation manifests itself in different forms and in all sectors, and needs to be preserved and nurtured to develop to full potential, with continued support of the UN system.

Economic Development

Lebanon's economic development since the early 1990s is one of modest economic growth, rising unemployment and insufficient employment opportunities despite expanding government spending and substantial international financial assistance. The worsening economic environment and the July 2006 war have adversely affected the living conditions and prospects of the vulnerable groups, particularly those of women and children in the lower income groups. The achievement of full, productive and decent work for all therefore is not much satisfied; on the contrary, vulnerable groups have suffered social discrimination and impediments in gaining access to work.

Beyond the unsettled political environment, Lebanon's unremarkable economic performance has been caused by a high government debt level that has constrained most of the government budgets to unproductive spending on interest and wages, with little left for investment expenditure. Moreover, the substantially increasing deposits in commercial banks have been financing government debt rather than private sector operations. Increased uncertainty regarding future economic prospects has adversely affected business investment.

Lebanon's economic problems, which are more structural than cyclical, have become exacerbated by the political crisis that started in the early 1990s. But those economic problems essentially are not political in nature. Indeed, genuine economic development is associated with structural change. Output (GDP) and employment structures have practically remained unchanged over more than three decades. The result has been stagnant productivity, with average labor productivity that is still below the level attained prior to the war in 1975. This persistent low productivity lies at the heart of Lebanon's economic problems. The Lebanese economy, with its openness and financial wealth, did not succeed in producing the anticipated sustained strong growth and employment opportunities. Support to raise productivity to higher levels offers scope for UN assistance. Through promoting increased engagement of bank lending in private sector development and through a range of growth enhancing structural reforms, the reform programme endeavours to restore competitiveness. Restoring competitiveness of the productive sectors, notably agriculture and industry – critical for the reduction of rural and urban poverty, will require strong action to improve sector governance.

Most important is the need for a "push" that comes from outside the market that would address the market failures in education and regional disparities, which are striking in a small country such as Lebanon. For instance, the authorities can initiate two critical programs: the provision of good-quality and low-cost public basic education (at least until the end of the intermediary level), and the establishment of a modern transport and communications network across Lebanon. The positive impact on skills and productivity of the education program is obvious. The main purpose of the second program, however, is a much more fundamental one of unifying (and hence expanding) the national market, and of stimulating investment in housing and related activities. People and businesses would then be willing to locate outside Beirut and the center of Lebanon, which would stimulate social and political interaction among Lebanese, which of itself is a very important national objective.

One should not underestimate the substantial positive impact that such investments in infrastructure and related services would have on economic activity for years to come. The investments would take advantage of the small size of the country and bring most of the population and areas of Lebanon to mainstream economic activity by facilitating transportation and communication in general. The realization of the two programs would enhance Lebanon's human and physical infrastructure, and thus put the economy on a higher productivity path. It would not only alter in a fundamental way the economic landscape of Lebanon, but also satisfy a greater political good by affording a better national integration between the urban areas and rural areas, and among disparate rural communities.

Poverty, Education and Health

The poverty and overall social situation in Lebanon improved in the last decade, especially until before the outbreak of the July 2006 war; but, poverty remains a serious problem, affecting in its extreme form 8 percent of the population. Poverty or deprivation rates fell nationally and regionally in terms of all the indicators of living conditions, except income. The government's social policies and NGO work have been instrumental in the progress of poverty reduction and social improvements. The Lebanese authorities, through the social plan and detailed social programmes, are demonstrating a new and welcome readiness to address the poverty and social issues as a matter of regular policy.

A qualitative assessment of outcomes diminishes the extent of the progress as the improvement in living conditions in many regions has been modest and disparities, in practically all considerations, between the center and the regions remain strong. The correlation between the reduction in poverty rates and improvement in education indicators should inform national decisions on priorities and policies and calls increased strong support to education, in particular basic education.

The main discordant note in the progress achieved in poverty reduction is the deterioration in relation to income, in all the income indicators and in all regions. This is a reflection of the insufficient growth in economic activity and employment opportunities. While emigration may have reduced some of the economic pressure, the prolonged weakness in economic growth may threaten the progress achieved in other areas.

Though educational attainment has improved, notably for gender equality, but the education quality and standards have not, with a negative impact on skills and productivity. Much remains to be done to fully achieve the right to education in terms of the net enrolment and completion rate targets of basic education, and thereby ensuring that the specific needs of disadvantaged and other vulnerable children are met. Likewise, the picture of the right to health and related MDG goals is mixed as basic health concerns in terms of primary health care and preventive health care have not been adequately addressed and have suffered from neglect of the public sector. Yet, these actions are fundamental for improvement of the conditions of vulnerable groups and continued reduction of poverty.

