

Executive

www.executive-magazine.com

ECONOMIC ROADMAP

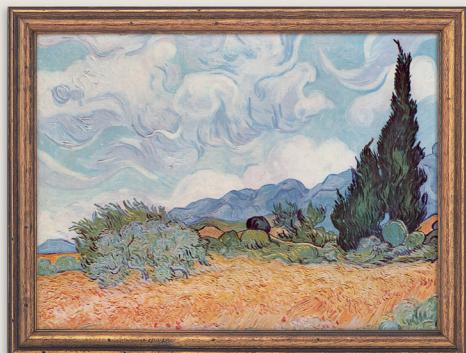
- DRAFT 7.0 -

■ December 2023 - January 2024 N° 272

The
2024
Executive Toolkit for
**SOVEREIGNTY
BUILDING**



You see a family recreating art.



At Fidus,
we see a USD 57 million
Van Gogh masterpiece.



We know a good investment when we see one

Private Wealth Management • Trading and Capital Markets • Funds & Structured Products Advisory

+961.1.990600 • www.fidus.com.lb

fidus
WEALTH MANAGEMENT

EDITORIAL

#272

The purpose of the game

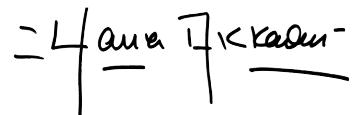
There's nothing quite like sitting down with friends on a sunny winter afternoon for rounds of backgammon. Anyone passing by tables of competitors would likely hear good-humored curses and raucous shouting. During one such Sunday afternoon, after watching a streak of wins and observing different playing strategies, I began to notice exactly what differentiated a winning tactic from a losing one.

In the game of backgammon, players maneuver their pieces across the board, each move carefully calculated to advance their position to one side of the board while simultaneously thwarting their opponents' progress. The winner is able to advance their own pieces quickly while dodging their opponent's attempts to slow their progress. Yet, there exists a subtle balance between strategic disruption and focused advancement. A player fixated solely on disrupting their opponent's strategy often loses sight of their own objectives, squandering valuable time and resources in a futile pursuit. While some of my friends tried to gain ground by impeding each other, the winners were too busy with their own game to waste time needlessly obstructing others'. This strategy works.

I can't help but apply the metaphor to our country. It's clear: leaders embroiled in petty disputes and power struggles are derailing the collective agenda for the sake of short-term gains. Lebanon has no time for this. Just as in backgammon, where victory lies not in the destruction of the opponent's pieces but in skillful navigation towards one's goal, so too must our leaders prioritize the advancement of a secure and sovereign Lebanon.

The essence of backgammon is strategic focus and adaptability, not brute force or coercion. In the playing field of Lebanon, which happens to be a country full of backgammon experts, anyone with vested interest in the country's sovereign future should realize that success hinges not on the capacity to dominate or hinder others, but to navigate complex situations while keeping their purpose in check.

There are lessons to be learned—whether in backgammon or on the national playing field—about strategic balance and focused purpose. Both require transcending immediate and exclusive self-interest for the overarching purpose of achieving a more lasting and meaningful “win.” And for those who forget their objectives, the Executive Toolkit for Sovereignty Building is there to help.



Yasser Akkaoui
Editor-in-chief

CONTENTS

#272



E3

EXECUTIVE
ECONOMIC ROADMAP

- DRAFT 7.0 -

Build & Reform
Strategize
Combat
Develop
Enable

EXECUTIVE's Economic Roadmap starts after page 30

EDITORIAL

- 1 The purpose of the game

LEADER

- 4 Reading beyond the ominous signs

Where to look for virtuous directions and omens of hope?

EXPLAINER

- 7 The secret of the seventh Roadmap

Executive introduces the new Economic Interactive Roadmap.

- 10 Forging an economic path to new sovereignty

Visualizing sovereignty shows an interdependent path forward

SOVEREIGNTY

- 12 To be a state and an economy for the 21st century

A bundle of sovereign challenges is facing Lebanon

- 20 Energy security at a crossroads

2023 issued old and new obstacles to Lebanon's energy sovereignty.

- 24 Harvesting reforms

Lebanon's agro-food industry must course-correct

- 28 The case for full dollarization once and for all

Could dollarization save the economy?

ECONOMIC ROADMAP
DRAFT 7.0

Executive

Responsible director Antoine Chidiac
Managing director & editor-in-chief Yasser Akkaoui

Editor-at-large Thomas Schellen
Managing editor Marie Murray
Journalist Rouba Bou Khzam
Contributors Carol Farah, Layal Mansour
Art direction Tanya Salem
Photos Archives, Agencies, Greg Demarque
Infographics Aline Nassar

Operations manager Lucy Moussa
Web development manager Rabih Ibrahim
Online specialist Ruba Sharafeddine
Marketing representative Karine Ayoub Mattar
Subscriptions manager Roula Emanuel
Subscriptions Gladys Najjar
Distribution manager Katia Massoud
Accountant Fadi Bechara

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

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

For subscriptions – subscribers@executive.com.lb

LEADER

■ Reading beyond the ominous signs

Where to look for virtuous directions and omens of hope?

Lamentations over the state of the world, the ongoing extinction of a Mediterranean conurbation, and the mass murder of a populace in our corner of the Middle East are currently ubiquitous on the world's streets and in virtual public squares. In the global market place of opinions, minds are bombarded with both constant protests against war and genocide and constant hue and cry lambasting the parties bearing the blame of the ongoing armed conflicts.

From the vantage point of our small geopolitical neighborhood, this has the perverse effect that apparently vote-seeking philippics about concrete wars, genocide, and everything and everyone that is – verily or presumably – not adequately functioning in the global system, currently are detracting from giving what it takes to meet this troubled region's urgent need for radically new, sustainable and long-term solutions.

Such detraction is all the more tragic under the Lebanese socioeconomic perspective. Any valiant effort for a full national reboot, the need of which has been stated openly and unmistakably for seven consecutive years by the economically literate in this country who trusted this magazine as their forum, is today forced to confront the bickering, self-centered infighting of the country's political class and their external beneficiaries. Additionally, all calls and efforts for producing solutions to the Lebanese economic dilemmas are now drowned out by the political maneuvering, fake news and propaganda assaults in the massive info-war that has been raging since last October



on multiple fronts around Lebanon. This is nauseatingly counterproductive because the crisis of the Lebanese economy is not solved in the least.

A HORIZON HANGING FULL OF MOURN

However, before it is conceivable to discuss if and how the worsened Lebanese situation, heightened national security, and persistent economic threat level can be rationally addressed, it is a human obligation to acknowledge that Lebanon, while suffering, is far from being as bad off

as the Palestinian territories, long the nexus of universal suffering in this part of the world. With the Palestinian pain at a tortuous and wrongly justified historic peak level, it must be expected that nothing other than dirges will become the emblems of living in Gaza and all of Palestine and that those Arab dirges will for years be sending their worthy message to the world.

This outlook on future perception of the Palestinian cause is diametrically opposed to how, in the global battlegrounds of opinion manipula-

tion and mind twisting, it is today impugned as barbaric and disgracious to open one's mouth, asking for example what delineates genocide when the stage is Gaza, or "coldheartedly" compare what percentage of Gazans have been killed in five months with the percentage of civilian casualties during two years of warfare over Ukraine. But most depressingly, and regardless of the inevitable rectification of the current vile rage against calling out the mass extinction of Gazans and deliberate "inflicting conditions of life calculated to bring about a group's physical destruction in whole or in part" for the genocide it is, the stories of monstrous suffering and unbearable pain in Gaza will only lead to the eternally unanswerable question of "why?".

"Why" is the essence of lamentation, whether one searches today, 7 decades, or 27 centuries ago. And even if one dirge were to ask, "where are signs of hope and peace?", such a question's indisputable answer can only be the negative affirmation: not with terrorists, not with the tyrants of power, and – with 99 percent certainty – not in geopolitics.

AND YET

However, an equally indisputable fact about the future of what is today the world's most concentrated war zone, is that there will be a "day after." Even as no one can predict how many more needless deaths it will take for the power of atrocity raging in Gaza to finally wane, it is a fact of history that wars do cease.

And this means there will be the day when all partisan non-starter solutions for Palestine, and by extension Lebanon, will be substituted with an endeavor of somehow realizing non-violent coexistence and a fair regional framework that fortifies these peoples' yet to be built sovereign path of self-determination, prosperity and virtuous interdependence.

Notably, even if there will also be a "day" marked by the need to heal

the souls of victims and unmask the lies that have been and still are ruling the war, the "day after" on country level will require return to economic life and implementation of political coexistence with neighbor countries.

Being cognizant of all this, it would be wholly unconscionable to approach the economic "day after" for Lebanon without a cogent plan.

The Executive Economic Roadmap, throughout seven iterations, has adhered to the concept that balanced cognitive processes are crucial for a diversified and sustainable economy.

This has motivated the roadmap's structuring into pillars in adherence to the thought that what is crucial in an economy's intensification and expansion, are applied methods of information processing for balanced growth and conservation while also considering juxtaposed innate tendencies such as aggression and cooperation. This mindset, used since the first draft of the Executive Roadmap, is the mindset that we relied on when revising our current roadmap draft 7.0 and its more appealingly digitized version, the [Executive Economic Roadmap Interactive](#), or ERMI, which we intend to be maintaining and updating under this designation in continuity.

BEATING THE RED QUEEN FROM A NEW BASELINE

The 2024 departure line for igniting Lebanon's economic democracy is marked firstly by new dangers, namely the specter of foreign aggression against Lebanon and the equally threatening specter of violation of liberty from inside. But the course of our roadmap is also newly distinguished by the opportunity to analyze where Lebanese sovereignty has in the past 30 years been faked and how thoroughly the people were deceived by a false sense of economic security.

The race to a sustainable country is secondly entering a new phase this year on strictly national grounds. With the old Lebanese fiefdom system of fake freedoms and pretend

economic security gone, the target of economic salvation is no longer delineated by a polity that either masters structural reforms and gains approval from international development finance institutions (DFIs), or has no other chance but to run for the foreseeable future in what is sometimes called a Red Queen's race (in allusion to Lewis Carroll). Being trapped in the latter would mean running and striving at the highest speed that Lebanon's business community can muster – yet without a chance to escape dependence on handouts.

The vision driving ERMI is that of an interdependent and networked sovereignty with meaning in the digital age. This concept of sovereignty as supreme but not indivisible or absolute can only succeed if based on social and economic security, and constructed on consultative collaboration from an economic democracy that practices non-confrontational conflict management.

Executive invites all those seeking a reformed Lebanon to [access ERMI](#). Join our journey to security and realistic sovereignty by delving deep into propositions for betterment of Lebanese social and economic compacts.

TESTING FAR-OUT METHODS

Many methods have been used throughout human history when seeking conflict resolution and post-conflict scenarios. Some involved looking for celestial signals. By some trait encoded in the human being, turning our eyes to the skies is ingrained in our kind. Turning their eyes to the skies was what the augurs – one might describe an augur as a political consultant and futurist – of antiquity's Mediterranean superpower Rome did routinely and professionally over 2,000 years ago.

Another no less astounding but very different story of reading the skies is the tale of the Mediterranean seafarers who, close to three millennia ago, navigated to distant African and Northern European shores.

LEADER

They did so not by auguring from mystical sights but by using a combination of celestial and terrestrial observations, imprecise mathematical calculations, and experience. Thus ensued the narrative of long-distance trade and the fame of requisite Phoenician skills eons before sailors started to use the compass, not to mention GPS.

Thus, despite the boost in appreciation for metaphysical decision-finding that the performances of leading players in today's empires may have unwittingly caused in the past few months, it is the method of combining intuitive, experiential, and evidentiary elements that Executive continues to trust as far as the salvation of the Lebanese polity and economy is concerned.

Yet, outside of our economic roadmap, how can a contemporary human being react to seemingly irreversible moral bankruptcy and operational catastrophe of the overextended geopolitical system?

It is in this context that the anachronistic proposition of auguring sneakily arises in this writer's notoriously simple mind. When contemplating and agonizing about the political maneuvering and grandstanding that falsely claims to be a search for peace in the Middle East, it suddenly sounds sane, almost compellingly so, to resort (like a Roman augur) to reading aerial movements as arguments for a Pax Deorum.

However, to return to a more realistic mental ground, about the

short-term potential of [ERMI](#) one must make no mistake: what in a best-case scenario is on the cards for Lebanon will not be, for a great and indeterminate while, a day of peace or prosperity. It will be a day of newly endeavoring for economic sanity. This effort can be informed by two prior stages of mapping of the Lebanese economy's needs, but it will also in the coming post-crisis years remain an absurd aspiration to succeed on terrain that has up to this day been hostile to sane and sustainable economic life in so many different ways. In this spirit let's just recall one apt motto of Lebanon's 2006 mental rebellion against being bombed into the "stone age" by a most belligerent neighbor: Keep walking. ■

FOLLOW EXECUTIVE ON LINKEDIN, TWITTER, FACEBOOK AND INSTAGRAM



@ExecutiveMagazine



@executivemag



@ExecutiveMagazine



@executivemagazine

Executive

EXPLAINER

The secret of the seventh Roadmap: meet ERMI

The Executive Roadmap is a dynamic, consultative and collaborative undertaking that documents solutions and bundles of measures which are seen as answers to Lebanon's economic and structural woes by committed residents from many walks of life. To the best of the editors' knowledge, the Roadmap is the longest-running, often relayed on or copied, and most crowd-sourced economic plan under publication in Lebanon. It also is distinct in its origins and character from rescue plans that were conceived in public sector, business community and civil society contexts of the country's acute economic crisis in the past four years. As such, the Roadmap is a testimony to the will of the people beyond any political affiliations. It is a permanent draft that is in its seventh annual iteration, thus in its pdf iteration marked as Draft 7.0.

