

Lebanon

The Development Challenge: Significant events took place in Lebanon last year that were considered to be major turning points for change in the political life of the country. The Municipal elections of May 2004 resulted in the formation of around 180 new Municipalities reflecting a stronger trend towards decentralization. The controversial extension of the President's term for an additional three years, and the formation of an unpopular government brought Lebanon's internal politics to the forefront of the international arena. The United Nations Security Council adopted resolution 1559, that advocates the full sovereignty of Lebanon and calls for the withdrawal of all foreign troops from Lebanese territory, and the disarmament and disbanding of all foreign and non-foreign militias operating in the country. Internally, as a reflection of discontent, a coalition of diversified factions and parties joined forces and formed the largest opposition block the country has witnessed since before the 1975-1990 civil war. These developments clearly show a strong domestic desire for change while maintaining the multifaceted image of Lebanon in the region. However, despite these encouraging developments, the divisiveness that is inherent in Lebanon's confessional system of government continues to contribute to neighboring Syria's ability to interfere in the political affairs of the country. As a result, Lebanon has kept its Syrian and Iranian-supported "resistance" alive, using the argument that the Israeli-occupied Shebaa Farms area is legally Lebanese, not Syrian territory.

The economic situation in Lebanon continues to worsen. Lebanon's accumulating public debt has reached \$35 billion, which is equivalent to approximately 180% of gross domestic product (GDP), one of the highest ratios in the world. This is leading the government to dedicate around 70% of its public revenues to pay interests on the debt instead of financing public services. This has also resulted in widening disparities between the rich and the poor and an increased rate of unemployment (around 20%). The pace of economic and administrative reform is slow. The investment climate remains hazy, with decreasing investor confidence in the country's economy. Only Arab and Gulf financing account for a considerable portion of direct foreign investment in Lebanon. Slight improvements have been noted, with an increase of 29% in industrial exports and an improvement in the tourism sector. Lebanon surpassed the million tourists mark for the first time in 30 years, an increase of 33% in tourist arrivals and the highest average per tourist expenditures (\$1,500) in the Middle East.

At another level, the environment in Lebanon is in a deteriorating state due to years of neglect. This, coupled with a lack of government investments in remedies has resulted in polluted air, soil, rivers, beaches, open dumping, and lack of control on industrial emissions. With USAID's help, attitudes and perspectives of environmental protection and preservation are slowly changing.

As a response to the challenges facing the country, the USAID program is contributing to the USG policy priorities of promoting democratic principles and free economies through investing in the people. It is helping the people of Lebanon by improving their standard of living, protecting their environment and health, building their local institutions, addressing their legal rights as citizens, and addressing their humanitarian needs.

USAID's key strengths reside in its flexibility and technical know-how. Over the years, USAID has built a reputation as one of the most active donors in Lebanon and is viewed by many as having one of the more responsive and targeted programs - though far from the largest. USAID attributes this to the following:

- Purpose of promoting equitable and sustainable development in Lebanon over the long-term;
- Products that are demand driven and focusing on the people;
- Highly skilled group of partners -NGOs, foundations, universities, business associations- capable of operating effectively at high governmental levels as well as at the community level;
- Procedures that demonstrate efficiency by channeling funding directly to implementing partners in contrast with other donors.

The USAID Program: The USAID program in Lebanon addresses the economic, political and environmental challenges prevalent in the country. USAID concentrates on improving living standards by revitalizing and expanding economic opportunities of small entrepreneurs and disadvantaged mine-affected people, encouraging trade and investment with World Trade Organization (WTO) accession, strengthening American educational institutions, and building the capacities of indigenous groups. USAID

also aims to improve environmental policies and practices by developing appropriate waste management practices, creating environmental awareness, and promoting water sector restructuring and efficient water management. Finally, USAID emphasizes building democratic practices and encouraging good governance and transparent practices through strengthening municipalities all over Lebanon and providing assistance to civil society groups and advocacy programs. As a cross cutting theme, USAID works on cultivating citizen awareness of landmine affected areas and prevention practices. In addition, special emphasis is given to women's empowerment all across the activities. For instance, 41 landmine-affected women have benefited from USAID assistance and 21 rural women's production centers have been formed. Also, under the humanitarian assistance program, 60 poor and abandoned elderly women, 40 abused women, and 50 hearing impaired women have been supported this year.