In the education and the health sectors, there is a serious misallocation and underutilization of resources. The quality of education and educational standards, particularly in the public sector, lags much behind the amounts spent on education inputs. Schools and hospitals have been built in regions at great expense without justified corresponding needs. Specific and targeted national education and health policies that appear largely inexistent to date are being addressed within the context of the reform programme. Their successful implementation will require increased community engagement and stakeholder involvement.

In considering the insufficient progress achieved in the interrelated poverty, education and health fields, one can cite economic and government debt problems, and a largely deficient education system in terms of quality and standards. Underlying these reasons, however, is a polity that has regularly wasted financial and human resources.

Pro-poor growth and regional balance policies along with targeted sector strategies provide the best guarantee to achieve the MDGs in terms of poverty, education and health targets, which are within reach. Basic health and basic education need to be inclusive in order to attend to the specific needs of vulnerable groups and children. A pillar of UN system action could be developed around the cluster of issues of empowerment and regional balance (disparities).

Environment

Sustainable economic development, including the quality of life, is intimately linked to environmental sustainability. As such, the preservation of the environment is an integral part of human rights. The significant environmental degradation in almost all sectors underlines the critical need for the authorities to enforce relevant existing laws and regulations, and to establish an effective environmental control and management system. Sector governance in terms of environmental management, including its relation with poverty reduction, is an option for UN assistance.

Even though the water resources are globally correct for the country's needs, annual deficits loom. Access to safe, regular supply at the household level is not assured to a quarter of the population. Water quality is an issue. Key challenges are to establish integrated water management, including drastic improvements in irrigation efficiency, and to promote water conservation and environmental protection in general.

Air quality is degraded mainly by transport and energy sectors. Green cover degradation has been caused by urban pressure and other human activities in part related to high rural poverty. A clean air and green cover environment will require a radical improvement in sector governance. Improved land management and use through implementation of the national physical plan would have far-reaching effects in terms of national unity and better and more level development prospects.

The benefits of a better environmental management in Lebanon are numerous. The wealth of natural resources available in rural areas is an opportunity for local rural communities to invest in environment-friendly economic activities, such as eco-tourism and organic farming that are growing in popularity at the national and international levels. Moreover, reducing the level of internal migration through decentralization, and stimulating economic development in rural regions, would make people more conscious of and sensitive to issues of environmental sustainability.

Environmental sustainability is a pre-requisite to public health and well-being. Therefore, citizen participation through the NGO sector that acts as a pressure group can induce the authorities to be more active in the preservation of the environment, and more responsible in the enforcement of environmental legislation and regulations.

Lebanon - Indicator Framework

MILLENNIUM DECLARATION AND CONFERENCE INDICATORS

Conference goal	Target	Indicators
Income-Poverty		
Eradicate extreme poverty	Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 dollar a day (Millennium Declaration)	<ul style="list-style-type: none"> ■ Poverty headcount: lower poverty line (\$2.4 per capita per day) 8% (2004) ■ Poverty head count: upper poverty line (4 \$ per capita per day) 28.6% (2004) ■ Poverty gap index Extreme poverty: 1.5% Overall poverty: 8.1% (2004) ■ Poverty severity index Extreme poverty: 0.43% Overall poverty: 3.3 % (2004)

Conference goal	Target	Indicators
Food security and nutrition		
Eradicate hunger	Halve between 1990 and 2015, the proportion of people who suffer from hunger (Millennium Declaration)	<ul style="list-style-type: none"> ■ Prevalence of underweight children under five years of age:⁷² 4% (2000-05)

Conference goal	Target	Indicators
Education		
Achieve universal primary education	Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling (Millennium Declaration)	<ul style="list-style-type: none"> ■ Net enrolment ratio in primary education ⁷³ 73% (1991) 92% (2005) ■ Proportion of pupils starting grade 1 who reach grade 5 ⁷⁴ (Primary Completion Rate) 90% (2005)
Achieving Education For All	Expanding and improving comprehensive early child -hood care and education, especially for the most vulnerable and disadvantaged children (EFA Goal 1)	