At the same time, Draft 7 marks the entry into Executive Roadmap's third phase of iteration and development. This new phase is externally determined on one hand by the national circumstances that entail more severe external threats and internal dangers – but also new economic and social impulses that highlight the potential for restructuring and rebooting what Executive codifies as economic democracy. On the other hand, the new phase of RM iteration represents a significant editorial effort of making the Roadmap Drafts more accessible, visual, and indeed inviting to new stakeholders aspiring to share in the shaping of Lebanon's fortunes.

To this end, the Executive Roadmap is now garbed in fancy digital attire. The visual representation and navigation have been redesigned

from scratch. Its 390 recommendations have been condensed and aligned in style to be sharper, under the intent of serving as content platform in workshops, roundtables, and new interaction formats where Executive will in this year and henceforth be inviting contributions and debate. When compared side by side with the 7.0 pdf version, the [Executive Economic RoadMap Interactive](#), or ERMI, are one in spirit and fully aligned in content but distinct in appearance and nuance.

THREE PHASES OF ROADMAP EVOLUTION

Induced by years of observing and analyzing administrative and political deficiencies that have been widening instead of being resolved, and of social and economic pathways that were directed at walls and cliffs instead of sustainable solutions and stairways to greater prosperity, the Executive Roadmap to save Lebanon was first prepared in the second half of 2018 and published in December of that year as a substantive plea for implementation of reforms and creation of efficiencies.

In the earliest iteration, direct consultations with stakeholders as well as the archive of Executive informed Draft 1.0's formation with analysis pieces, industry reports,

The new phase of Roadmap iteration represents a significant editorial effort of making it more accessible, visual, and indeed inviting more stakeholders to share in the shaping of Lebanon's fortunes

business features, interviews, expert comments, by-invitation op-eds, and editorials. Extracted from a loose list and organized into four pillars (Build & Reform; Strategize; Combat; and Develop), the aggregate of the magazine's stakeholder contributions and insights was translated into an actionable document of 16 Policy Priorities laid out on 48 pages. Three internal and twelve external stakeholders were listed on the masthead of Draft 1.0.

The mindset of Executive editors at this moment in time, expressed in the Facts & Figures 2017-18 end-of-year issue, was deeply concerned, but still hopeful. The issue's Economy & Policy overview piece warned "The Lebanese state has no plan for where to take the country economically in 2018 and beyond."

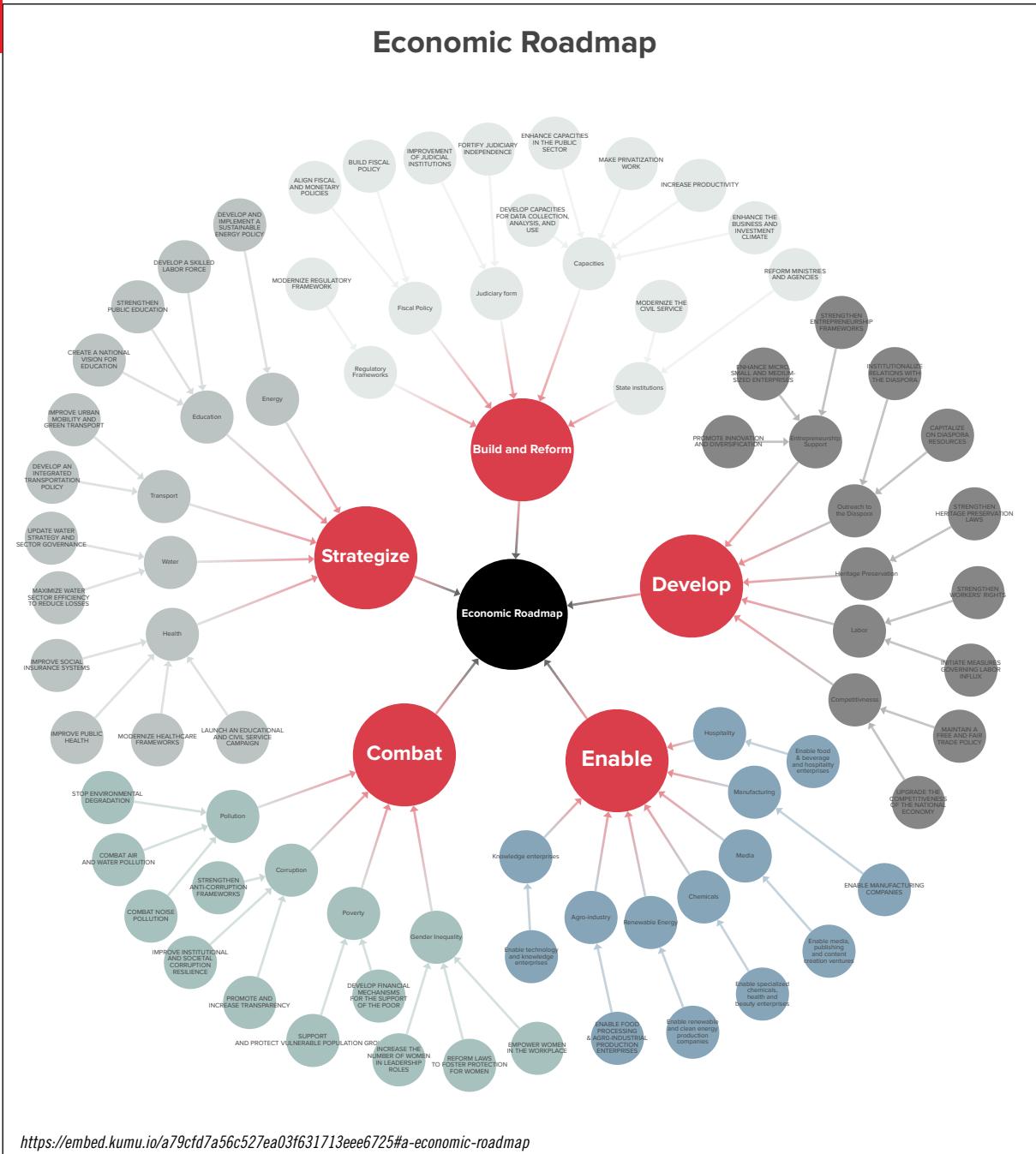
It can thus in hindsight be said that the first steps of the structured Roadmap process, while yielding Draft 1.0, were embedded in an increasingly uneasy calm, the relative peace of the status quo ante that lulled Lebanon in the entire post-conflict reconstruction and development period of the 1990s, 2000s, and 2010s. In the months following publication of Draft 1.0, the country was still engulfed in deceptive calm (while the July 2019 issue of Executive was titled "Breaking Point" and argued that, if Lebanon were a corporation "its management would need to be fired and fired fast", editors continued to emphasize the great value of the financial system and called upon banks "to make every effort they can to be absolutely trustworthy").

But in editors' anticipation of likely deepening social and economic chasms and breakages in the country's integrity, Executive's Roadmap was, in a parallel effort to the regular coverage, materially reviewed and substantially expanded through consultative meetings held with diverse civil society organizations and stake-

EXPLAINER

INTRODUCING ECONOMIC ROADMAP 7.0 INTERACTIVE

Economic Roadmap



holder groups (that in some cases did not even consider themselves being *prima facie* economic stakeholders). Because of these interactive, on-the-ground consultations, the number of

credited Roadmap contributors multiplied more than sixfold; Draft 2.0, published as a standalone document in spring 2019, introduced 268 newly proposed measures.

A first for Executive in the preparation of Roadmap 3 was an intense cluster of five economic and financial roundtables organized in a downtown Beirut hotel just ahead of national

day 2019. Stepping out of the conference venue and walking less than 50 steps after the successful conclusion of the last roundtable session meant that participants and conveners of the gathering were immersed in one of the most vibrant and enthusiastic Martyrs' Square convocations of civil demands for change. Draft 3.0 was thus informed by the civil thawra at the end of 2019, but was still in many ways an effort of finding ways to avert the tsunami of despair that had been looming higher and higher in the preceding months. The number of credited contributors and stakeholders in the project again rose, almost doubling from Draft 2.0.

ASPIRATIONS OF RESCUE IN DIRE STRAITS

As the liquidity and banking crisis merged into the structural economic meltdown, the Roadmap process entered its second phase of iteration and became a crisis response and rescue tool. Draft 4.0 sought to help chart the way through the crisis by highlighting proposed emergency measures while attempting to "complement the emerging political will, doctrine, and resolve, which centers Lebanon's well-being." Draft 4.0 was presented in print in the "Fight for Hope" December 2020 – January 2021 issue of Executive.

As the immensity of the Lebanese political, economic, and social crisis was building up in 2020, Executive's Roadmap Drafts went in search of new perspectives and ways forward.

In this overwhelming crisis context it is important to acknowledge that the work on RM Drafts 5.0 and 6.0 was marked by many financial and personnel impediments because of the unexpected mega-crisis exacerbated first by the Covid-19 pandemic and then, of course the Beirut Port explosion of August 4, 2020 unleashed by human failure and criminal political negligence.

Hence, RM Drafts 5.0 and 6.0 saw addition of measures urging fast ac-

tion on issues such as negotiations for an agreement with the International Monetary Fund and provision of vaccines. A noteworthy addition aiming to include private sector productivity and focus was the addition of the Enable pillar, documented in Draft 5.0. This pillar emerged out of consultative roundtable work with international agencies and private sector industry leaders in March 2021.

The Enable pillar consequently covers seven sectors of promise in manufacturing and services. These seven sectors – manufacturing; agro-industry; media and content development; hospitality; knowledge enter-

a new sovereignty that is realistic, modular and interdependent. In parallel with ERMI, Executive has developed Draft 7.0 as final pdf iteration and reference document containing the longer-form Policy Priority descriptions and proposed measures.

Digitized but not yet fully digital, ERMI offers an abridged Roadmap that condenses lengthy proposed measures and omits some proposed measures that overlap and have been included in more than one pillar and Policy Priority. We also condensed the introductions for each theme and designations of Policy Priorities for easier interaction in ERMI.

ERMI is even more committed than Drafts 1.0 to 7.0 to the stakeholder diversity and consultative approach that is the governing mindset of the Executive Roadmap since day 1. The editorial commitment to continuity of this process is evident in the structure of five verticals (pillars) and 26 topics or Policy Priorities with a total of 52 sub-categories.

The integrity of the Roadmap numbering system has been retained, even where individual measures have been retired from ERMI for reasons of redundancy or inappropriateness in the 2024 timeframe. In short, numerical identifiers of Policy Priorities and proposed measures in reference Draft 7.0 and EMRI are 100 percent the same.

In terms of intended priority audiences, pillars one and two have been compiled with the primary target of serving and inspiring public stakeholders, pillars two and three are designed to appeal civil stakeholders, pillar four and five aim to reverberate with private sector stakeholders. All five pillars, however – and this is the *raison d'être* of moving the Executive Economic Roadmap into expanding interactivity with more and more digital functionalities envisioned for future EMRI iterations – seek to unleash innovative thinking and garner input and debate from all types of mindful stakeholders.

■ The Roadmap is a testimony to the will of the people beyond any political affiliations

pries; specialized chemicals (with utility for health and beauty); and renewable energy – were judged by consulting experts as best positioned for new growth. The number of contributors in Draft 5.0 reached more than 180 while proposed measures culminated at over 360. Draft 6.0 at the start of 2023 reiterated the content of Draft 5.0, adding new accents and shifting emphases.

Ideation of [ERMI](#) started in mid-2023. In the iteration's design and collation phase, Executive produced a mindfully shortened, more visually appealing and intuitively interactive ERMI and the reference Draft 7.0.

THROUGH THE LOOKING GLASS(ES) OF MANY INNOVATIVE MINDS

As the crisis landscape has shifted to a wider need for integrated regional development and stabilization, the third phase of our Economic Roadmap iterations is upon us in form of ERMI. In preparation for the day after regional instability, phase three denotes the time of joint striving for

EXPLAINER

■ Forging an economic path to new sovereignty

Crisis situations are nothing if not an opportunity for change. In this sense acting as a supreme motivating force for change, the economic crisis was expanded by a national security crisis and threat to sovereignty of Lebanon. In the 2023/24 issue of Executive, we explore the magazine's consultative Economic Roadmap under a perspective of building security and ultimately a new expression of sovereignty that is both networked and interdependent, instead of being defined as indivisible and territorial.

Economy is the aspect of a polity that is always in flux. By definition, economy is never at the same

time static and growing. The investigations and inquiries of Executive Magazine over the three years since March 2021 have shown that some sectors of the economy meet the criteria of both serving greater societal need and opening larger economic development potential.

Specializations of economic activity that have these two characteristics of great need and reward included renewable energy and production of food stuffs. Improvements of productivity and output in these sectors will therefore translate into the increase of security for the whole of society. In an additional advantage, meeting societal priority needs for food and energy is acknowledged globally under targets of food security and energy security (see stories contained in this pdf issue that summarize our 2023 findings on these sectors).