Other Program Elements: The American Schools and Hospitals Abroad (ASHA) program provides an annual level of assistance to four American educational institutions in Lebanon, namely the American University of Beirut (AUB), the Lebanese American University (LAU), the American Community School (ACS) and the International College (IC). In FY 2004, ASHA's level of assistance amounted to \$2,700,000. The funds are typically used to purchase commodities and equipment to improve the institutions' teaching capabilities, including classroom furniture, laboratory equipment, computers, and hardware and school books.

Lebanon benefits from the Leahy War Victims Fund for a number of mine action activities, chief of which is a "Resource Cooperative" aimed at creating economic opportunities for mine-injured survivors and their families in the Southern district of Jezzine, Lebanon's most heavily-mined and casualty afflicted area. As of this date, Leahy has allocated \$3.1 million to the program in Jezzine.

Other Donors: Donor coordination in Lebanon was less active this year compared to previous years. The most recent Council for Development and Reconstruction report lists Arab countries as the main source of Lebanon's external funding, led by the Arab Fund for Economic and Social Development (AFESD) in infrastructure and capacity building; the Islamic Development Bank (IDB) in energy and infrastructure, the Kuwaiti Fund for Arab Economic Development (KFAED) in health, education, and energy; within the same category is funding from the International Bank for Reconstruction and Development (IBRD) of the World Bank in infrastructure, water, energy, and tourism; followed by the European Investment Bank (EIB) in transportation, the European Union (EU) in education, and capacity building; the Saudi Fund for Development (SFD) in education and transportation. France, Italy, Germany, Japan and the United Arab Emirates follow with capacity building and infrastructure projects. Most of the funding comes in the form of loans or soft loans that are channeled to the Council for Development and Reconstruction (CDR) and approved by the Council of Ministers contrary to the USAID assistance that is totally channeled to the NGO community in the form of grants or contracts. USAID assistance is among the top three donors in aggregate spending. USAID's main donor partners are the World Bank, the EU, the Italians and UNDP for rural development, agriculture and environment; the EU, the Italians and UNDP for administrative reform and municipal development; the EU for trade (Euro-Med and WTO agreements); and the French Development Agency for water resources management.

**Lebanon
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Development Assistance	0	400	500	0
Economic Support Fund	34,772	34,794	34,720	35,000
Total Program Funds	34,772	35,194	35,220	35,000

STRATEGIC OBJECTIVE SUMMARY				
268-001 Economic Development				
DA	0	0	500	0
ESF	26,272	18,794	22,720	22,000
268-002 Promoting Democracy and Good Governance				
ESF	5,000	4,000	5,000	7,000
268-005 Improved Environmental Policies and Practices				
DA	0	400	0	0
ESF	3,500	12,000	7,000	6,000

Mission Director,
Raouf Youssef

Data Sheet

USAID Mission:	Lebanon
Program Title:	Economic Development
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	268-001
Status:	Continuing
Planned FY 2005 Obligation:	\$500,000 DA; \$22,720,000 ESF
Prior Year Unobligated:	\$1,563,000 ESF
Proposed FY 2006 Obligation:	\$22,000,000 ESF
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2006