⁷² <http://mdgs.un.org/unsd/mdg/default.aspx>

⁷³ http://unstats.un.org/unsd/mi/mi_indicator_xrxx.asp?ind_code=6

⁷⁴ http://unstats.un.org/unsd/mi/mi_indicator_xrxx.asp?ind_code=7

Conference goal	Target	Indicators
Education		
Achieving Education For All	Ensuring that by 2015 all children, particularly girls, children in difficult circumstances and those belonging to ethnic minorities, have access to and complete free and compulsory primary education of good quality (EFA Goal 2)	<ul style="list-style-type: none"> ■ Apparent (gross) intake rate: new entrants in primary grade 1 as a percentage of the population of official entry age. (Gross intake rate in grade 1, as % of relevant age group) Male : 102% (2005) Female : 100% (2005) ■ Repetition rates by grade. (Repeaters in primary school, as % of enrolment) Male: 12% (2005) Female: 8% (2005)
Achieving Education For All	Ensuring that the learning needs of all young people and adults are met through equitable access to appropriate learning and life-skills programmes (EFA Goal 3)	<ul style="list-style-type: none"> ■ Literacy rate of 15-24 year olds⁷⁵ 98% (2004)
Achieve universal primary education	Achieving a 50 per cent improvement in levels of adult literacy by 2015, especially for women, and equitable access to basic and continuing education for all adults (EFA Goal 4)	<ul style="list-style-type: none"> ■ Adult literacy rate:⁷⁶ percentage of the population aged 15+ that is literate. 90% (2004) ■ Literacy Gender Parity Index: ratio of female to male literacy rates. (For the age group 10+) 93% (2004)
Achieving Education For All	Eliminating gender disparities in primary and secondary education by 2005, and achieving gender equality in education by 2015, with a focus on ensuring girls' full and equal access to and achievement in basic education of good quality (EFA Goal 5)	
Achieving Education For All	Improving all aspects of the quality of education and ensuring excellence of all so that recognised and measurable learning outcomes are achieved by all, especially in literacy, numeracy and essential life skills (EFA Goal 6)	<ul style="list-style-type: none"> ■ Public current expenditure on primary education a) as a percentage of GNP; and b) per pupil, as a percentage of GNP per capita. (Public expenditure per student on primary education, as % of GDP per capita) 7.2% (2005) ■ Percentage of primary school teachers having the required academic qualifications. (Trained teachers in primary education, as % of total) 14.4% (2005) ■ Pupil-teacher ratio. (In primary education) 17 (2005) ■ Survival rate to grade 5 (percentage of a pupil cohort actually reaching grade 5). Male: 91% (2004) Female: 96% (2004)

⁷⁵ http://unstats.un.org/unsd/mi/mi_indicator_xrxx.asp?ind_code=8

⁷⁶ http://esl.jrc.it/envind/un_meths/UN_ME026.htm

Conference goal	Target	Indicators
Gender equality and women's empowerment		
Promote gender equality and empower women	Eliminate gender disparity in primary and secondary education, preferably by 2005, and to all levels of education no later than 2015	<ul style="list-style-type: none"> ■ Ratio of girls to boys in primary, secondary and tertiary education ⁷⁷ (In primary and secondary education only) 104% (2005) ■ Ratio of literate females to males 15-24 year olds ⁷⁸ 95% (2004)
	Eliminate discriminatory practices in employment	
	Equitable access to political institutions (Fourth World Conference on Women)	<ul style="list-style-type: none"> ■ Proportion of seats held by women in national parliament ⁷⁹ 2.3 (2001) 4.7% (since 2005)

Conference goal	Target	Indicators
Child mortality and welfare		
Reduce child mortality	Reduce by two thirds, between 1990 and 2015, the under-five mortality rate (Millennium Declaration)	<ul style="list-style-type: none"> ■ Under five mortality rate ⁸⁰ (per 1,000) 37 (1990) 30 (2005) ■ Infant mortality rate ⁸¹ (per 1,000 live births) 40.6 (1990) 17.2 (Most recent) ■ Proportion of one year old children immunized against measles ⁸² (For children ages 12-23 months) 96% (2005)
Reduce child labour	Elimination of child labour (WSSD)	<ul style="list-style-type: none"> ■ Child labour 10-14 years age category 2,7% (1997) 2.1% (2004)

⁷⁷ http://unstats.un.org/unsd/mi/mi_indicator_xrxx.asp?ind_code=9

⁷⁸ http://unstats.un.org/unsd/mi/mi_indicator_xrxx.asp?ind_code=10

⁷⁹ http://unstats.un.org/unsd/mi/mi_indicator_xrxx.asp?ind_code=12

⁸⁰ http://unstats.un.org/unsd/mi/mi_indicator_xrxx.asp?ind_code=13

⁸¹ http://unstats.un.org/unsd/mi/mi_indicator_xrxx.asp?ind_code=14

⁸² http://unstats.un.org/unsd/mi/mi_indicator_xrxx.asp?ind_code=15

Conference goal	Target	Indicators
Reproductive and maternal health		
Improved reproductive health	Universal access to reproductive health services and information by 2015 (ICPD, World Summit Outcome, SG and GA recommendation)	<ul style="list-style-type: none"> Contraceptive prevalence rate (% of married women ages 15-49) 63% (2000-05) Adolescent fertility rate (births per 1,000 women ages 15-19) 26 (2005)
Improved maternal health and reduced maternal mortality	Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio (Millennium Declaration)	<ul style="list-style-type: none"> Maternal mortality ratio⁸³ (Modelled estimates per 100,000 live births - WB) 150 (2000) (1990 - PAFAM) (2004 - PAFAM) Proportion of births attended by skilled health personnel⁸⁴ 93% (2000-05)