The economic crisis of Lebanon

has in this sense spurred on the identification of economic activities with high potential for job creation and market growth. Such potentials for boosting the economy were discovered through stakeholder consultations curated by Executive in manufacturing, hospitality, knowledge and creative industries, tech entrepreneurship, and niches in the real economy such as healthy cosmetics and organic products in food and beauty.

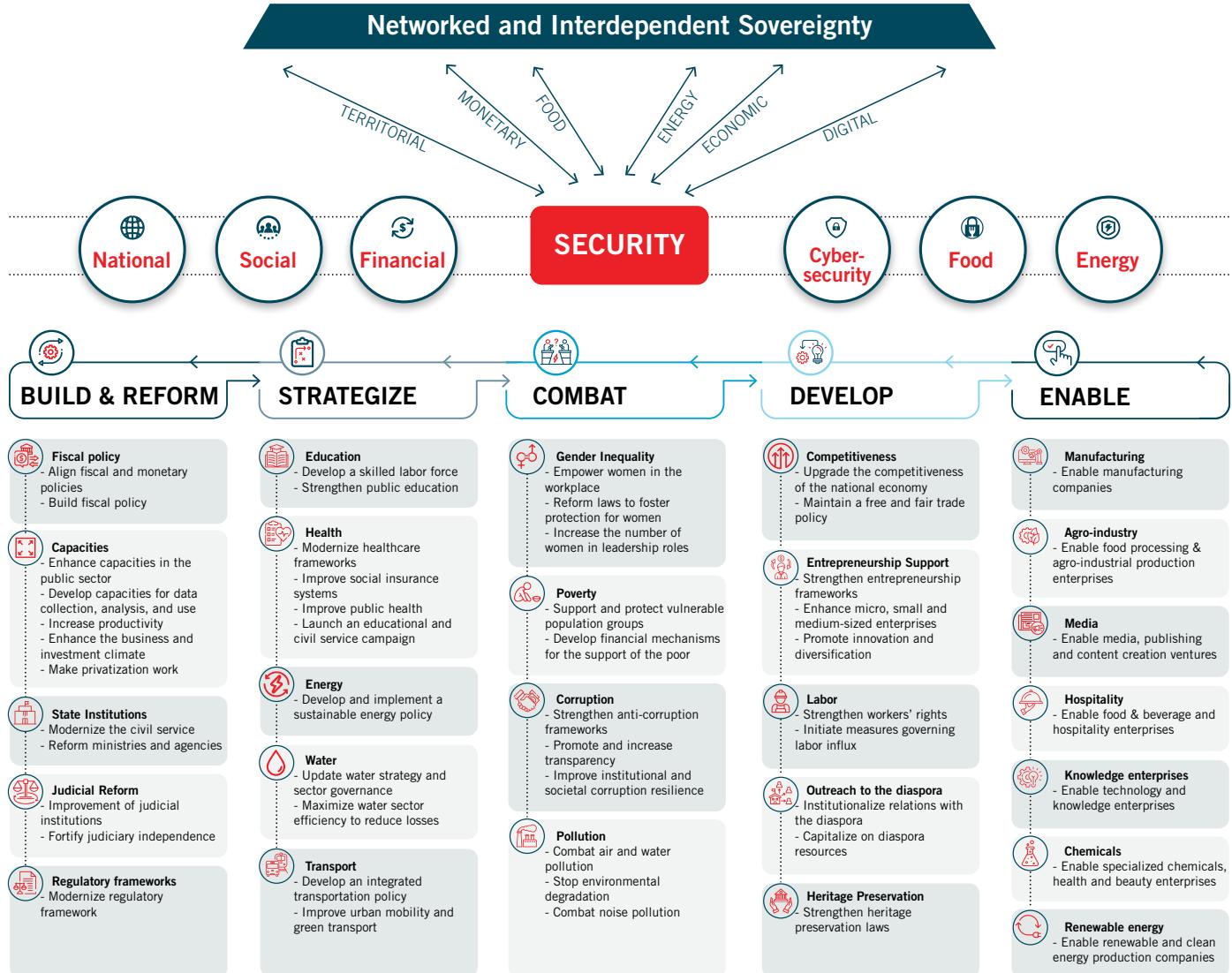
Further priority efforts of private and public sectors are needed for creation and improvement of financial markets and social safety networks, which are curiously interdependent to one another in the respective assurances of social security and financial security (see special report in issue 270 and dollarization comment on page 28).

A new aspect of security needs is cybersecurity, which is the meet-

www.executive-bulletin.com

Your daily update on all corporate news and announcements from all the region's countries and sectors

Executive



ing defense needs of an increasingly digital society and in many ways is the equivalent of national security in the physical territory of a country. The importance of addressing those two security needs has been heightened immensely and the value of national security has been put in sharp relief by events in the last quarter of 2023.

It must be noted, however, that the economic sectors of above stat-

ed potential were not at all times the first focuses of private investment. Neither were they the recipients of incentives by legislators or public sector support. This has to change as much as private and public capacities can facilitate.

A further factor of detriment was made evident through Executive's research, namely that the sectors with the highest job creation potential in the real and the

services economy, and the priority issue of security, are interconnected with national public sector and governmental capacities that have been long and deeply deficient and still not being developed. The implementation of the economic roadmap through private and civic efforts and achievements of its purpose and vision layers cannot be completed without building and reforming the state and its institutions.

TO BE A STATE AND ECONOMY FOR THE 21ST CENTURY

■ BY THOMAS SCHELLEN

A BUNDLE OF SOVEREIGN CHALLENGES IS FACING LEBANON

There is no denying that Lebanon's territorial sovereignty has, especially in recent months, been heavily violated. Not a dozen or a hundred times, mind you; it has been transgressed against to the point where numbers have become so routine as to be meaningless. Lebanese finds itself again as a playing field of international powers at the expense of its own sovereignty.

Yet, not only have the daily violations of this country's territory, carried out with no regard for human lives and material damages, climbed to their highest peaks in decades. In facing the transgressions against its sovereignty, Lebanon seems to be left to fend for itself, without international diplomatic or moral support of its territorial integrity while aerial attacks against the country continue being perpetrated with scandalous impunity.

Moreover, recent threats of foreign intrusions and escalation against

Lebanon went from a ground invasion to as far as burning down Beirut. The physical and mental assaults against this polity have insidiously entered a dimension of harm and disrespect that is a magnitude or two above the self-inflicted weakening of the Lebanese state that has arisen in the past four years from damages to the country's monetary sovereignty, economic stability, and social equity.

The outcome for Lebanon, in terms of the country's standing vis-à-vis the community of nations and the managing partners in the global order, appears to be singular: a tortuous weakness of the Lebanese state's supreme authority in its territory (the currently dominant definition of sovereignty) that is almost beyond repair. How can a state position itself for commanding new international respect and negotiating strong development potentials when its acute

impotence of shielding its borders further exacerbates a staggering economic and social meltdown that has been causally entwined with failures in the institutional backbone of its democracy?

However, far and above the territorial and national security challenges of Lebanon, there are serious global implications of the Palestine crisis of which the Lebanese people are but one, and not the most suffering, group of victims. Along with war crimes and genocide wherever it occurs around the world today, the blatant disregard for a country's sovereignty as shown against Lebanon has to be counted as facet to an ongoing wider mockery of the global order.

When judged in combination with failures revealed in information wars, meaningless elections, and hapless genocide debates in the global realpolitik of 2023/24, an event such



SOVEREIGNTY

OVERVIEW

as the disregard for a small state's sovereignty counts toward an involuntary declaration of moral and legal bankruptcy by the system of ordered relations between states. This acute weakness of the global system is unmistakable when examined against the United Nations' founding ideals. The system's weakness actually appears to be on the verge of becoming critical when contextualized with the many moves that the UN and related institutions have made toward a more interventionist role in the universal enforcement of human and social rights, determination of digital sovereignty and monetary sovereignty in context of a borderless virtual world, and trans-national management of global climate, health, and environmental risks.

From this general observation and the experience of Lebanon as a state enmeshed in the region's most concentrated and destructive conflict in at least 50 years, three or more lines of questions arise with regard to a global system based on sovereign nations as the constituent elements. Questions such as: what is the validity of sovereignty from a conceptual perspective and historical examination? What

■ What is the validity of sovereignty from a conceptual perspective and historical examination?

are reasonable and rational remedies for the Lebanese weakness in sovereignty? What are the best aims for this country, other small states, and the community of nations in seeking to face the challenges that are outlined in the introductions to practically every global meeting on future policy needs? And what role can sovereignty play in producing solutions?

THE ORIGIN OF STATE AND SOVEREIGNTY

The fact that the baseline of international political relations today is the sovereign state, is the fruit of the 17th century European invention of indivisible state authority. Under this paradigmatic combination of state and sovereignty, much crime and damage has been dealt to groups and individuals within states and, between states, to neighboring populations over more than four centuries.

But the state-sovereignty combo stands also as a paradigm that from its very inception during the years of negotiating the Westphalian treaty to end the pan-European 30-year war has facilitated the ending of indiscriminate violence and in the long run contributed to outlawing what since the 20th century is known as genocide. In views held over years and years by many political theorists, the "power to command and control everything inside a physical space", as American scholar Joan Cocks describes the supreme authority defined as sovereignty, was even a method of liberating polities from patterns of universal warfare of all against all that made their ordered existence and co-existence impossible. Sovereign states created order and shaped the world.

This position of political orthodoxy, however, is juxtaposed with the notion, expressed as introductory argument to numerous current treatises on the topic, that sovereignty is a "highly ambiguous and contested concept" and, as, for example, Cocks argues in a 2014 book, "has emerged in our time as a highly complex and often incongruous knot of problems." According to her, sovereignty has engendered problems stretching from foundational violence of settlers (with the US the prime example of the phenomenon) and groups seeking to ascertain their delusional sovereign freedom at the cost of others to problems of global interconnections that have rendered sovereignty into the category of concepts in need of re-thinking for the global age.

Moreover, the linkage of state and sovereignty is being tested also by a fact check of assumptions over the origin of the state and expressions of sovereignty by noted author team of anthropologist David Graeber and archaeologist David Wengrow. This particular background check spans a



few millennia, long before myth had one young lady migrate on the back of a steer from Tyrian shores to become a queen on the peculiar continent named after her.

Graeber and Wengrow's examination of not old myths but new archaeological and anthropological evidence finds that throughout human prehistory and history the sovereign was perceived as an individual of divine ancestry who at the same time stood above the law and was law giver but whose supreme, extralegal authority was in many cases circumscribed to his personal, physical reach. Graeber and Wengrow thus surmise that modern states are "an amalgam of elements that have come together at a certain point in human history" and that even recent arguments about the origin of the state by historians, philosophers or political scientists have been "projecting that rather unusual constellation of elements backwards".

In summary, contrary to long held positions of Western political and social theorists, glimpses into processes of societal organization from before the dawning of recorded history have lately suggested that there is no clear origin of the state or single type of sovereignty which would justify taking a 17th century European construct and its conceptual descendants as universal blueprint for contemporary state organization or sovereignty.

THE LEBANESE AND THEIR STATE – LASTING ROMANCE OR BAD CRUSH?

As important for the redesign of normative ideas on state and sovereignty as such findings are, the sorry state of Lebanese sovereignty needs a practical solution. Assessing the case of Lebanon begs the question if the population's sense of popular belonging has recently weakened. How has the identification of people with their country reached such a low point that the term "sovereignty" appears quite regularly in 2024 speeches of government officials and political elites but

rings mostly as empty tokens of insincere political phraseology that is deployed exclusively by elites pursuing their partisan agendas?

This particular question is warranted by the observation of how sharply the polity's immense current deficit of national self-assuredness contrasts with the groundswell of popular will that in the past 20 years expressed itself in growing demands for Lebanon's self-determination. It is, moreover, a question that needs answering because of its implications for the sovereign of this country, the Lebanese people (preamble of the constitution: "The people are the source of authority and sovereignty").

The groundswell of popular will for change and national authority is not a widely discussed story in debates over methods to rescue the Lebanese economy. But it is pertinent for discussions on the economy under a needed new social contract. This rich narrative arc spans from the "liberation of the south" ending the partial Israeli occupation in May 2000 over the popular uprising against overbearing Syrian presence in 2005, but also the 2011 civil society demands linked to the Arab Spring and the "garbage protests" of 2014 and 2015, to the call "all means all" demanding fundamental systemic change in 2019.

As a memorable highlight of this historic arc of confident popular events, the two dichotomous demonstrations that took place 19 years ago at time of this writing on March 8 and March 14, which were triggered by the nationally traumatic blow of the assassination of Rafiq Hariri but at the same time revealed the strong factional disagreements over the country's identity and allegiances, peaked in thundering calls for freedom, sovereignty, and independence (Hurriyyeh, Siyedeh, Istiqlel).

Equally historic as in the March 14, 2005 largest-ever demonstration on Martyrs' Square, the same central public space in downtown Beirut was flooded in October 2019 with the ex-

pression of massive popular demand for change and removal of the political establishment (kallon ya`ani kallon).

The civil thawra, lasting throughout the fourth quarter of 2019 and into the first months of 2020, in itself included many admirable highlights, such as the day when an online mobilization succeeded, on October 17, 2019, to have people of all ages and identities link up for a human chain stretching from north to south. Thus, in an important departure from the status quo of the preceding three post-conflict decades, the thawra was united in rejecting corruption and the political establishment. The young-at-heart demonstrators of all physical ages and backgrounds in late 2019 transcended, if only for a brief but cosmic moment, the resident popula-

■ The groundswell of popular will for change and national authority is not a widely discussed story in debates over methods to rescue the Lebanese economy

tion's partisan fears and the country's notorious divisions of allegiance to a few fiefdom lords.