Summary: This Strategic Objective (SO) focuses on revitalizing Lebanon's economy and community that suffers from social disruption, and economic stagnation reflected by complex, dynamic, and often divisive web of political, confessional, cultural and regional interests. The program aims at rebuilding the lives of rural Lebanese by targeting three key productive growth-oriented sectors that comprise 35% of Lebanon's GDP namely Agro-industry, Information and Communication Technology (ICT) and Tourism. The goal is to create jobs and increase full time employment, increase agricultural exports and increase the number of tourists and Internet users. Under this SO, USAID is also helping Lebanon join the World Trade Organization (WTO) in order to encourage trade and investment, globalization, and broad-based reform. It is helping landmine survivors have access to job opportunities and strengthening American educational institutions in their scholarship programs. Finally, it is providing humanitarian and economic assistance to indigenous groups by providing them with small grants to upgrade their administrative capabilities to continue serving the deprived and the needy.

Inputs, Outputs, Activities:

FY 2005 Program: In FY 2005, USAID will continue the implementation of the activities under the existing Cooperative Agreements, which were fully funded from FY 2004 allocations. These agreements with five U.S. NGOs - the Cooperative Housing Foundation (CHF), the Young Men's Christian Association (YMCA), the World Vision, (WV), SRI International, and Mercy Corps International (MC) - will expire on November 6, 2005.

Given that USAID's current strategy (2003-2005) was extended in August 2004 for an additional year (i.e. until the end FY06), \$23 million of FY 2005 funds are planned to be obligated as follows:

Increase Agricultural Productivity (\$10,720,000 ESF). The mission plans to target competitive value added sectors such as bananas, apples, organic farming forage planting and dairy activities and to strengthening the ties and links between farmers and processors to improve quality to increase its share in the export markets.

Increase Private Sector Growth (\$8,000,000 ESF). USAID plans to continue encouraging innovative ideas that promote rural tourism and increase the number of tourists that visit Lebanon's historic, cultural, religious, and natural sites. By providing training and improving the upkeep of the sites, we expect to stimulate the rural economy to create jobs and increase the incomes of residents. More than 300 villages will be targeted. We plan to provide training on the use of ICT modern technologies to foster new income-generating activities in agribusiness, tourism and other industries.

Improve Institutions of Higher Education (\$3,400,000 ESF). Funds will provide approximately 700 students in higher education with a scholarship program that supports two American Educational Institutions of higher learning: American University of Beirut and Lebanese American University.

Improve The Quality of Basic Education (\$600,000 ESF). Funds will be used to provide approximately 250 students with a scholarship program that supports two American Educational Institutions: the American Community School (ACS) and the International College (IC).

Protect And Increase The Assets And Livelihoods Of The Poor During Periods Of Stress (\$500,000 DA).

Funding will be used for the Mine Action program, for ongoing activities under the landmine victims' assistance program in the area of Jezzine in southern Lebanon. This program has become a model for demonstrating an effective and viable approach to addressing the needs of landmine survivors and disadvantaged war-affected people.

USAID will allocate the amount of \$1,563,000 in FY 2004 prior year unobligated funds as follows:

Increase Participation in Global Trade and Investment (\$487,965 ESF) will be used to fully fund the Booz Allen Hamilton contract that provides technical assistance to Lebanon for its WTO accession process. USAID will submit a separate CN for this component.

Protect And Increase The Assets And Livelihoods Of The Poor During Periods Of Stress (\$1,075,035 ESF) in support of indigenous NGOs humanitarian and income generating activities, and is expected to target an around 28 local NGOs benefiting around 5000 beneficiaries per year.

FY 2006 Program: Increase Agricultural Productivity (\$9,000,000 ESF) This activity will to continue to improve the quality and to increase quantities in the sectors of organic products like, apples, bananas, citrus fruits, dairy products, and flowers.

Increase Private Sector Growth (\$8,000,000 ESF). Activities will include the sectors of Tourism and Information and Communication Technology (ICT) as a part of the program focus. Planned activities for this as well as the Increase Agricultural Productivity component above will be subject to the results of an RFA, to be issued during the second quarter of FY 2005.