Conference goal	Target	Indicators
HIV/AIDS, malaria and other diseases		
Combat HIV/AIDS	Have halted by 2015 and begun to reverse the spread of HIV/AIDS (Millennium Declaration)	<ul style="list-style-type: none"> HIV prevalence among 15-24 year old pregnant women⁸⁵ (% of population ages 15-49) 0.1% (2005)
Combat malaria and other diseases	Have halted by 2015 and begun to reverse the incidence of malaria and other major disease (Millennium Declaration)	<ul style="list-style-type: none"> Prevalence and death rates associated with tuberculosis⁸⁶ (Incidence per 100,000 people) (2005)

Conference goal	Target	Indicators
Employment		
Creation of full employment	Universal access to paid employment (WSSD)	<ul style="list-style-type: none"> Employment to population of working age ratio (ages 15-64) 43% (2004) Unemployment rate (ages 15-64) 8.5% (1997) 8.0% (2004) - 11.3% (2005, ILO)

⁸³ http://unstats.un.org/unsd/mi/mi_indicator_xrxx.asp?ind_code=16

⁸⁴ http://unstats.un.org/unsd/mi/mi_indicator_xrxx.asp?ind_code=17

⁸⁵ http://unstats.un.org/unsd/mi/mi_indicator_xrxx.asp?ind_code=18

⁸⁶ http://unstats.un.org/unsd/mi/mi_indicator_xrxx.asp?ind_code=23

Conference goal	Target	Indicators
Environment		
Ensure environmental sustainability	Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources (Millennium Declaration)	<ul style="list-style-type: none"> Energy use (kg oil equivalent) per \$1 GDP (PPP)⁸⁷ (per \$1 of 2000 GDP (PPP) (1990) (2004) Carbon dioxide emissions (per capita)⁸⁸ (Metric tons) (1990) (2003)
	Halve by 2015 the proportion of people without sustainable access to safe drinking water (Millennium Declaration)	<ul style="list-style-type: none"> Proportion of population with sustainable access to an improved water source, urban and rural (% of population)⁸⁹ (2004) 79.9 (connected to public or private network)
	By 2020 to have achieved a significant improvement in the lives of at least 100 million slum dwellers (Millennium Declaration)	

Conference goal	Target	Indicators
Housing and sanitation		
Adequate shelter for all	Provision of sufficient living space and avoidance of overcrowding (HABITAT II)	
Adequate shelter for all	Universal sanitary waste disposal (WCW/WCS/WSSD/UNCED)	<ul style="list-style-type: none"> Proportion of population with access to improved sanitation (connected to public network) 67.4 (2004)

Sources: 1- Leb. Rep. and UNDP (2006). Living Conditions of Households – The National Survey of Household Living Conditions 2004, Beirut: Ministry of Social Affairs, Central Administration for Statistics and UNDP. 2- UNDP. Poverty, Growth and Inequality in Lebanon, Executive Summary, October 2007. 3 - World Bank. World Development Indicators 2007, Washington, D.C.: The World Bank.

⁸⁷ http://unstats.un.org/unsd/mi/mi_indicator_xrxx.asp?ind_code=27

⁸⁸ http://unstats.un.org/unsd/mi/mi_indicator_xrxx.asp?ind_code=28

⁸⁹ http://unstats.un.org/unsd/mi/mi_indicator_xrxx.asp?ind_code=30

Human Rights Protection in Lebanon: Ratification and Implementation of International Human Rights Instruments

The amendment of the Lebanese Constitution in 1990 integrated the 1948 Universal Declaration of Human Rights and the two International Covenants into its provisions. According to the Preamble, the Lebanese Government “shall embody these principles in all fields and areas without exception”. These international human rights conventions thus have a constitutional value, and a higher standing than the law according to the Preamble of the Constitution and Article 2 of the Code of Civil Procedure.

Lebanon is a State Party to six of the seven major international human rights instruments:

1. International Covenant on Civil and Political Rights (ICCPR).
2. International Covenant on Economic, Social and Cultural Rights (ICESCR).
3. International Convention on the Elimination of All Forms of Racial Discrimination (ICERD).
4. Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).
5. Convention Against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (CAT).
6. Convention on the Rights of the Child (CRC)

Moreover, Lebanon has signed the Optional Protocol to the CRC on the Involvement of Children in Armed Conflict, and ratified the Optional Protocol to the CRC on the Sale of Children, Child Prostitution and Child Pornography. It has also ratified the Fundamental ILO Human Rights Conventions, with the exception of the ILO Convention 87 concerning Freedom of Association and Protection of the Right to Organize; and the 2005 Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children, supplementing the UN Conventions Against Transnational Organized Crime.