Additional factors of note in the 2000s and 2010s, factors that earned Lebanon a few international accolades, were the Lebanese economic and financial system's resilience to the Great Recession of 2007 - 2009 and many citizens' exemplary readiness for dealing open-mindedly with a deluge of social emergencies and refugee inflows when a neighboring country was thrown into systemic convulsions in 2011 - 12.

A DEVASTATING LOCAL DEVALUATION OF SOVEREIGNTY?

So why, against all these signs of positive change in the 2000s and 2010s, did the centennial of the Leba-

SOVEREIGNTY

OVERVIEW



■ Even popular sovereignty falls far short of being a gold standard in political relations and the validity of any particular demand for sovereign freedom needs to be carefully assessed today

nese state's creation in 2020 not carry over into a continued increase in the achievement of civil rights and civic duties, or even spark, after the fashion of demagoguery seen elsewhere in those years, a rousing nationalist narrative of pretend greatness – a “Lebanon First” populist tale?

Looking beyond the obvious factors – immense distrust in state institutions, explosive loss of trust in the banks, the Covid 19 pandemic, and the collapse of the economy in 2020 – there are powerful hidden drivers of this sovereign devaluation in the national narrative.

It has to be considered as one such factor how the polity has over the past 30 years been deluded into fake assumptions about key attributes to its own sovereign existence – meaning assumptions that territorial, monetary and popular sovereignty were cherished and upheld by the state and ruling secto-political elites.

Moreover, as the past four years have proven, the country was living

too long under assumptions of stability in the real and services economy and deceiving itself with success stories in important but narrow economic sectors such as real estate, finance, entrepreneurship and ICT.

In hindsight reflection from today's perspective, the calls for sovereignty – or self-determination in an alternative reading of the Arabic term – that were so forceful in 2005, serve mainly to highlight that even the best slogans are hollow when used as a mass rallying call without having the strength of an idea that appears as self-evident to a qualified majority (or very determined minority with overwhelming popular appeal).

This insight rings even truer when political slogans originate from old concepts whose power is fading. According to the above cited scholarly discourses and a growing number of policy makers around the world, even popular sovereignty falls far short of being a gold standard in political relations and the validity of

any demand for sovereign freedom needs to be carefully assessed today. The underlying political concept has to be rewritten for the global age.

A REAL LEBANESE SOLUTION VERSUS A NEW IVORY TOWER MYTH

Political theory debates in ivory towers happen in great academic distance from popular will and collective emotions of the groups – the states and the immense groups of political stakeholders – that are being talked about. The debate on the concepts of state and sovereignty is such a debate with little immediate impact on practical statecraft and political behaviors. However, instead of merely affirming the nuisance value of intellectuals, long-term normative effects of the ongoing sovereignty debates are already taking shape in international governance institutions. This implies on one hand that sovereignty debates are effective shakers of old certainties yet on the other hand that supreme scrutiny of the shift in sovereignty paradigms is in order.

Signs of this shift's potential for controversy can be found in intellectual push backs and also in form of assurances that are not actually self-evident. In a virtual demonstration of the latter, the UN Office for Prevention of Genocide and the Responsibility to Protect claims on its website very counter-intuitively that the implementation of supra-national Responsibility to Protect (R2P) principle – which dictates to states what they must do – is “ultimately” reinforcing “sovereignty by helping states to meet their existing responsibilities.”

Before having been adopted by the UN in 2005 and dressed up as fashionable abbreviation, the R2P principle, known since antiquity as *jus gentium*, was in 16th century Iberian scholastics and by 17th century

THE PERTINENCE OR IMPERTINENCE OF A POLITICAL THEOREM

In the Lebanese specificity, the validity of the term sovereignty can be questioned from several angles, one being that the realization of a sovereign state has over centuries not been pursued as the kind of desperate – and violent – search for territorial and ethnic boundaries that marked – and marred – the history of other modern states.

Obsessing over delineation of “natural borders” against their neighbors in form of mountain ranges, rivers, oceans, etcetera, was a hallmark of European history in the formative epoch of modern nation states. In the following centuries of the worldwide nation state narrative, nationalist movements and ideological fighters answered with great amounts of violence to colonizing European powers who had been imposing sovereignties within state borders drawn up by them throughout the “New World” of the Americas, and also throughout Africa and Asia.

In the Middle East, the arbitrary drawing of borders with rulers at a (by colonial timescales late point and waning moment in the history of European imperialism) was no less of an act of foreign interference and void of a moral justification than in other parts of the world. However, at least in the case of Lebanon, the intrusive act of sovereign delineation after the erasure of the Ottoman empire provoked less of a bloody response in the short term even as this state construct for the following 100 years had limited normative power as far as creating a sense of national belonging.

Defining a state in terms of ethnicity, dominant language, uniform culture, or religious belonging, another fateful Enlightenment era predilection of Western civilization that persisted deep into the 20th century, was in the genesis of the Lebanese state replaced with the

idea of a polity of minorities. This perhaps more sensible but certainly more ambiguous foundation of constitutional existence was promulgated in the debates and struggles over this state's formation and independence in the early 20th century. It was followed by submersion into the global confrontation of East and West.

In what posed another, supremely powerful practical barrier to ascertaining its own sovereign state, Lebanon was during the middle years of the 20th century confronted by the emergence of an ethnonational state as its direct neighbor. In scholarly analysis, the formation of settler states on a quest for their sovereign freedom is today often viewed as a process that is inescapably tied with the occurrence of “foundational violence”: sovereign states dispel a double dose of this violence as they firstly form through erasure of old authority systems that existed in the same physical space they have claimed (American indigenous nations in the case of the US), and secondly assert themselves by searching domination and win-lose competition against, not win-win coexistence with, other states.

When Lebanon emerged from its period of being a battlefield of competing superpower interests in the 1990s, it came back onto a global stage of sovereign nation states in widely varying alignment with or contradictions to the Westphalian system's concept of sovereignty. The international system was since the end of the Cold War undergoing geopolitical shifts where ardent debates over sovereignty were raging and circumscription of state sovereignty were enacted through widening of rights and dignity-based compacts and obligations. All the while Lebanon vainly tried to emulate popular sovereignty with mostly illusory notions of supreme and indivisible authority over its own affairs.

English philosopher Thomas Hobbes assumed to be reason and justification for the formation of the state. In modern UN phrasing, R2P actually won praises early on by leaders such as Pope Benedict for its ambition of requiring all international leaders to act jointly in “questions of security, development goals, reduction of local and global inequalities, protection of the environment, of resources and of the climate”.

Yet today, given that both the first and second paragraphs in the nearly 20 years old R2P declaration explicitly

■ On the one hand, sovereignty debates are effective shakers of old certainties, yet on the other hand, supreme scrutiny of the shift in sovereignty paradigms is in order

demand for states and the international community “to protect populations from genocide”, it seems harder than ever to have much enthusiasm over a moral and political imperative such as R2P.

From the opposite angle of push-back against circumscription of national prerogatives in yet another multilateral UN declaration, the influential Heritage Foundation in the United States warned already last year against pillage of the country's sovereignty if UN plans for a Pact for the Future are adopted at its Summit for

SOVEREIGNTY

OVERVIEW

the Future that is scheduled for September of 2024.

The zero draft of this pact, which has been released in February, advocates in lofty phrases for “meaningful changes to global governance to address new and emerging challenges” and for a “new beginning in international cooperation with a new approach” by developing “a multilateral system that is fit for the future, ready to address the political, economic, environmental and technological changes in the world, and with the agility to adapt to an uncertain future”.

An innocent sounding proposal elaborated on near the end of the draft suggests for “the Secretary-General to develop a set of protocols and convene and operationalize an Emergency Platform” to deal with shocks impacting multiple regions of the world and requiring “a coherent, coordinated and multidimensional response.” The Heritage Foundation took umbrage with the idea that such an Emergency Platform operation could be decided upon without prior consent in order to bypass eventual reluctance of governments “to heed the dictates of the UN”.

Analyzed together, the exuberant language advocating for the Pact for the Future – which in its content by UN admission can be found in declarations issued between 1948 and 2015 – as well as the pushback against it validates the proverbial insight that massive risks and unintended outcomes more often than not loom behind the best-laid human plans. Concretely, there is no denying the immense discrepancy between the realpolitik that ruled the global system from day one of the Palestine crisis and the precepts and promises of UN declarations on principles such the responsibility to protect. When reviewing those principles or the first official drafts for the Pact for the Future people, peoples, and nation states may



have to consider this contradiction of institutional word and deed to still be a gigantic warning beacon also in the 2020s: a reminder to reread Huxley's dystopian narrative of a brave new world where happiness is the supreme good administered (with the massive help of biological and chemical manipulations) by World Controller Mustapha Mond.

It is easy to wonder if a small country with weak sovereignty needs to bother itself with defining its own view on a contentious global issue which the strongest political wales, bulls, tigers, or perhaps Velociraptors must be expected to seek domination of. In the context of being a sovereign state and member of the extant global order that governs international relations and which changing will take an indeterminate amount of time, it is nonetheless important for Lebanon to discover if sovereignty of the state is a future-proof political theorem in answering the fundamental human want for security and responsibility or if the

Peoples and nation states may have to consider this contradiction of institutional word and deed to be a gigantic warning beacon

better answer might be sovereignty that is not tied to the idea of the state.

Under the second perspective, it seems reasonable that sovereignty without a state, that is to say supreme but decentralized normative authority that is not entrusted to a single, elected or appointed, supranational organization that faces constant temptation of turning into a Hobbesian Leviathan of a quasi-world government, can best, meaning with more convincing equity than in the recent past, be advanced by small states' determined assumption of the universal responsibil-

ity to protect natural rights, including human rights, in a global framework defined by not independence but circumscribed interdependence.

Even without such far-reaching aspiration, however, it stands to reason that Lebanon will want to carve out its proprietary mental sphere of sovereignty in a realm of international relations where the maneuvering space of national interests is likely to be increasingly circumscribed. In anticipating such scenarios it could be opportune to prepare national positions in fields such as food and energy security under a concept of interdependent sovereignty that have good prospects to become categorical under imperatives of individual sustenance, group sustainability, and planetary stewardship, all indicating countries' need for networked assumption of responsibility for the living space that the human species is privileged to call home together with all other fauna and flora and non-animated, natural treasures.

In connection with developing networked and interdependent sovereignty, it even might work to the advantage of Lebanon that sovereignty in this country has never been fully realized under the concept of an indivisible state with clear and inviolable borders. And on a side note, neither could any state, friend or adversary, present any evidence that Lebanon is in actual command of a highly developed apparatus of bureaucracy and administration, which is commonly seen as a precondition of states in search of domination over other states.

Thus, without displaying these two historical hallmarks of aggressive states, a new path to networked, non-threatening sovereignty could be paved by adopting a bottom-up approach for development of priorities such as food security and energy security. That Lebanon's private sector and civil society stakeholders would be posed to champion the implementation of such a path is documented in the economic roadmap for the salvation of Lebanon (link to RM 7) and

■ A new path to networked, non-threatening sovereignty could be paved by adopting a bottom-up approach for development of priorities



its new digital edition (link to ERMI) which private and civil stakeholders have developed under Executive Magazine's consultative methodology.

Building a networked and interdependent sovereignty under utilization of the Executive Economic Roadmap will require popular will and governmental determination in the selection and implementation of measures and policy priorities. Achieving this, for which reforming the public sector and institutions has to be the starting point, will make Lebanon positively stand out. It will shine twice as bright against the backdrop of its past fake state, through achieving financial and social security by activation of its fiscal and investment capacities, contributing more than its minimum share to climate and environmental security, and ascertaining its genuine national security and cybersecurity interests. These social and economic building blocks of security that no member state in the community of nations could reasonably perceive as threats or attempts of domination over them can in turn become aspects of sovereignty that are not vying to overpower sovereign rights of any other polity but rather to facilitate more effective coexistence.

Seen through this lens, implementing the sovereignty, or self-deter-

mation, of the Lebanese polity and state is not something that should be waited with. Actually, if she does not want to risk vanishing as a sovereign state or becoming a mere vassal entity of foreign interests that is a state in name only but instead wants to command the dignity and international respect due a sovereign state under any definition, Lebanon has no choice but to implement, out of its own societal strength and determined private and public sector efforts, the economic and social and national security aspects of a sovereignty that transcends historical barriers of state interests.

Additionally, presuming boldly that the UN will one day transform away from the path of a quasi-state being dominated by a small bureaucratic elite with pretenses of inclusiveness to become an organization genuinely representative of prevalent interests and identities in the world community according to their actual numbers, Lebanon's bottom-up achievements of societal security and networked and interdependent sovereignty could serve the world community as example of a transcendent sovereignty with a state as not the owner but the competent agent of circumscribed supreme authority.