Improve Institutions Of Higher Education (\$3,400,000 ESF) will provide approximately 700 students in higher education with scholarship program that supports two American Educational Institutions of higher learning: the American University of Beirut and Lebanese American University.

Improve The Quality Of Basic Education (\$600,000 ESF) will provide approximately 250 students in basic education with a scholarship program that supports two American Educational Institutions: the American Community School (ACS) and the International College (IC).

Protect And Increase The Assets And Livelihoods Of The Poor During Periods Of Stress (\$1,000,000 ESF) will be used in support of indigenous NGOs humanitarian and income generating activities. These funds will incrementally fund ongoing activities that address the needs and improve the standard of living for landmine affected individuals and their families.

Performance and Results: Activities under this SO in Agro-processing, Tourism and ICT exceeded the anticipated results for this year. Nine hundred and ten new jobs were created in rural areas, the local production of processed goods was increased by \$4.7 million, the number of tourists was increased by 41,000, and the number of micro credit loans increased by more than 7,951, (injecting \$6 million into these communities), and succeeded in helping 14,396 individuals (male and females) access the internet to improve their quality of life and to have access to virtual markets to sell or buy products. GDP was increased from 2.5% to 3% in 2004. USAID continued to assist the American educational institutions in their scholarship programs to support more than 1,000 students coming from financially disadvantaged backgrounds. USAID also assisted 35 local NGOs in their humanitarian and development projects to improve the lives of 7,155 disadvantaged beneficiaries.

USAID's unique victims' assistance program succeeded this year in increasing the number of total landmine affected beneficiaries and their dependants from 774 to 803. Beekeeping and herb cultivation beneficiaries have improved their income by \$600 per season in addition to the poultry raising beneficiaries who had an average increase of \$400 in their monthly income. As a result of the success of the program, 50 new members will join the cooperative affecting around an additional 200 dependants.

US Financing in Thousands of Dollars

Lebanon

	DA	ESF
268-001 Economic Development		
Through September 30, 2003		
Obligations	850	98,897
Expenditures	550	70,130
Unliquidated	300	28,767
Fiscal Year 2004		
Obligations	0	18,668
Expenditures	0	15,735
Through September 30, 2004		
Obligations	850	117,565
Expenditures	550	85,865
Unliquidated	300	31,700
Prior Year Unobligated Funds		
Obligations	0	1,563
Planned Fiscal Year 2005 NOA		
Obligations	500	22,720
Total Planned Fiscal Year 2005		
Obligations	500	24,283
Proposed Fiscal Year 2006 NOA		
Obligations	0	22,000
Future Obligations	700	24,563
Est. Total Cost	2,050	188,411

Data Sheet

USAID Mission:	Lebanon
Program Title:	Promoting Democracy and Good Governance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	268-002
Status:	Continuing
Planned FY 2005 Obligation:	\$5,000,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$7,000,000 ESF
Year of Initial Obligation:	1998
Estimated Year of Final Obligation:	2006

Summary: Strengthening Foundations for Good Governance is a program that empowers and strengthens the Lebanese local government (municipalities), the parliament, the oversight agencies, and civil society. It improves the delivery of local governmental services to citizens and municipalities, thereby enhancing the democratic nature of Lebanon's overall political system. The assistance focuses on enhancing administrative and financial capabilities, expanding social services, encouraging public participation, and increasing accountability, transparency, and effectiveness.

Inputs, Outputs, Activities:

FY 2005 Program: Activities will build on progress made to further institutionalize municipal standards and procedures, increase transparency and accountability in all aspects of municipal operations, expand the municipal revenue base, and strengthen the role of local government in economic development.

Support Democratic Local Government and Decentralization (\$4,000,000 ESF). Through the Strengthening Foundations for Good Governance program, standardized procedures used previously by all municipalities will be sustained and institutionalized. Municipal staff and officials will be trained to provide efficient and effective services. The administrative and financial capabilities of all 22 municipal unions will be strengthened. Further enhancement of revenues will be achieved through signing protocols with some utility companies and the Ministry of Finance. Municipalities can systematically and electronically share and coordinate key taxpayer information.