Lebanon is not yet a party to the Rome Statute of the International Criminal Court. It has not ratified the 1951 Convention relating to the Status of Refugees or the 1990 International Convention on the Protection of the Rights of all Migrant Workers and Members of their Families (CMW). It has not yet signed or ratified the two new human rights conventions: the International Convention for the Protection of All Persons from Enforced Disappearance and the Convention on the Rights of Persons with Disabilities.

Lebanon has not accepted individual complaints procedures under Article 22 of CAT, Article 14 of CERD, the First Optional Protocol to the ICCPR, and the Optional Protocol to CEDAW. In the absence of effective remedies at the domestic level, the complaints procedure at the international level would provide the individuals the necessary opportunity to make their voices heard in case of infringement of their rights. There is a need to examine this possibility by the Lebanese Government.

The procedure for ratification allows States to make reservations to certain provisions, as long as these reservations do not undermine the convention and contradict its primary purposes. The Committee on the Elimination of Discrimination Against Women in its report CEDAW/C/LBN/CO/2 of 22 July 2005, expressed concern that the reservations made by the Lebanese Government to some provisions of CEDAW are indeed contrary to the object and purpose of the Convention, and recommended that the Lebanese Government expedite the necessary steps to withdraw these reservations.

Lebanon has submitted reports under all conventions to which it is a party, except under the CAT; to date no report has been submitted. There are concerns that reports are seriously overdue with regard to ICCPR and ICESCR. Progress was noted in the case of reports submitted to the Committee of CEDAW and CRC, thanks to the National Commission for Lebanese Women and the Higher Council for Childhood, established within the Executive

Branch with specific responsibility for such reporting. These commissions, along with the Office of Women's Affairs within the Ministry of Social Affairs, also have an important monitoring role to ensure the implementation of provisions of the conventions. A reconsideration of institutional reporting mechanisms and the allocation of adequate financial and human resources would be crucial if Lebanon were to adequately meet its reporting obligations.

In addition to those bodies, other national committees play an important monitoring role. These include the National Committee for the Persons with Disabilities, the National Literacy Committee, the Parliamentary Commission on Rules of Procedure and Human Rights, the Parliamentary Committee for the Protection of Childhood, the Parliamentary Committee for the Rights of Women and the Parliamentary Human Rights Committee.

Parliament has a key role to play in adopting the necessary legislation to implement international human rights treaty provisions and in ensuring executive branch follow-up on Concluding Observations and Recommendations formulated by UN monitoring bodies. Recent efforts to ensure such implementation must be recognized. In the last ten years, Lebanon passed more than ninety new laws related to human rights, gender equality and transparency. The position of Ombudsperson was established through an Act of Parliament in 2005, although it has not been implemented to date.

Through launching a process for the development of a National Plan of Action for Human Rights (NPAHR), the Lebanese Parliament committed itself to draw up a comprehensive plan that contains a specific set of steps to progressively realize human rights in Lebanon. This process is well on the way with the support of the United Nations, and if seen to fruitful conclusion and widely subscribed to by all segments of society, offers a valuable opportunity for raising the level of respect, protection and fulfillment of all human rights in Lebanon.

There remains, however, concern regarding major gaps that exist in certain areas, especially where rights protection remains weak or non-existent for a number of particularly vulnerable groups. The reasons may be a lack of resources or deep-seated cultural or political resistance on the part of significant segments of society. Particular concern should focus on the rights of those with special needs, women, children, Palestinian and non-Palestinian refugees.

Proposed Social Sectors Policy Reforms

Issue	Objective	Measures & Reforms	Time Frame
Coordination and Governance of Social Issues	Create the Inter-ministerial committee that will play a central role in formulating guidelines to prevent duplication, coordinate & integrate the work among all stakeholders in terms of policy planning and decision-making process	- Council of Ministers decision to establish the Committee, to be supported by technical unit.	Beginning 2007
		- Formulate a social development strategy	End-2007
		- Eliminate duplication and overlapping in social interventions	End 2007
Statistical issues	Have a comprehensive centralized social database to be able to efficiently target poor household and avoid double-dipping from individuals benefiting from different safety net schemes provided by different ministries.	- Finalize analysis of the multi-purpose household survey data	Mid 2007
		- Complete tools and mechanisms for the proxy means testing	End 2007
		- Formulate the statistical master plan and start its implementation process	End 2007
Ministry of Social Affairs services	Reform MOSA's safety net programs and other social programs (Social Development Centers, projects with NGOs, Social Welfare programs, etc.)	- Organize the contractual relationship between MoSA and social welfare institutions (Eligibility criteria, automation, etc.)	Mid 2007
		- Adopt new criteria for the execution of local development projects	Mid 2007
		- Reform handicraft department and the "Maison de L'Artisanat"	Beginning 2007
		- Restructure the social development centers both in terms of locations and roles to increase efficiency of MoSA's intervention at the local level	2007 – 2008
		- Reform the social training center	Mid 2007
		- Complete the modernization and computerization of MOSA with links to the social development centers	Mid 2008
Health services	Improve accessibility, affordability and quality primary health services	- Incorporate primary health care benefit into public sector health coverage plans	2007
		- Implement the carte Sanitaire plan	mid 2007
		- Require referrals from primary practitioners for subsidized MOH hospital coverage	Currently in Parliament
	Improve efficiency of health insurance sector and coverage levels for poor	- Develop contracting methods for selected primary health care services	2008
		- Introduce transparency and accountability processes in public sector primary health care facilities	2007
		- Establish continuous professional development plans for MOH primary healthcare practitioners	mid 2007
		- Expand national accreditation program to primary healthcare facilities	2008
		- Strengthen the financial management and ICT infrastructure of the public health insurance funds	2008
		- Harmonize and possibly integrate administrative functions of public health insurance funds	Mid-2007