Energy security at a crossroads

■ BY ROUBA BOU KHAZM

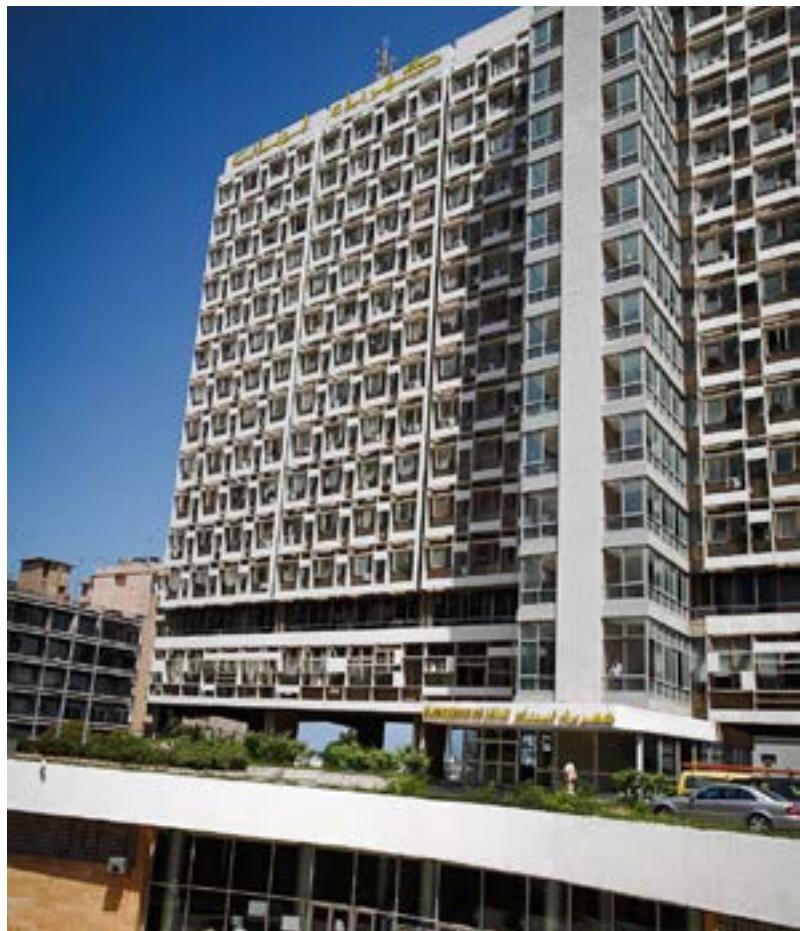
MEETING OUR SOVEREIGN ENERGY NEEDS

Across the globe, access to reliable and affordable energy underpins the very fabric of society. The International Energy Agency (IEA), a leading intergovernmental organization on energy, defines energy security as the “uninterrupted availability of energy sources at an affordable price.” For Lebanon, however, with its long-plagued energy sector, continuous and financially accessible energy remains a distant dream. For years, the nation has grappled with rolling blackouts, crippling infrastructure, and a dependence on volatile import markets, leaving its citizens and businesses in the perpetual twilight of energy insecurity.

IEA frequently emphasizes three pillars of energy security in its publications and reports – availability, affordability, and accessibility. All three are far from sturdy in the Lebanese context marked by political dysfunction, economic volatility, and a glaring lack of long-term planning. Considering Lebanon’s energy morass, which is further complicated by a new and bloody regional conflict, it remains a critical question if Lebanon can truly achieve a secure and sustainable energy future.

THE TRIAD OF AVAILABILITY, AFFORDABILITY, AND ACCESSIBILITY

As of March 2023, Lebanese households endured an average of 12 hours of daily blackouts, with some areas experiencing total blackouts for up to 24 hours. This unstable power supply significantly disrupts daily life, hampering businesses, hinder-



ing work-from-home options, and jeopardizing access to vital services like healthcare and education. While not as disastrously bad as during the first months after forced total withdrawal of energy subsidies in 2021, public electricity supply has not matched political promises for more extensive electricity provision by state utility Electricité du Liban (EDL) in exchange for higher usage fees. The broken promises of the government

to solidify “consistent energy availability” became glaringly apparent as inadequate infrastructure, financial mismanagement, and overdependence on volatile fuel imports left citizens grappling in the dark.

The introduction of the new EDL tariff in November 2022, involves the second and third pillars of energy security, namely affordability and accessibility. Testimonies collected by Executive from electricity consumers,

however, suggest that with regard to either the second or third pillar, the situation of Lebanese private households has not improved and often is perceived as worse when comparing 2023 to 2021/2.

Lebanon's economic struggles, marked by dwindling foreign reserves and an overwhelming annual fuel expense of \$1.5 billion, according to the World Bank 2022 report, have thwarted efforts to ensure a steady supply of fuel. According to the latest Energy Security report from Executive, one analysis entitled [False promises of improvement](#) takes a behind-the-scenes look at several stalled regional agreements that would have offered Lebanon an energy lifeline via fuel transports from Jordan and Egypt via Syria. The failure of these agreements has contributed to the deterioration of domestic energy infrastructure, difficulties in securing more economical fuel alternatives, and consequently a notable escalation in electricity expenses for households and businesses alike.

Designed with the intention of achieving greater fairness, the new tariff structure introduced a tiered system based on electricity consumption. However, the overarching impact was an overall increase in rates, ranging from 20 to 50 percent or even higher, depending on consumption levels and geographical location. This significant rise in electricity costs exacerbated the financial burden on already struggling households and businesses, amplifying the challenges posed by Lebanon's ongoing economic crisis.

EDL's new billing system, linked to the volatile parallel market dollar, has caused monthly electricity bills to soar above 1,000,000 LL, a significant increase from the previous range of 50,000 LL to 300,000 LL.

This surge was due to hiking of taxes and assorted fees, and directives from the central bank compelling the EDL to convert its revenues from pounds to dollars. As a result, subscribers bore the brunt. The disparity between electricity supply hours

■ Faced with this fiscal dilemma, consumers responded by removing meters or suspending operations for two years, reflecting widespread dissatisfaction



and costs pushed bills higher than those from private generators. Faced with this fiscal dilemma, consumers responded by removing meters or suspending operations for two years, reflecting widespread dissatisfaction.

In a statement issued on January 11, 2024, EDL announced a cautious step towards brightening Lebanon's electricity landscape. The state-owned provider revealed a "gradual increase" in power supply, bringing one gas unit back online and pushing production capacity to 400 megawatts. While this news offers a welcome respite from chronic blackouts, it's essential to recognize the fragile nature of this progress.

EDL emphasizes the need to maintain this "up to 400 megawatts" limit to avoid regulatory hurdles in mid-February. This cautious approach reflects the uncertainties surrounding future fuel shipments. While a recent tender promises additional fuel by February 27th, delays can quickly plunge the country back into darkness. Furthermore, the expected "additional quantities" from the Iraqi swap agreement were stalled by bureaucratic roadblocks, highlighting the precariousness of relying on external agreements.

Despite these mixed signals, the increased power supply provides a

much-needed reprieve for basic facilities like airports, ports, and hospitals, and translates to fewer blackouts for households. However, it's crucial to remember this is a temporary win, not a permanent solution. Lebanon's electricity saga requires more than a quick fuel fix.

LEBANON'S SOLAR REVOLUTION IN FOCUS

Lebanon's energy landscape in 2023-2024 is a tale of rooftop solar panels blazing with promise and the ever-present shadow of the dysfunctional national grid. Crippling blackouts and skyrocketing bills have foisted a rushed, citizen-led pursuit of alternative solutions, mainly solar photovoltaic (PV).

In addition to the increased energy self-sufficiency that accompanies the switch to solar, financial relief is an equally compelling motivation as public electricity costs soar. Estimates by the Lebanese Center for Energy Conservation (LCEC) in their 2023 report suggest homeowners can expect average returns on investment (ROI) of 15 percent to 20 percent per year over the system's life. While not directly comparable to cost savings, this impressive ROI translates to significant long-term financial benefits,

with some calculations even pointing to potential savings of up to 25 percent annually. This financial allure, coupled with the promise of escaping unreliable grids and soaring bills, is making solar a compelling and increasingly viable option for many Lebanese households and businesses.

While a growing environmental consciousness may be an earnest secondary or tertiary motivation fueling Lebanon's solar surge with its promise of reduced carbon emissions, the picture isn't entirely rosy. One concern lies in the e-waste disposal. While solar panels typically have long lifespans of 25 to 30 years, their ultimate disposal raises questions. Lebanon, currently lacking a robust e-waste (or general waste) infrastructure, faces the risk of these discarded panels and their accompanying components – including inverters and batteries with significantly shorter lifespans – contaminating the environment. Lead, arsenic, and other harmful elements could leach from improperly disposed-of equipment, negating the environmental benefits solar energy

was meant to deliver.

Furthermore, the integration of solar energy into our grids demands meticulous planning and strategic upgrades. The surge in solar adoption necessitates a forward-thinking approach to grid management, involving not only infrastructure enhancements but also the implementation of smart systems to ensure stability and efficient energy distribution. Overlooking these critical aspects could indeed undermine the overall effectiveness of the solar surge. It's also crucial to underscore the significance of safe installations in this context, as ensuring the safety of solar setups is an integral part of fostering a sustainable and reliable energy landscape.

■ The surge in solar adaptation necessitates a forward-thinking approach to grid management

Ultimately, embracing solar energy in Lebanon demands a holistic approach that balances its undeniable environmental benefits with potential downsides. Investing in e-waste recycling infrastructure, promoting responsible manufacturing practices, and prioritizing grid integration will be crucial to ensuring a truly sustainable and successful solar revolution in the country.

DRE LAW TO SAVE THE DAY?

Enter the Distributed Renewable Energy (DRE) Law, passed in December 2023. It purportedly has the potential to revolutionize the country's energy sector by legalizing net metering and peer-to-peer trading of renewable energy. This could significantly increase Lebanon's reliance on clean energy sources and decrease its dependence on expensive and polluting fossil fuels. The DRE law would allow renewable energy producers from the private sector to connect their systems to the central EDL grid and sell electricity. Increased renewable energy installations would create jobs across the spectrum, from panel manufacturing and installation to mainte-



nance, injecting much-needed dynamism into the Lebanese economy and attracting green investments.

However, as the history of several nationally beneficial laws and imposition of supposedly independent regulatory authorities has demonstrated in the past twenty years, political changes to the original draft of the DRE law have become grounds for deep skepticism about the new law's timely implementation. Some argue that hurdles preventing the application of the DRE law are nearly insurmountable. In what critics see as the biggest hurdle, the ratified DRE law is linked to the establishment of an Electricity Regulatory Authority (ERA), which is still pending in Lebanon despite Law 262 of 2002 which meant to create an independent ERA. Setting tariffs, issuing licenses, and enforcing regulations are all crucial functions the ERA should perform, but as of now it has yet to be created despite a December 2022 paper produced by the Ministry of Energy and Water detailing the roles and functions of the pending ERA.

Another challenge is that Lebanon's unreliable electricity grid, prone to frequent blackouts and disruptions, poses a threat to renewable energy infrastructure such as solar panels. Although the government has expressed commitment to enhancing the grid, as outlined in the EDL statement issued on January 11, 2024, substantial time and investment are required to fortify it sufficiently for large-scale renewable energy expansion.

Despite these barriers, the DRE Law heralds a positive trajectory for Lebanon's energy sector. It has the potential to foster job creation, stimulate economic development, and diminish reliance on fossil fuels. If it reaches execution, the DRE Law could propel Lebanon toward achieving its ambitious target of generating 30 percent of its electricity from renewable sources by 2030, as indicated in a report by the International Renewable Energy Agency (IRENA).



GOVERNANCE: THE MISSING MEASURE

Ultimately, the obstacles barring the way to implementation of the DRE law—and most of the country's energy issues—come down to a lack of governance, the Lebanon's oft-repeated stumbling block. Despite having considerable hydrocarbon reserves, the corruption and lack of transparency that the energy sector has become notorious for in addition to general political deadlock serves as a hindrance, impeding the country from developing these resources, exploring offshore gas reserves, and achieving energy self-sufficiency. Lack of accountability within the energy sector and public sector corrodes public trust and investor confidence.

Renewable energy advocate and policy expert Christina Abi Haidar emphasizes - see "Oil Wealth: One Last Chance for Lebanon" comment in the October/November 2023 issue of Executive Magazine – the urgency of exploiting these gas reserves as a vital economic lifeline. While acknowledging the environmental risks involved, there is the importance of pursuing responsible development strategies centered on sustainability

■ Some argue that hurdles preventing the application of the DRE law are nearly insurmountable

and equitable distribution of benefits. Echoing a recurring theme, she advocates strongly for robust governance, highlighting the necessity of transparent institutions, anti-corruption measures, and streamlined processes to effectively manage this potential wealth.

Lebanon's energy security remains precariously balanced. While challenges seem daunting, glimmers of hope emerge through citizen and private sector-led initiatives and the newly ratified DRE law, which, if implemented—a big if—would have significant positive implications for Lebanon's energy future. Ultimately, addressing the crucial missing element - robust governance - and implementing responsible development strategies are keys to unlocking the potential for a secure, affordable, and sustainable energy future. It's a challenging tightrope walk, but one Lebanon cannot afford to ignore. ■

Harvesting Reforms

■ BY CAROL FARAH



LEBANON'S FOOD SECURITY AND SOVEREIGNTY

Food security is a prerequisite for any people's sovereignty. The need for food's physical and mental sustenance affects every human being with an existential might. It consequently ranks in import perhaps second only after the need for a planetary home with breathable air and stable gravity. This foundational necessity, however, has only at the end of the 20th century been accentuated into a universal imperative for the world's societies.