A Geographic Information System (GIS) will be installed in twenty municipalities in three years, five in 2005. The GIS is designed to expand the taxation, inspection, and auditing capabilities of targeted institutions and identify hidden revenue sources such as unregistered rental contracts, illegal ads and billboards. Support will also be provided to the engineering units of these municipalities to stimulate growth and investment in their regions.

Citizen participation in the decision making process is a core element of democratic values. Municipal town meetings will be held to ensure communication with the public. Municipalities will be encouraged to initiate projects in which women and youth play leading roles. Communication with the public will further be enhanced through "Citizen Reception" offices and interactive municipal websites.

Policy dialogue trips will be organized between Lebanese municipal officials and their U.S. counterparts. This will facilitate the exchange of expertise in areas such as economic development, environment, education, and good governance. Activities will also focus on ensuring that municipal planning, budgeting, and service-delivery create the environment needed to attract investment and long-term economic development projects. Women officials will be encouraged to play a leading role in these exchanges and local governments in Lebanon will be "twined" with cities in the United States.

The Lebanese Parliament and oversight agencies will be trained to work more effectively with municipalities. A thorough review and revision of administrative processes and procedures related to laws comprising the legal framework impacting municipalities will be done. Five municipal laws, decrees, and orders will be issued this year to enhance the role of local government and municipalities. The State University of New York/Albany-Center for Legislative Development (SUNY-CLD) is the implementing agency for these activities.

Strengthen Civil Society (\$900,000 ESF). The Transparency and Accountability Grants (TAG) administered by America-Mideast Educational and Training Services (AMIDEAST), strengthens anti-corruption efforts in all sectors, all over the country. The agreement ends in September 2004. The response to TAG was significant, with diverse civil society organizations from all regions of Lebanon creating innovative programs focusing on increasing transparency and accountability in a variety of sectors. This program expires at the end of September 2005. USAID intends to continue working on strengthening the civil society.

Improve Quality of Workforce (\$100,000 ESF). The Professional Training Program (PTP), which is also administered by AMIDEAST, becomes fully funded in FY 2005. PTP plans for the next year include: training on public interest law for local attorneys; improved marketing for local artisans and crafts; and managing for results as well as follow-up for programs already offered and taking these programs to the next level. Programs geared towards building women's entrepreneurial and leadership skills are some of the priorities of this program. The PTP component compliments USAID's three SOs.

FY 2006 Program: Support Democratic Local Government and Decentralization (\$6,000,000 ESF). Foundations for Good Governance program activities will continue to build on the progress made in the previous year. The institutionalization and sustainability of standardized procedures for all municipalities will continue, whereby, an additional 500 municipalities will be issuing annual financial statements. Five thousand municipal staff and officials will be trained to provide efficient and effective services while the administrative and financial capabilities of all 22 municipal unions will be strengthened.

Geographic Information System's (GIS) will be installed in an additional 10 municipalities. Support will continue to engineering units of these municipalities to stimulate growth and investment in their regions. Communication with the public will further be enhanced through "Citizen Reception" offices and interactive websites. Citizen surveys will be conducted to confirm satisfaction with the municipal services received. The twining of cities and policy dialogue trips will be organized between Lebanese municipal officials and their U.S. counterparts.

Based upon a thorough review of municipal laws and procedures, ten municipal laws, decrees, and orders will be issued/amended to enhance the role of local government and municipalities. These activities will continue to be implemented by the State University of New York/Albany-Center for Legislative Development.

Promote and Support Anti-Corruption Reforms (\$900,000 ESF). Through the Transparency and Accountability Grant project (TAG, the Mission intends to continue working on strengthening the civil society. USAID will fund activities that empower local civic associations to play a constructive role in advocating change and enhanced transparency, accountability, and good governance in Lebanon.