Issue	Objective	Measures & Reforms	Time Frame
Educational services	Development of an integrated reform program built on outputs from the strategic planning process that is currently in hand	- Completion of the National Education Sector Strategy	Mid-2007
		- Adoption of the strategy by Council of Ministers	Jan 2007
		- Finalize the of "Private Higher Education Organization" Draft law	Feb 2007
		- Restructure the MEHE	End 2006
		- Identify tasks and training for employees	Oct 2008
		- Establishment of an information management unit	2006
		- Implement the school information system in all public schools	Mar 2007
		- Finalize the Law of the Lebanese University	End 2006
		- Establish the Action Plan for implementing the Strategic Goals	Feb 2007
		- Education for All Plan	End 2006
		- Implement the school optimization according to the school map	Sep 2007
		- Computerizing MEHE Departments (EMIS System)	
		- Computerizing the Official Exam Department	Oct 2007
		- Data- Bank for Official Exams Questions	Oct 2007
		- Training Principles of Official Schools on Modern Management Systems	Oct 2007
- Continuing Training System for Teachers	Jan 2008		

Source: Lebanese Republic (2007b).

Macro Assessment of Lebanon's Public Financial Management (PFM) System (March 2008)

Summary of findings

National budget development and execution process

Budget preparation

■ The budget is burdened with large transfers to extra-budgetary entities, including the Council for Development and Reconstruction and Higher Relief Council which were integrated in the budget in draft budget laws 2007 and 2008 subject to ex-post audit by the Court of account. In addition, there is incomplete reporting to Parliament and the public on the operations of a number of the 55 public enterprises including the Electricite du Liban and the joint ventures of the Banque du Liban.

■ The government of Lebanon has experienced delays in settling some past dues, namely to hospitals, NSSF and contractors, some of which have arisen because of cost overruns due to delays in auditing accounts (especially concerning unaudited hospital bills by the MoH and absence of audited NSSF accounts since 2001). Starting 2005, these dues are being settled on installment basis, and today a considerable amount was paid.

■ Lebanon's budget system does not comply with the principle of unity: The Government has dual budget: the general budget approved by the Parliament and the Budget of the Council for Reconstruction and Development approved by the Cabinet. Until the 2007 budget, the Government also differentiated between domestic and foreign financing capital expenditure, with the latter excluded from the budget balance (Budget 07 and 08 included the foreign finance spending of CDR & HRC as was previously noted).

■ Although the Government's quarterly reports are timely, the final budget reports on its operations for the completed fiscal year are not.

Budget Execution

■ Parliament does not allocate expert staff support resources to the Budget and to the other parliamentary committees to enable them to effectively discharge their functions with respect to the Government.

■ Public procurement rules are notoriously subject to abuse and amenable to corruption. However, the public procurement law on modernizing the procurement code to help bring procedures to international standards was finalized and endorsed by the Council of Ministers in October 2007.

The functioning of the public sector accounting and internal control mechanisms

Public sector's accounting

■ Budgetary accounting in Lebanon is on a modified cash basis with a 30-day complementary period, although a three-month period has been in practice. The current accounting system mainly tracks Treasury transactions and produces statements of financial position.

■ The Law on Public Accounting does not require full compliance of government entities with the IPSAS or IASB standards, depending on their public or commercial basis.

- The Minister of Finance does not have the authority in law to prescribe new accounting policies that reflect a migration from cash-based accounting to full accrual accounting.

Public sector's internal control mechanisms

■ A comprehensive internal control system is in place, but there are duplications and weaknesses in the implementation and not all public entities are covered. In addition, the legislative base for internal controls is weak as the current basis for internal controls is the 1963 Law on Public Accounting. However, the government is working on reviewing the public accounting law in order for it to be consistent with the budgeting reforms.

■ The existing expenditure control process is lengthy, complex and non-transparent, involving multiple approvals and susceptibility to corruption. In addition, the multiplicity of detailed internal controls results in less overall internal control.

