

## Data Sheet

<b>USAID Mission:</b>	Lebanon
<b>Program Title:</b>	Promoting Democracy and Good Governance
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	268-002
<b>Proposed FY 2004 Obligation:</b>	\$4,000,000 ESF
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2005 Obligation:</b>	\$7,000,000 ESF
<b>Year of Initial Obligation:</b>	FY 1998
<b>Year of Final Obligation:</b>	FY 2005

**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 improving administrative and financial capabilities, expanding social services, encouraging public participation, and increasing accountability, transparency, and effectiveness.

### Inputs, Outputs, Activities:

#### FY 2004 Program:

Transparent and Accountable Government Institutions (\$3,000,000 ESF). The cumulative \$17 million in investments since 2001 have built on the achievements gained from previous activities by targeting all 750 municipalities in Lebanon as well as parliament and the three oversight agencies: the Court of Audit, the Civil Service Board, and the Central Inspection Board. The program is carried out with the Ministry of Interior and Municipal Affairs. Its goal is to bring "excellence in government" to all of Lebanon's municipalities, as opposed to the initial assistance targeting rural small-sized municipalities and one urban medium-sized municipality. This dynamic partnership has yielded powerful innovations that highlight good governance, progressive administrative reform, responsive e-government, genuine citizen participation, and a new awareness of what municipalities are all about.

Funds will provide technical assistance to the remaining 175 municipalities in Lebanon. This assistance will focus on strengthening municipal administrative and financial capacity, curbing the spread of corruption, and enhancing citizen participation in decision-making processes. Thus, the assistance will eventually result in the elimination of tax evasion and thorough implementation of administrative responsibilities to bring previously un-enforced tax laws to light and add millions of dollars in recovered revenue. Assistance to the parliament and oversight agencies should continue to yield updated decentralization laws and enhanced cooperation between the various governmental institutions, thereby, encouraging democratic policies and practices. The implementing partner is the State University of New York Center for Legislative Development (SUNY-CLD).

Transparency and Accountability Grants (TAG) (\$900,000 ESF). This activity strengthens anti-corruption efforts in sectors all over the country. Grants up to \$25,000 are awarded for projects that plan short-term, impact-oriented activities that increase transparency, accountability and good governance. TAG results show that local Lebanese civic organizations and leaders are willing to work hard and creatively to address corruption throughout Lebanese society and in diverse sectors. In FY 2003, \$300,000 in Middle East Partnership Initiative (MEPI) funds were added to the project to support an additional \$200,000 in local grants in Lebanon as well as \$100,000 in initial programming in the Middle East and North Africa region. The implementing partner is America-Mideast Education and Training Services (AMIDEAST).

Professional Training Program (PTP) (\$100,000 ESF). The PTP complements USAID's three strategic objectives in Lebanon and is a useful and targeted vehicle to deliver appropriate professional training to relevant public and private sector participants.

**FY 2005 Program:**

Transparent and Accountable Government Institutions (\$6,000,000 ESF). The current agreement to strengthen municipal administrative and financial capacities, curb the spread of corruption, and enhance citizen participation in decision-making processes, expires in May 2004. However, USAID will continue to play a role in reducing the rampant corruption that reached a zenith during the postwar construction phase. Future projects in 2005, might focus on directing the investment of municipal revenues into cultural/social/economic activities, qualifying municipal federations to implement fiscal and administrative planning, implementing e-government, training new municipal council members to meet their responsibilities as assigned by the new municipal law when passed, and twining cities with the U.S. to exchange expertise. Implementing partner: TBD.

Transparency and Accountability Grants (TAG) (\$900,000 ESF). TAG has helped to create an informal network of civic organizations willing and able to address transparency and accountability within their own spheres of influence and experience. It is important to build upon this resource, which provides a wealth of experience and facilitates development of a longer-term strategy and more efficient implementation. The implementing partner is AMIDEAST.

Professional Training Program (\$100,000 ESF). These funds will enable the Mission to achieve its human resource development and training objectives for public and private sector officials in Lebanon.

**Performance and Results:** Results from these programs over the past year were significant. The technical assistance provided municipalities with simplified municipal administrative procedures, standardized municipal budget revenue and expenditures. It also utilized information technology, allowing municipalities to provide services to their citizens in a transparent, efficient, and accountable manner. As a result of the assistance, municipal revenues have increased dramatically, furnishing local government with much-needed funds to provide services and infrastructure to the community. For example, collections of rental value taxes in Beirut Municipality increased from \$21.6 million in 2001 to \$29.0 million in 2003 and in Zahle from \$2.2 million in 2001 to \$3.4 million in 2003, marking an increase of 60% in assessed revenues. A major milestone for implementing local fiscal policy, the Ministry of Interior and Municipalities issued two orders mandating all municipalities to use the standardized procedures and processes developed by SUNY/CLD. To date, approximately 70% of the more than 575 assisted municipalities are generating non-modifiable electronic taxpayer lists, and at least 50% of expected revenue is being collected.

USAID's TAG activity was the first of its kind in Lebanon. The program's unique focus and ability to mobilize civil society organizations (CSOs) to launch activities that enhance transparency and accountability in Lebanon was innovative. Highlights of the project's outputs include the development of a board game called "Corruption;" an art contest for youth on "Transparency and Accountability;" development of a training manual on legal and auditing requirements for NGOs; raising awareness about women's rights; the creation of an electronic magazine; an integrated information system for citizen use at the Ministry of the Environment; improving the process for export certificates of origin; creation of manuals on student rights and responsibilities and distribution to 70 schools in south Lebanon covering 33,000 students; and a web site and conference examining current government privatization efforts. All of these projects have helped to enhance democratic practices and citizen rights and responsibilities.

The PTP program has been a useful and targeted vehicle to deliver training to participants from all sectors of Lebanese society. In FY 2003, 62 trainees attended eight training programs in the United States, Lebanon and Dubai. It is clear that a demand for training still exists, and the PTP program will continue to be an important tool in achieving USAID Mission objectives in the training sector.

## US Financing in Thousands of Dollars

Lebanon

268-002 Promoting Democracy and Good Governance	<b>ESF</b>
<b>Through September 30, 2002</b>	
Obligations	8,665
Expenditures	7,832
Unliquidated	833
<b>Fiscal Year 2003</b>	
Obligations	12,300
Expenditures	5,323
<b>Through September 30, 2003</b>	
Obligations	20,965
Expenditures	13,155
Unliquidated	7,810
<b>Prior Year Unobligated Funds</b>	
Obligations	0
<b>Planned Fiscal Year 2004 NOA</b>	
Obligations	4,000
<b>Total Planned Fiscal Year 2004</b>	
Obligations	4,000
<b>Proposed Fiscal Year 2005 NOA</b>	
Obligations	7,000
Future Obligations	10,000
Est. Total Cost	41,965