Improve Quality of Workforce (\$100,000 ESF). The Professional Training Program will continue to provide appropriate, efficient, and effective training to relevant participants from all sectors of Lebanese society.

Performance and Results: The municipal reform program achieved significant results in the past year by increasing municipal revenues and forming more transparent and accountable government institutions that became compliant with all legal requirements. The revenues of most municipalities increased by 200%. Results for assessed rental taxes for the 11 months ending November 30, 2004, reached \$3.6 million in Zahle Municipality-Bekaa compared to \$2.9 million in 2003. An additional 237 municipalities were technically assisted in 2004 bringing the total to over 800. The number of official rental value taxpayer lists- a necessary step to legally collect taxes- published annually increased from 135 in 2001 to 461 in November 2004. This year USAID grants supported activities and advocacy organizations in such diverse sectors as human rights, government transactions, consumer protection, and youth awareness in all regions of Lebanon. Out of the 13 grants funded in FY2004, 10 had nationwide beneficiaries with approximately 180,000 persons benefiting in total.

US Financing in Thousands of Dollars

Lebanon

268-002 Promoting Democracy and Good Governance	ESF
Through September 30, 2003	
Obligations	20,965
Expenditures	13,155
Unliquidated	7,810
Fiscal Year 2004	
Obligations	4,000
Expenditures	6,243
Through September 30, 2004	
Obligations	24,965
Expenditures	19,398
Unliquidated	5,567
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2005 NOA	
Obligations	5,000
Total Planned Fiscal Year 2005	
Obligations	5,000
Proposed Fiscal Year 2006 NOA	
Obligations	7,000
Future Obligations	5,000
Est. Total Cost	41,965

Data Sheet

USAID Mission:	Lebanon
Program Title:	Improved Environmental Policies and Practices
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	268-005
Status:	Continuing
Planned FY 2005 Obligation:	\$7,000,000 ESF
Prior Year Unobligated:	\$10,857,000 ESF
Proposed FY 2006 Obligation:	\$6,000,000 ESF
Year of Initial Obligation:	1998
Estimated Year of Final Obligation:	2006

Summary: This program aims to change the behavior and thinking of the Lebanese towards the environment by advocating policy reform and demonstrating environmentally sound and appropriate solutions to environmental problems at the national and local levels. Activities will capitalize on the initial success of and heightened demand for environmental conservation and health programs and will build on the achievements of the water policy program in water pricing policies and tariff strategies. Focusing on these areas, USAID is filling critical gaps that neither the Government of Lebanon (GOL) nor other donors are addressing. Specifically, this program is helping rural communities create healthier, environmentally friendly living conditions, and aiding the private sector and the GOL in assessing and managing water resources more efficiently.

Inputs, Outputs, Activities:

FY 2005 Program: Reduce, Prevent and Mitigate Pollution (\$7,000,000 ESF, \$10,857,000 ESF Prior Year Unobligated). These funds will be used to continue the existing waste management program in Lebanon's rural communities and to expand it to new areas specifically the Litani River Basin (West Bekaa). FY 2005 funds will be used to construct seven solid waste and 31 wastewater facilities that will benefit 203 communities (approximately 630,000 people). Funds will also be used for awareness and training programs targeting the beneficiary communities. As a result of these projects, it is estimated that municipalities will be able to generate an income of around \$34,000 per year from reuse sales of compost and recyclables. The USAID program aims to improve health and sanitation conditions in rural areas, as well as improve the quality of the streams and rivers where raw domestic sewage is being discharged in an uncontrolled manner. These activities provide cost effective, environmentally sound and appropriate solutions to solid waste and wastewater disposal problems facing rural communities. In many rural municipalities, these activities have emerged as the most viable alternative to large-scale and costly infrastructure schemes. Construction of the waste management facilities will be accompanied with activities to strengthen the management capabilities of the targeted municipalities and raise general awareness on proper waste disposal methods (sorting of the waste at the source). This would improve quality of the end product and ensure the commitment of the community towards the sustainable operation of the facilities. Four U.S. non-governmental organizations (NGOs) implement this activity: Young Men's Christian Association, Cooperative Housing Foundation, Mercy Corps International, and the Catholic Near East Welfare Association/Pontifical Mission. In addition, a U.S. Architect and Engineering company, Camp Dresser and McKee, is developing the design system for the additional waste management facilities that target the Litani River Basin. Companies that will undertake the construction will be identified in the last quarter of FY 2005.