■ The Government is continuing to develop its relationships with the European Union (EU). In time, there is a need for the Lebanese internal control system to fulfill the functions specified in the EU's Public Internal Financial Control System.

Audit and oversight

Internal audit

■ The central government organizations do not have a generalized internal audit system, and internal audits are mostly undertaken by the Central Inspection Board linked to the Council of Ministers and established in 1959. Existing inspection functions are largely concerned with compliance activities, with limited attention paid to assessing risk in control processes and proposing measures to improve them. Existing inspection do not include an assessment of the risk of corruption in the existing government processes.

■ Neither the national tax administration nor the customs administration officials are given specific legal protection from political interference. The operations of these administrations are audited by the Central Inspection Board, but the scope and frequency of these audits are limited.

Court of Accounts

■ The external audit function is undertaken by the Court of Accounts (COA), which conducts ex ante controls of expenditure and ex post audits, with a strong emphasis on legal compliance. The combination of ex ante and ex post controls in one institution has been criticized as incompatible with standard principles of efficient management

■ The COA does not adopt the INTOSAI SA standards.

■ The COA does not monitor the Government's implementation of the COA's current and previous audit recommendations.

■ The COA does not meet the criteria for independence and does not conduct attest audits in a way that would enable the expression of the auditor's opinion on the fairness of the Government's annual financial statements.

Staff qualifications

■ Although the employees of the Ministry of Finance (MOF) Public Accounting Bureau receive technical training, language training, PC literacy training, ethics training, VAT courses, and budget preparation workshops, employees lack training in migration strategies towards accrual accounting; and consolidation accounting techniques to prepare the consolidated financial reports that accompany this migration.

Key risks the PFM poses to the functioning of the cash transfer framework

Based on the above summary of findings, we conclude that the overall risk assessment of the PFM system in the Government of Lebanon is moderate. We identify the following findings as key risks that require immediate action of remediation:

■ Lack of a unified budget framework that accounts for the financial activities of the public sector and presents it in a consolidated, audited set of financial statements for the public sector, despite improvements in the last 3 years.

■ Weaknesses in internal controls in particular lack of compliance with the requirements of the EU's Public Internal Financial Control system.

■ Lack of independence of the Court of Accounts from Government, which undermines its ability to express an opinion on the fairness of the Government's annual financial statements and on performance audits of government entities.

■ Lack of continuous training for the human capital in the areas of accrual accounting and consolidation techniques.

Assessment of supreme audit institution, Court of Accounts (COA)

■ The Court of Accounts' structure and functions were modeled on the Belgian and French Cours des Comptes in the early 1960s, when the Lebanese legislative base was established. There was no opportunity to update the law to take into account developments in the field of external auditors to government, such as INTOSAI, and the migration to the non-judicial model.

■ The COA does not meet the INTOSAI independence criterion. While the COA does perform compliance audits in budget units and selected extra-budgetary entities, it does not perform an attest function capable of supporting the expression of an audit opinion on the fairness of the Government's financial statements. Nor does it perform regular performance audits or have an emphasis on identifying internal processes that are susceptible to corruption for priority audit treatment.

■ The critical changes necessary to support the modernization of the COA include the elimination of the COA's role in the ex-ante approval of selected expenditures; full COA independence from the executive, reporting instead to Parliament; specific reference to the COA's audit according to INTOSAI standards of the Government's financial statements within six months of their completion; conducting performance audits to assess the economy, efficiency and effectiveness of government spending; and the requirement that the COA monitor and report on the Government's implementation of its recommendations for improvement.

■ The Court of Accounts does not monitor the Government's implementation of all of its recommendations, present and past.

- The COA does not have access to donor-funded technical assistance including: technical advisors on the development and application of the international auditing standards and practices; formal training for new and existing auditors on the application of INTOSAI standards to audit operations for attest, compliance and performance audits; peer group review of the COA and, in the medium term, twinning arrangements.

Suggested opportunities for capacity building and harmonization of financial management procedures

- Preparation and implementation of a comprehensive human resource strategy for the budget, financial and audit staff within the MOF and all government entities on a priority basis.

- Strengthening of the governance structures for public enterprises by requiring MOF to:

1. more proactively monitor the financial performance of public enterprises, including monitoring of assets and actual and contingent liabilities, revenues and expenses and to report quarterly to the Council of Ministers (COM) and to Parliament

2. prepare a consolidated annual report of all public enterprises with a statement of assets and liabilities (actual and contingent) and revenues and expenditures, distribute it within 9 months of fiscal year end to Cabinet, Parliament and the public, and post it on the MOF website.

- Assigning the Parliamentary Budget Committee as the principal point of parliamentary contact for the COA when it is granted its independence from the Government and should actively monitor the Government's implementation of COA recommendations.

- Amendment of the Law on Public Accounting to require full compliance by government entities with the IPSAS international standards for accounting and reporting.