The global age's second gathering dedicated to this imperative, the 1996 World Food Summit, produced pledges by 185 nations that they would

strive to eradicate hunger. In their Rome Declaration on World Food Security, those nations' authorized representatives explicitly affirmed "the right of everyone to have access to safe and nutritious food, consistent with the right to adequate food and the fundamental right of everyone to be free from hunger".

Even though the hunger eradication promises of nations have remained as dubitable over the intervening 17 years as at time of their adoption, recognition of the importance of satisfying the right to food security has only increased for the

legions of civil society activists and a host of global institutions alike. Thus, an incessant stream of projections and warnings over acute food insecurities in different parts of the world has been sharply juxtaposed with the unwavering assurance that all people, at all times, are supposed to have physical and economic access to sufficient, safe and nutritious food.

Just one example of these dire forecasts is the most recent (September 2023) food security update by the World Bank with its warning that as many as 670 million people will confront hunger by the year 2030

due to factors that include climate change, a global water crisis, and loss of biodiversity. As always with such catastrophic predictions that might prompt cynical or hysterical responses, solutions arise from asking—at the national or local level: Who is most affected? Why? What might be done about it?

SURVEYING A FERTILE BUT ECONOMICALLY EXHAUSTED LAND

In the context of Lebanon, a small yet geographically varied Mediterranean country historically renowned for its arable land and water resources, improving food security is inextricably linked to achieving greater food sovereignty, the latter of which is defined by the United Nations Economic and Social Commission for Western Asia (UNESWA) as the right of people to their own culturally appropriate and sustainable food policies and management systems for natural resources. Improving both food security and food sovereignty will require an uphill climb as the nation faces protracted economic challenges, an ongoing refugee crisis, and new regional conflicts currently causing major disruptions and damage or overall halts to agricultural endeavors in much of south Lebanon and urging questions of national sovereignty.

The Integrated Food Security Phase Classification (IPC)—a “multi-partner initiative” of UN institutions, governments, and other actors dedicated to analysis and decision making on food security—conducted two successive analyses in Lebanon in 2022 and 23. The second IPC Acute Food Insecurity Analysis estimated in 2023 that, induced by the country’s economic meltdown, food insecurity in Lebanon has reached crisis level, known as IPC Phase 3 or above, for 21 percent of Lebanese residents, 30 percent of Syrian refugees, and around 30 to 35 percent of Palestinian refugees, including those who have lived here for generations, as well as Palestinian refugees from Syria.

According to the IPC statement, these numbers in great part reflect the last five years of compounded hardships that Lebanese can now recite off hand: the economic crisis that began in 2019, the exacerbating effects of the COVID-19 pandemic, and the devastating port explosion of August 2020 that, in addition to taking over 200 lives and demolishing infrastructure, also destroyed Lebanon’s main grain silos which took the brunt of the explosion’s impact.

In anticipation of continued deterioration in secure access to food in the country, the IPC projects for the coming summer that “between April

■ Executive found that “for every dollar earned from export markets, over four dollars are spent on import of foodstuffs and agricultural inputs.”

and September 2024, about 1.14 million people are expected to face high levels of food insecurity and are likely to be in IPC Phase 3 or above.” Of the five phases in the IPC nomenclature, phase three to five are designated as “critical”, “emergency”, and “famine”, with the respective values for Lebanon residents in the October 2023 to end of March being 18 percent, one percent, and zero percent.

One impact of the economic crisis on Lebanon’s food security is the inability of the local market to generate hard-currency income for producers has prompted both farmers and agro-industrialists to pivot towards export markets. Still, Executive found that “for every dollar earned from export markets, over four dollars are spent on import of foodstuffs and agricultural inputs.” In meeting the demands of international markets—where quality, reliability, branding, and regulation are paramount—producers have shifted their focus away from the local market. The consequence is a discernible gap in Lebanon, with high-quality produce earmarked for export, leaving domestically consumed products of lower quality.

During 2022 and 2023, Executive spoke with food and agriculture stakeholders from around the country about issues of agriculture, food security, and food sovereignty to gain insights on the specific obstacles the country faces on these fronts.



AGRICULTURE IN LEBANON NEEDS A MAKEOVER

Many stakeholders in the agricultural sector identified the absence of a unified vision for growth both legislatively at the public policy level as well as amongst producers, wholesalers and importers. Rima Franjieh from the Lebanese Private Sector Network compared the absence to a company with no vision statement. Legislation concerning agriculture is outdated with Mounir Bissat of the Syndicate of Food Industrialists citing the food safety law that not only took 18 years to ratify but underwent fundamental changes that weakened the original draft version.

In the realm of education, the sector grapples with a widening gap between training programs and the evolving needs of the industry. The disconnect between academia and practical application leaves organizations and NGOs struggling to secure expertise aligned with the sector's demands. Simultaneously, societal perceptions and stigmas surrounding farm work may discourage interest in agriculture as a viable career choice. During a 2023 roundtable hosted by Executive, Dr. Nuhad Daher from the American University of Beirut's

agricultural department noted that, for example, there are few PhDs in horticulture even though Lebanon is a horticulture environment. Maha Nehme from the Lebanese Reforestation Initiative stated that there is only one forestry-related masters course in Lebanon.

The informality of agricultural labor, coupled with a lack of legislative support for agricultural rights, dissuades youth engagement, highlighting a need for a comprehensive rebranding effort to reshape these ingrained stereotypes. Adding to the complexity is the enduring legacy of the regional conflict of 1948 and its aftermath which has given rise to a pattern of identity-based hiring practices, particularly evident in the employment of lower-paid, non-Lebanese workers. Addressing these historical dynamics—the challenges of which are being revived in new and horrifying ways since October of 2023—through equitable labor rela-

■ Many stakeholders in the agricultural sector identified the absence of a unified vision for growth

tions is imperative for crafting equitable long-term strategies to revitalize Lebanon's agricultural sector.

Another glaring issue is a lack of data from the understaffed Ministry of Water and Energy (MoWE) on, for example, rainfall or groundwater levels make it difficult for farmers to know what to plant and when.

WATER, LAND AND STEWARDSHIP

Lebanon's water resources are comparatively high within the region, and include surface water, ground water and spring water. Still, many households do not receive public tap water and rely solely on water trucks to fill their cisterns. In 2023, transportation costs increased due to the continued escalation of fuel prices hampering water distribution efforts. Additionally, underdeveloped irrigation networks and the use of polluted water underscores [Executive's Economic Roadmap](#) measure to create a Water Master Plan building off the 2010 National Water Sector Strategy.

For anyone seeking further evidence of poor water management, a roadside glance at a Lebanese dam would likely show a structure still under construction or unfilled even during the heaviest months of rainfall as most of the nation's 12 are not operational. Though the dams offer benefits including hydro-power generation, improved irrigation and water supply for domestic use, poor planning has caused inefficiency where water is lost to leaks or Lebanon's karst terrain, severe damage to local environments, and blocked rivers.

Though systemic and management challenges are on display, equally present are examples of indomitable Lebanese entrepreneurship and creativity amongst stakeholders in the agro-food industry. [Organic farmers and farming operators in Lebanon](#) are optimizing water use and rainwater



collection and combatting soil degradation from overuse of chemicals and genetically modified seeds by employing various planting techniques to keep the soil rich. The growing shift to renewable energy in the agriculture sector has been notable in 2023 as farmers seek to reduce fuel costs. Support for collaboration and unification here is paramount, as Pierre Khoury from the Lebanese Center for Energy Conservation (LCEC) notes that RE is a huge job-creation opportunity. [Although farming and agricultural cooperatives have market-savvy expertise and a decades-long presence in Lebanon](#), many are dysfunctional and lack collective bargaining power. Marie-Louise Hayek from the Food and Agriculture Organization recommends aggregating small farms, while Rami Lakkis of the NGO LOST says that businesses need aggregating agents to support collaboration.

TOWARDS A UNIFIED NATIONAL SCHEME

Lebanon's food sector needs a committed focus on essential legal reforms and collaborative efforts with private enterprises, civil society, and government entities. The country's small size and the variance in political, ethnical, religious, and socio-economic backgrounds of agro-food stakeholders across the value chain present advantages due to, for example, the deep and close ties within communities. These same benefits often become hurdles to networking attempts and the formation of a unified strategy for food security. Therefore, prioritizing active engagement and coordination while maintaining equidistance to all local stakeholders from the private and public sector, civil society, religious institutions, and international organizations as well as traditional familial stakeholders can build cohesion.

The vested interest of sects in Lebanon in protecting their interests and political positions have created a problem of lack of data across all sectors. Agricultural data is crucial for in-



creasing productivity, mitigating food loss, and, most importantly, improving social equity. Missing information from the public sector can be supplied by international organizations, civil society and private sector stakeholders, although this creates challenges to aggregating objective figures. Ultimately, however, Executive recommends an "improved data and information framework with non-politicized and non-ideologized, pragmatic and transparent data acquisition, analysis, and delivery are the potential reduction of food loss because of producers' improved visibility into demand and supply beyond the ultra-short-term view afforded by market data at the start of the planting and breeding seasons."

Efforts to strengthen the water-energy-soil nexus for food security involve strategic collaborations and the deployment of solar photovoltaic (PV) technology. Partnering with organizations like the LCEC and the Ministry of Environment, in conjunction with engaging the private sector, can play a vital role in reducing energy costs for agricultural producers. The continued integration of properly installed solar PV systems reduces electricity expenses and presents an opportunity to power irrigation pumps, contributing to a more sustainable water-energy-food (WEF) nexus. It is crucial, however, to carefully monitor and coordinate these initiatives, acknowledging potential risks and the temporary

■ Though systemic and management challenges are on display, equally present are examples of indomitable Lebanese entrepreneurship and creativity

nature of job creation associated with solar PV projects. On this front, Executive recommends that "the leverage points along the technical innovation and WEF vector should be actively sequenced, monitored, and pragmatically adjusted rather than programmatic in their approach." Simultaneously, a greater emphasis on heritage preservation is needed to safeguard traditional agricultural practices, preserve cultural identity, and ensure the long-term sustainability of Lebanon's food sources.

Despite Lebanon's fertile (if deteriorating) soil and sufficient (if polluted) water resources, the agricultural sector in Lebanon still grapples with the absence of national origin schemes and robust quality supervision for its diverse products. Lebanon's pursuit of food security and sovereignty is not just a local concern but also contributes to regional stability.

Carole Farah is a freelance writer

The case for full dollarization once and for all

■ BY LAYAL MANSOUR



PUTTING AN END TO PARTIAL SOLUTIONS

In November 2023, four years after the start of Lebanon's severe financial crisis, Harvard Growth Lab suggested that Lebanon consider adopting full dollarization among other economic and financial restructuring and reforms. In practice, a full dollarization consists of renouncing both the Lebanese central bank, Banque du Liban, and its monetary policy, and replacing the local currency—Lebanese pounds—with a foreign one, namely the US dollar. Such a suggestion has always been criticized and rejected by the public, the media, activists and

non-experts who argue that dollarization would undermine the sovereignty of the state.

Indeed, it was not the first time that this subject was raised. Since 2019, I have proposed shutting down the central bank and burying the Lebanese pound. In June 2020, I coordinated with Member of Parliament Paula Yaacoubian to propose a law (N° 697/2020) urging the Lebanese parliament to vote in favor of a currency board system, that is, a softer version of full dollarization that would protect the state's sovereignty. A very highly

dollarized country such as Lebanon must sacrifice its central bank and exclusively adopt either full dollarization or currency board. The argument for full dollarization can be traced back as far as October of 1994, when an IMF working paper analyzed the usefulness of the Lebanese pound as well as the likelihood of restoring trust in the local currency and suggested considering full dollarization for Lebanon.

I have argued that the roots of Lebanon's financial crisis began four decades ago with the introduction of unofficial dollarization. Accordingly, the current phenomena of exorbitant and unabating inflation, a high poverty rate, the banking sector solvency problem, the depletion of foreign reserves, and the multiple currency rates are not the main economic problems but rather the expected and unavoidable consequences of partial dollarization.

DOLLARIZATION: THE ROOT OF ECONOMIC EVIL

The rate of dollarization expresses the extent of the economic agents' preferences to hold foreign currency (cash and/or deposit) instead of local currency, because it provides trust, confidence about future purchasing power, and stability. In other words, the rate of dollarization is equal to the rate of local currency rejection by economic agents. Unfortunately, there is economic proof that dollarization doesn't exist in isolation but travels in tandem with its inseparable siblings: corruption and weak financial institutions. Moreover, empirical studies show that dollarization affects all sectors. Not only does it pose a challenge to the pursuit of a

coherent and independent monetary policy, but it also leads to downgrades from credit rating agencies and exposes a country's banking sector to an asset/liability currency mismatch. Dollarization consequences are so deleterious that economists have referred to it as the original sin.

Rather than prescribing temporary relief in the form of loans or grants to extend its expiry date, Lebanon is in dire need of addressing its economic problems at the epicenter, which begins with de-dollarizing.

If dollarization refers to the simultaneous use of at least two currencies, de-dollarization is simply the use of one currency: either the local one or the foreign one. In other words, the two ways to de-dollarize Lebanon are by forcing the exclusive use of either the local Lebanese pound or the foreign US dollar: full dollarization.

ADDRESSING “FEAR OF FLOATING” WITH A MANAGED FLOAT?