FY 2006 Program: Reduce, Prevent and Mitigate Pollution (\$6,000,000 ESF). USAID will continue expanding the water policy program, as well as the waste management activities to cover the needs of all the country.

Performance and Results: Improve Sustainable Management of Natural Resources and Biodiversity Conservation:

The Lebanon Water Policy Program (LWPP) assistance at the regional and national level achieved significant results at the level of its three components: Technical, Policy, and Institutional. At the technical

and institutional level respectively, LWPP conducted a complete assessment of the South Lebanon Water and Wastewater Establishment (SLWWE) hydraulic assets and developed an investment plan that the Establishment can utilize for optimizing the use of its available resources and anticipating future expansions. In addition, it developed for the SLWWE a new modern organizational structure, a five-year Business Plan and a Financial Cost Recovery Model. These initiatives, unprecedented in Lebanon, will help the SLWWE develop a strategic vision for water systems improvement and tariff reform making it an eligible partner capable of attracting private sector investments. At the national policy level, the LWPP developed the Framework of the National Tariff Strategy and launched a campaign to promote a common vision on private sector participation in the water sector through five study tours to Jordan, Tunis, Morocco and the United States. The LWPP also coordinated 286 consultations and professional workshops.

At the end of its second year, the three other water establishments in the Lebanon specifically requested USAID to replicate the models adopted at the SLWWE for improving their financial and administrative structures. The surge in recent activity has inspired the Ministry of Energy and Water to include a Public Private Partnership (PPP) unit in its new organizational structure.

Reduce, Prevent And Mitigate Pollution:

The program ended its first year of implementation. The results achieved are acceptable. Six out of the 16 wastewater treatment facilities planned for FY 2004 were completed and started operating at the end of 2004. However, all the ten other targeted waste facilities have been initiated and are expected to be completed in mid 2005. The slow program start up was due to several factors. Municipal elections that took place in May 2004, lead to a deadlock situation whereby implementing NGOs had no partners to deal with as the Municipalities preparing for the election, refused to enter into any agreement pending the results of the elections. Following that, some of the new municipal boards had different development priorities and/or refused to provide financial contributions and commitments, or refused to accept the waste of other communities. At another level, Environmental Impact Assessments (EIAS) are not being processed expeditiously by the Ministry of Environment to enable NGOs to start operating. Under this project, USAID is building the capacity of the local community to become capable of mobilizing its human and financial resources to sustain the waste management systems. Twelve awareness and training sessions targeting women, schools students, municipal boards, and communities at large were conducted this year.

US Financing in Thousands of Dollars

Lebanon

268-005 Improved Environmental Policies and Practices	DA	ESF
Through September 30, 2003		
Obligations	2,703	18,504
Expenditures	1,875	10,572
Unliquidated	828	7,932
Fiscal Year 2004		
Obligations	469	10,193
Expenditures	654	4,197
Through September 30, 2004		
Obligations	3,172	28,697
Expenditures	2,529	14,769
Unliquidated	643	13,928
Prior Year Unobligated Funds		
Obligations	0	10,857
Planned Fiscal Year 2005 NOA		
Obligations	0	7,000
Total Planned Fiscal Year 2005		
Obligations	0	17,857
Proposed Fiscal Year 2006 NOA		
Obligations	0	6,000
Future Obligations	0	18,000
Est. Total Cost	3,172	70,554