- Providing the staff of the MOF Public Accounting Bureau training in migration strategies towards accrual accounting; and consolidation accounting techniques to prepare the consolidated financial reports that accompany this migration.

- Insuring the individual line ministries to interface their financial systems with the central MOF FMIS and take those steps necessary to increase their interoperability.

- Amendment of the law on Public Expenditures to reflect the modern internal control standards used by the EU and the responsibilities of the Minister of Finance for all aspects of this framework should be clearly specified in law.

- Minimization of the number of approvals required to complete an expenditure transaction in the new expenditure control process.

- Ensuring that the internal auditors work includes an assessment of the risk of corruption in regular audits of existing government processes.

- Establishment of an internal audit directorate within the MOF, reporting to the Minister of Finance.

- Amendment of the Law on Public Accounting (or otherwise provide a supporting Council of Ministers (COM) directive) to require the phased implementation of internal audit units in all significant budget entities in a manner that is consistent with EU requirements for internal audit functions in government.

- Adoption of a strategy of harmonizing all future changes to its internal control and audit systems to conform to the EU public internal financial control standards, amendment of the Law on Public Accounting to reflect the principles of the EU's internal control framework and its assignment of responsibilities to various defined positions in the financial control process.

- Adoption of the INTOSAI SA by the COA standards internally to monitor its development against international standards as it implements future reforms.

- Redirection of the COA efforts to reviewing the results of performance audits undertaken by the COA auditors.

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Checklist determining the risks related to Lebanon's PFM

No	Indicator	High Risk	Significant Risk	Moderate Risk	Low Risk	No info
1	The annual budget contains all expenditures related to ODA projects, including Government and donor contributions				Yes	
2	Budget and performance	Budget decisions are only nominally debated. Little consideration of previous performance is taken into account when setting future budgets.			Budget decisions are fully debated with assistance from expert committees. Full consideration of previous performance is taken into account when setting future budgets.	
3	To what extent are internal controls and financial procedures adhered to?	Procedures are frequently overridden or ignored. Emergency procedures are routinely used.	Procedures are generally followed. However, there are significant exceptions. Doubt exists as to whether or not the internal control system can be relied upon.	Procedures are generally followed. While exceptions exist, they are not frequent enough to prevent reliance on the internal control system.	Always.	
4	Bank reconciliations	Many accounts are not reconciled monthly. Reconciliations are often poorly performed.	A number of significant accounts are not reconciled monthly. Quality in some instances is poor.	Generally banks are properly reconciled each month. Exceptions exist but appropriate follow up action is taken in all cases.	Performed to a high standard for all bank accounts at least once a month.	
5	Transfer of cash resources	Cash transfers from central / regional levels to projects level takes more than 1 month.	Cash transfers from central / regional levels to projects level takes between 2 weeks and 1 month.	Cash transfers from central / regional levels to projects level takes between 1 and 2 weeks.	Cash transfers from central / regional levels to projects level take a week or less. Yes	
6	Reporting of cash and asset position to government	Analysis of cash and asset position made to government contains significant omissions.			Full analysis of cash and asset position is made to government.	

APPENDIX

No	Indicator	High Risk	Significant Risk	Moderate Risk	Low Risk	No info
7	External audit / the auditor general (supreme audit body)	External audit covers less than 80% of central government expenditures.	External audit covers 80 to 90% of central government expenditures	External audit covers 90% of central government expenditures.	External audit covers all central government expenditures.	
8	Follow up action to audit reports	Points raised by external audit are infrequently followed up.	Points raised by external audit are usually but not always followed up. A significant number of points reoccur in following years.	Points raised by external audit are always followed up. In a few cases points reoccur in following years.	Points raised by external audit are always properly followed up. Points generally do not reoccur in following years.	
9	Transparency of audit process	Statutory external audit reports are infrequently published. These are rarely debated in the press even where of public interest.	Most statutory external audit reports are published. These are sometimes debated in the press when of public interest.	All statutory external audit reports are published. These are usually debated in the press when of public interest.	All statutory external audit reports are published. They are debated in the press where of public interest.	
10	Staff qualifications and skills	It is often not clear that staff have the skills and qualifications necessary to discharge their duties.	It is often not clear that staff have the skills and qualifications necessary to discharge their duties.	In only some isolated case is it not clear that staff do not have the skills and qualifications necessary to discharge their duties.	It is always clear that all staff have the skills and qualifications necessary to discharge their duties	
11	Financial systems	Financial systems only capture and report on the most basic financial data, and this is frequently unreliable. System maintenance and performance is generally poor.	Financial systems only capture and report on the most basic financial data. While there are system maintenance and performance problems, generally the system is stable.	Financial systems are adequate for most but not all existing data capture and reporting needs. They are reliable and properly maintained.	Financial systems are adequate for all existing data capture and reporting needs. They are reliable and properly maintained.	

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