The fear of floating is a phenomenon that refers to averseness towards floating exchange rate regimes and their high fluctuations. Many Lebanese economists, to avoid the fear of floating, suggest the managed float regime, also coined the “dirty float.” In a managed float, the exchange rate is not totally pegged, not entirely based on free capital mobility, and not entirely monetarily independent. Put simply, it involves frequent central bank interventions that are only possible when those central banks hoard excessive foreign reserves (from trade surplus rather than debt or required reserves), to hedge against future shocks. The smallest exchange rate fluctuations under a managed float translate to severe balance sheet problems for borrowers with liabilities in foreign currency and income in the local currency. Accordingly, banks suffer from exchange rate distortions under a dirty float, even if their portfolio has a nationally matched currency position. Moreover, it has been verified by economists and



admitted by several IMF studies that there is a strong positive correlation between fear of floating and an increased dollarization rate. The higher the dollarization rate, the more the fear of floating is expressed. Consequently, fluctuations of exchange rate are less tolerated under the managed float.

Increased rates of dollarization translate to decreased acceptance of the local currency, especially regarding one's dollarized holdings. The fear of floating, which manifests strongly in dollarized economies, has been proven to have severe negative effects in all studied cases. Since the 1980s,

■ The only very highly dollarized countries that found a second chance to economic recovery were those who shifted to full dollarization

Lebanon has been ranked amongst the most highly dollarized countries in the world with a dollarization rate of 70 percent and above, along with Nicaragua, Zambia, Mozambique, Cambodia, Guinea Bissau, Angola, Congo Dr, Ecuador, Bolivia, Bulgaria, Estonia, EL Salvador, Hong Kong and others. None of these countries could escape

severe financial crisis. None of these countries succeeded in de-dollarizing by stabilizing or strengthening their local currencies. The only very highly dollarized countries that found a second chance toward a new economic recovery plan were those who shifted toward full dollarization or a currency board arrangement such as Ecuador, Bolivia, Bulgaria, Estonia, EL Salvador, Hong Kong. In fact, at a certain level, dollarization seems irreversible.

WHY THE DOLLAR OVER THE POUND?

Economic research studies have shown that when a country becomes accustomed to a foreign currency like the US dollar over decades, it leads to an irreversible dependence. In economics, the “hysteresis effect” or “dollarization hysteresis,” refers to the addiction-like phenomenon that affects people who become greatly inured to use of dollars (or other foreign currencies) to protect themselves against possible future inflation. Hence, it becomes difficult and even impossible for the authorities to force people to give up dollars and use their local currency even if inflation drops and economic conditions improve. In worst-case scenarios wherein “addicted to dollar” countries are forced not to use the dollar, mass hysteria, strikes, and bank attacks occur. Lebanon saw such events

in early 2020 when residents were forced to earn, withdraw and spend exclusively LBP. Many studies have assessed the hysteresis effect in Lebanon and found that the high dollarization has even persisted after successful stabilization periods and multi-year economic growth. Econometric proof of the hysteresis effect is one of the most important arguments in support of giving up the central bank of Lebanon.

Restoring trust in local currency in a very highly dollarized country such as Lebanon seems extremely challenging if not impossible. Accordingly, it would be better to regulate and officialize the use of the dollar, which many economists consider to be the next step to economic recovery.

ADDRESSING THE ISSUE OF SOVEREIGNTY

The higher the demand on the dollar as a means of payment, the lower the central bank monetary policy efficiency, and the higher the exchange rate risk and banking sector instability. In fact, the central bank is not able to manage or manipulate a money supply composed primarily of dollars through monetary policy (interest rate). In sum, the central bank monetary policy in a very highly dollarized country is ineffective and thus giving up the central bank in Lebanon would not cost a fortune. It would, however, affect the country's sovereign image. To salvage that image, there is a second option: the currency board arrangement.

Currency Board Arrangement (CBA) and full dollarization are largely equivalent. The two main differences are in the name of the currency itself and the seigniorage. Under a full dollarization system, the domestic legal tender is the foreign currency. For Lebanon or any Middle Eastern country, obvious challenges arise with any attempt to associate the US dollar with the country's sovereign image.

This is the main argument against full dollarization by Lebanese authorities and public. Under the currency board regime, the country adopts its own new currency—the Lebanese dollar or Cedar dollar or Middle East Dollar—which mirrors the foreign anchor currency. While entering a CBA absolutely requires giving up monetary policy independence and fully backing liabilities

■ Under the currency board regime, the country adopts its own new currency which mirrors the foreign anchor currency

with reserves in the anchor currency, the new currency name could protect the country's sovereignty.

On the other hand, under the full dollarization where the local currency is totally replaced by the foreign one, the government gives up seigniorage, which is the profit derived from the difference between freshly printed banknotes and their production costs. As the sole authority controlling the printing of US dollars, the United States collects all seigniorage income on the US dollar. Seigniorage is thus the most visible and quantifiable element in the cost-benefit calculus of full dollarization.

NO SINGLE CURRENCY REGIME IS RIGHT FOR ALL COUNTRIES OR ALL TIMES (FRANKEL 1999)

A full dollarization or a currency board is never appropriate for a systematically transparent country with a developed economy. Such a country can rely on the market power to adjust any economic disequilibrium and its central bank can also adjust the interest rate up or down to manage

the inflation rate, help accelerate economic growth or decelerate worrying economic trends. These solutions are rather an inevitable last resort for highly dollarized countries that lack governance and strong and independent legal frameworks. It appears incapable for those all too familiar cases where countries whose citizens are deprived of their democratic participation in day-to-day governance by politicians who always promise and never deliver, face institutions that have lost any sense of responsibility, and have rulers who evade accountability and have zero will of ever enacting structural economic reforms.

In choosing the exchange rate regime, the main economic factors to consider are dollarization, government temptation to inflate, and exposure to exchange rate risks. Considering the implications of Lebanon's extreme dollarization, which not only exceeds 80 percent today, but has also been deeply rooted for decades, full dollarization is of utmost importance. Any exit strategy that seeks resolution of Lebanon's economic crisis through a soft pegged arrangement or flexible exchange rate regime will indubitably lead to a more severe financial crisis that could last forever.

Choosing full dollarization, once and for all, conceptually represents a radical, extremely credible, and more importantly, irreversible arrangement. This is simply because reversing dollarization is much more difficult than modifying or unilaterally abandoning a CBA. Lebanon needs a currency system that eliminates the risk of a sudden sharp devaluation of the country's exchange rate. Yet, because of the serious constraints that application of full dollarization is bound to face in Lebanon, I advise taking recourse in its twin, the currency board arrangement. 

Layal Mansour is an expert in monetary policy and financial crises in dollarized economies

E 3

EXECUTIVE
ECONOMIC ROADMAP

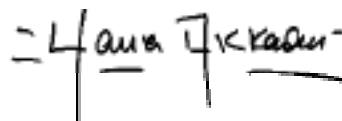
- DRAFT 7.0 -

FOREWORD

INTRODUCING THE EXECUTIVE ECONOMIC ROADMAP INTERACTIVE

Welcome to Executive Magazine's Economic Roadmap for 2024. As we present Draft 7.0, the Economic Roadmap to save Lebanon has come full circle through seven iterations and at the same time has been transformed into a more digital tool that we called ERMI, the Executive Economic Roadmap Interactive. In this process, a new layer of purpose and vision has been formulated – comprising aspects of security in the purpose layer and a vision of sovereignty. The Roadmap has also become a little slimmer, having been trimmed down by Executive Editors from over 390 proposed measures in Draft 6.0 to now 350 proposed measures. Streamlining and reducing overlap was done carefully to improve the ease of navigating the measures. Introductions to policy priorities have been shortened for easier communication and the organization into pillars is shown more clearly in the interactive versions.

I invite you to explore the new interactive Roadmap iteration and all its features, especially the ability to juggle between concise and expanded description of measures. At this point I want to express my appreciation to Rouba and Ruba and Rabih, our "3R" digital transformation team, acknowledging the great efforts they invested into the appealing ERMI iteration which the Executive team will regularly update on basis of stakeholder comments and new proposals. I thank all of the experts and stakeholders who have over the past years populated the Roadmap with valuable inputs. I personally hope that all of you will take a moment to find your names in the lists of contributors on the pillar level and use the provided online form to revise and update your previous recommendations. In closing, I also strongly encourage all Roadmap visitors to contribute to the discussion of our proposed measures and policy priorities, because what has not changed one bit is our methodology and process: the Roadmap is still a consultative and collaborative effort driven by the social and economic stakeholders who represent the country's greatest wealth, its human talents and expertise.



Yasser Akkaoui
Editor-in-chief

Lead author	Yasser Akkaoui				
Editors	Thomas Schellen Marie Murray				
Consulting	Abdallah Harfouch Adib Nehme Albert Kostanian Alexandre Harkous Ali Abdollah Alia Ibrahim Anthony Maalouf Antoinette Mounzer Aref Saade Arkan el-Seblani Asmahan Zein Assaad Thebian Assemani Leba Atallah Ghacham Atef Idriss Auguste Bakhos Aya Majzoub Ayman Mhanna Badri Meouchi Bahi Ghubril Bassel Aoun Bassel Salloukh Bilal Mahdi Bourhan Kreitem Carol Ayat Celine Moyroud Christina Abi Haidar Cyrille Najjar Dani Richa Dany Baz Dany Elias David Munir Nabti Dayana Al Baba Diana Kassis Dona Maria Nammour Eli Khoury Elie Abou Saab Eve Tamraz Najjar	Fabienne Saade Fadi Daou Fadi Fayad Fares Kobeissi Farid Chehab Farraj Maallawi Fawzi Rahal Firas Mghanes Gabriel Chamoun Gabriel Deek Gaelle Mounsef Georges Frenn Georges Ojeil Ghassan Beidoun Ghassan Moukheiber Ghia Osserian Ghida Anani Gilbert Doumit Hadi Bou Chaaya Hala Bajjani Hala Faissal Halim Choueiry Halime Kaakour Hassane Fattouh Ihsan Razzouk Imad Abi Chaker Imad Chacra Inaya Ezzedine Jad Sharour Jad Wehbe Jamil Moawad Jana Thamine Jason Reichelt Jessica Obeid Jihad Bitar Joe Hatem Josette Najjar Josiane Fahed-Sreih	Joumana Dammons Salame Julien Courson Kamal Tarazi Karim Nasrallah Karl Khoury Karl Naim Khaled Zaidan Khalil Jebara Lama Fakih Lara Macauon Lara Saade Layal Bahnam Lina Ouediat Makram Oueiss Marc Ayoub Marc Géara Marc Haddad Mariella Afif Mark Daou Martin Walecki Marwan Mikhael Maya Bekhazi Noun Maya Dada Mazen Ziadeh Michelle Mouracade Mira Adra Mireille Korab Misbah Ahdab Mohamad Mansour Mona Achkar Jabbour Mona el-Hallak Mona Sukkarieh Mostafa Hunter Mounir Bissat Mounir Rached Nada Rizallah Nadim Haddad	Nadim Souhaid Nadine al-Dib Nadine Chemali Najat Saliba Nasser Yassin Nassib Ghobril Nassif Shalhoub Nassim Arabi Nayla Feghali Nermine Sibai Nicolas Boukather Nicolas Rouhana Nizar Saghieh Nizar Sleiman Omar Chatah Omar Fattal Omar Mezher Ossama Safa Paul Abi Nasr Paulette Assaf Pierre Habbouche Rabih Chaer Rabih Hassoum Rami Rajeh Randa Farah Rania Uwaidah Rayan Dandache Rabih Hassoun Reine Abbas Riad Obeji Rima Adhami Rita Khawand Romen Mathieu Roula Habis Roula Mikhael Roy Abdo Roy Badaro Ruben Elsinga	Saad Azhari Saad Sabra Salah Tabbara Salim Chahine Salim Saad Samer Hajjar Sami Abou Saab Samuel De Jaegere Sarah al-Sharif Serena Abi Khalil Sergio Jalil Talal Salman Tony Ramy Toufic Fattouh Toufic Saleh Wael Kechli Wael Yammine Wafa Kotob Wajih Bizri Wajija Malaebe Walid Ammar Walid Genadry Walid Sayegh Walid Slaiby Wissam Ghorra Wissam Jabr Wissam Youssef Yahya Mawloud Yara Nassar Zafer Chaoui Zahra Bazzi Zaid Al-Ali Zaynab Razzouk Zeina Abla Zeina Daccache Zeina Zeidan Ziad Hayek Ziyad Baroud

The 2024 roadmap recommendations are built on four previous iterations of the roadmap. These recommendations owe a substantial intellectual debt to our collaborations with the United Nations Development Programme (UNDP), the United States Agency for International Development (USAID), and Konrad-Adenauer-Stiftung (KAS).

CONTENTS

Build & reform

6

FISCAL POLICY

The government must stabilize state finances and implement a rescue budget.

10

CAPACITIES

Efforts should be taken to build and re-build capacities across all sectors to increase productivity.

14

STATE INSTITUTIONS

Lebanese public administration must be made more efficient and modern.

17

JUDICIAL REFORM

Strengthen independence of the judiciary and improve existing judicial institutions.

20

REGULATORY FRAMEWORKS

Regulatory frameworks must be developed to ensure a level playing field in the private sector.

Strategize

22

EDUCATION

Public education must be reformed to ensure graduates are competitive in the local and international markets.

25

HEALTH

Efforts must be made to invest in health infrastructure, medical staff, and the local production of drugs.

29

ENERGY

Overcome inefficiencies in the energy sector to provide power to the Lebanese people and attract foreign investors.

32

WATER

Updates must be made to current infrastructure and water management practices.

34

TRANSPORT

Develop the transportation sector to link ports and cities and improve connections to neighboring countries.

Combat

38

GENDER INEQUALITY

Action must be taken to eliminate violence against women and amend outdated, harmful laws.

41

POVERTY

The government must devise a sustainable policy to combat swelling poverty across all socio-economic groups.

44

CORRUPTION

Corruption has permeated all aspects of Lebanese society. Measures must be implemented urgently to stop this.

48

POLLUTION

The government must act to alleviate the effects of pollution and implement reforms to reduce further pollution.

Develop

52

COMPETITIVENESS

Increase competitiveness of Lebanese producers in global markets.

54

ENTREPRENEURSHIP SUPPORT

To salvage the economy, and make Lebanon a knowledge-economy hub, entrepreneurship must be incentivized and supported.

58

LABOR

Quantify and qualify the labor pool to better meet labor market needs.

60

OUTREACH TO THE DIASPORA

Incentivize Lebanese expats to invest in the knowledge economy and combat brain drain.

63

HERITAGE PRESERVATION

Reform legal structure regarding protection of cultural property, especially to protect heritage sites affected by the 2020 Beirut Port explosion.

Enable

64

MANUFACTURING

Support production and activate export potential of the Lebanese manufacturing industry.

66

AGRO-INDUSTRY

Develop food safety and security to improve Lebanese living conditions and decrease import dependency.

68

MEDIA

Improve the role of content producers and overcome economic restraints to fulfill Lebanon's role as media hub in the MENA region

70

HOSPITALITY

Maintain and improve the role of Food & Beverage (F&B) in terms of export potentials and strengthen Lebanese employment in the hospitality sector.

71

KNOWLEDGE ENTERPRISES

Utilize Lebanese skillsets in information technology and tech entrepreneurship.

73

CHEMICALS

Empower organic beauty, pharmaceuticals, and cosmetics producing industries to attain export potential.

75

RENEWABLE ENERGY

Implement sustainable solutions to meet Lebanon's survival need for electricity.

- ↓ Backburner
- X Not current
- * Changed
- ✓ Implemented

Build & reform

Agenda Priority 1

BUILD FISCAL POLICY

Lebanon's fiscal policy must be made more coherent, fairer, inclusive, and fit for the knowledge economy in the digital age. Inconsistencies in the taxation system and loopholes for tax evaders need to be remedied.

Fiscal policy, impeded in the 2000s and 2010s by years of budget process interruption and periods of political vacuum, emerged in the Lebanese economic crisis as a critical obstacle and unmet precondition for social rescue and economic survival. This new urgency only adds to the importance that has been enshrined previously in Article IV reviews for Lebanon by the International Monetary Fund (IMF) which has repeatedly alerted officials that the debt burden could be the prime risk source compromising financial stability. The country's incapacity at servicing its national debt, and the default on sovereign debt, if not addressed, will result in Lebanon remaining a pariah in international financial markets. It is paramount for the Lebanese state to reform and develop fiscal measures. Fiscal reform must introduce new instruments that are able to increase social justice and sustainability as well as incentivize private investments and greater economic activity.

Main Challenges

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

POLICY PRIORITY 1.1 **BUILD FISCAL POLICY**

Proposed Measures

Measure 1.1.1

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

Measure 1.1.2

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

Measure 1.1.3

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

Measure 1.1.4

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

Measure 1.1.5

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

Measure 1.1.6

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

Measure 1.1.7

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

Measure 1.1.8

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

★ Measure 1.1.9

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

Measure 1.1.10

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

★ Measure 1.1.11

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

Measure 1.1.12

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

Build & reform

Agenda Priority 1

POLICY PRIORITY 1.2

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

Main Challenges

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

Proposed Measures

★ **Measure 1.2.1**

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

Measure 1.2.2

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

Measure 1.2.3

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

Measure 1.2.4

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

Measure 1.2.5

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

Measure 1.2.5

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

Measure 1.2.6

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

Measure 1.2.7

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

Measure 1.2.8

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

Measure 1.2.9

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

Measure 1.2.10

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

Measure 1.2.11

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

★ Measure 1.2.12

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

Measure 1.2.13

Remove incentives for smuggling and illegal migration of labor.

• • •

Build & reform

Agenda Priority 2

BUILD CAPACITIES

Lebanon has a backlog of lost development in economic capacities, brought on by decades of internal and external conflicts and state inactivity; these losses have only been compounded by the Lebanese economic crisis. The legislative infrastructure for the public and private economy has still not been reformed. Processes and potential pitfalls of privatizations of state-owned or state-affiliated enterprises need to be examined. The data foundations for economic and social planning need to be determined, and productivity in the public and private sectors also needs improvement. Capacity building is an urgent priority to improve the collection, analysis, and usage of data for public policy formation, fiscal modeling, and social programs. Also necessary is the development of public sector capacities to support productivity and improvements in all sectors, as well as the alignment of public and private entities through completion of public-private partnership (PPP) legislation. Privatization is expected to transform and modernize the Lebanese economy and the principle of privatizing state-owned enterprises is to promote growth and modernize the economy, not to generate revenues. Privatization, however, should be considered on a case-by-case basis. PPPs can offer a reliable alternative in many instances, and are especially important now as public infrastructure.

POLICY PRIORITY 2.1

DEVELOP CAPACITIES FOR DATA COLLECTION, ANALYSIS, AND USE

Main Challenges

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

Proposed Measures

Measure 2.1.1

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

Measure 2.1.2

Legislate and implement a census for Lebanon.

Measure 2.1.3

Develop a statistical master plan by CAS.

Measure 2.1.4

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

✓ **Measure 2.1.5**

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

POLICY PRIORITY 2.2

ENHANCE CAPACITIES IN THE PUBLIC SECTOR**Main Challenges**

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

Proposed Measures**Measure 2.2.1**

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

Measure 2.2.2

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

POLICY PRIORITY 2.3

INCREASE PRODUCTIVITY**Main Challenges**

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

Proposed Measures**Measure 2.3.1**

Promote and build capacities for value creation in capital markets.

Measure 2.3.2

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

Measure 2.3.3

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

Measure 2.3.4

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

Build & reform

Agenda Priority 2

POLICY PRIORITY 2.4 ENHANCE THE BUSINESS AND INVESTMENT CLIMATE

Main Challenges

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

Proposed Measures

Measure 2.4.1

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

Measure 2.4.2

Create legislation that would allow for small debts recovery.

Measure 2.4.3

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

Measure 2.4.4

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

X Measure 2.4.5

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

Measure 2.4.6

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

★ Measure 2.4.7

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

POLICY PRIORITY 2.5
MAKE PRIVATIZATION WORK

Main Challenges

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

Proposed Measures**Measure 2.5.1**

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

Measure 2.5.2

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

Measure 2.5.3

Determine public good priorities to be met by privatized entities.

Measure 2.5.4

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

★ Measure 2.5.5

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

Measure 2.5.6

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

X Measure 2.5.7

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

• • •

Build & reform

Agenda Priority 3

BUILD STATE INSTITUTIONS

The institutional backbone of the Lebanese state, long noted for conditions that impair crucial state institutions, has been exposed to further stresses during the Lebanese economic crisis. In the impending period of recovery, systemic reforms have to make institutions adhere to meritocratic standards and paradigms of work ethics and efficiency. Reduction in the size of the public sector, merit-based allocation of positions, and lawful and transparent hiring practices are paramount requirements. Beyond immediately required institutional reforms in the public administrations, a civil service revamp on the national level should further reduce and as much as possible eliminate inefficient, budget-draining programs, departments, and agencies. The state should be augmented by the creation of autonomous and accountable public institutions and the empowerment and activation of such autonomous institutions that have been dormant. A merit-driven public administration will be crucial in attracting foreign investment and creating jobs in the economy as well for restoring confidence in the Lebanese administrative system.

POLICY PRIORITY 3.1 *MODERNIZE THE CIVIL SERVICE*

Main Challenges

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

Proposed Measures

Measure 3.1.1

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

Measure 3.1.2

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

Measure 3.1.3

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

Measure 3.1.4

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

Measure 3.1.5

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

★ **Measure 3.1.6**

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

Measure 3.1.7

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

✗ **Measure 3.1.8**

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

Measure 3.1.9

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

Measure 3.1.10

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

• • •

Build & reform

Agenda Priority 3

POLICY PRIORITY 3.2 REFORM MINISTRIES AND AGENCIES

Main Challenges

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

Proposed Measures

Measure 3.2.1

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

★ Measure 3.2.2

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

Measure 3.2.3

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

Measure 3.2.4

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

Measure 3.2.5

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

Measure 3.2.6

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

• • •

JUDICIAL REFORM

Lebanon's current judicial system has been in place since the country's independence, but this longevity belies the judiciary's manifold weaknesses. Points of long-standing concern have been the weak independence and inefficiency of the judiciary. Building a strong, independent judiciary will be a foundational step to achieving the country's functional sovereignty. Another aspect of concern is that confessional considerations have influenced the judicial selection process. Military conflicts in Lebanon in the second half of the 20th century negatively affected the independence of the judiciary. In the post-conflict reconstruction period and further throughout the judicial system's workings in the Lebanese economic crisis, citizens' confidence in the courts was increasingly eroded. Critics of the status quo argue that every citizen needs to feel protected by the courts, regardless of their sect or standing in society. Barriers against the possibility of holding public servants accountable for their actions and possible infractions have to be removed. Incentives must be developed for judges to individually resist and investigate corrupt activities.

POLICY PRIORITY 4.1

INCREASE THE ABILITY OF JUDICIARY TO FUNCTION INDEPENDENTLY

Main Challenges

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

Proposed Measures

Measure 4.1.1

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

Measure 4.1.2

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

Measure 4.1.3

Integrate the principle of immovability of judges into current practices.

Measure 4.1.4

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

Build & reform

Agenda Priority 4

Measure 4.1.5

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

Measure 4.1.6

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

POLICY PRIORITY 4.2

IMPROVEMENT OF JUDICIAL INSTITUTIONS

Main Challenges

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

Proposed Measures

Measure 4.2.1

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

Measure 4.2.2

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

Measure 4.2.3

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

Measure 4.2.4

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

Measure 4.2.5

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

Measure 4.2.6

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

Measure 4.2.7

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

Measure 4.2.8

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

• • •

Build & reform

Agenda Priority 5

BUILD REGULATORY FRAMEWORKS

Legal and regulatory frameworks provide assurance to markets, offering a level and competitive playing field to businesses in an increasingly globalized and complex environment. A healthy legal and regulatory environment is one that continuously adapts local and national practices to international best practices. In Lebanon, designing balanced and transparent regulatory frameworks is of added importance and urgency for the national ability to achieve new levels of productivity and international competitiveness. In order for the private sector to operate within a steady business environment that also enforces relevant laws and rules, Lebanon must appoint or re-mandate regulators that independently govern their relevant industries. Financial intermediation, online privacy, cyber-security and digital currency frameworks need to be updated and made more accessible. Climate and environmental regulatory frameworks are of even greater importance than financial regulatory frameworks for facing the emergent third decade of the 21st century. Productive and services industries should lobby for regulatory frameworks that will allow corporations to embed cultures that are adaptive to change. Buy-in and reinforcement of regulations by civil society and private sector stakeholders are key to the success of their implementation.

POLICY PRIORITY 5.1

MODERNIZE REGULATORY FRAMEWORK

Main Challenges

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

Proposed Measures

Measure 5.1.1

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

Measure 5.1.2

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

★ Measure 5.1.3

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

★ Measure 5.1.4

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

Measure 5.1.5

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

Measure 5.1.6

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

Measure 5.1.7

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

Measure 5.1.8

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

Measure 5.1.9

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

Measure 5.1.10

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

• • •

Strategize

Agenda Priority 6

EDUCATION

Equipped with an education system focused on rote learning and classroom discipline and divided between public, charitable, and private education providers, institutions of learning and higher learning have throughout the 2010s been confronted with worsening deficiencies in attainment of education goals. Above and beyond the need to improve and depoliticize school curricula, the country has long faced the need to overhaul its education system in line with emerging understandings of emotional and social development processes and knowledge acquisition of children and youth. The importance of revising and reinventing education systems in the years after the Lebanese economic crisis is heightened by the urgency of equipping youth for sustaining themselves in a digital economy. On operational levels, solving of financial and managerial challenges is needed as academic institutions are predominantly under-funded and operate with little oversight. There is little consistency in education policy and Lebanon's students emerge into a labor market that is incapable of absorbing the high number of graduates, exacerbating brain drain. The Ministry of Education and Higher Education, itself in need of solving staffing challenges, must build on best practices and existing programs to reform curricula, and build resilient, inclusive and autonomous academic governing structures and educational institutions. Successful educational reform must focus on the core components of teaching, learning, and preparing children for the digital era.

POLICY PRIORITY 6.1

CREATE A NATIONAL VISION FOR EDUCATION

Main Challenges

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

Proposed Measures

Measure 6.1.1

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

Measure 6.1.2

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

Measure 6.1.3

Review and revise the content of the Lebanese Baccalaureate exams.

Measure 6.1.4

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

Measure 6.1.5

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

Measure 6.1.6

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

Measure 6.1.7

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

Measure 6.1.8

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

Measure 6.1.9

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

Measure 6.1.10

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

X Measure 6.1.11

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

Measure 6.1.12

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

Measure 6.1.13

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

↓★ Measure 6.1.14

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

• • •

Strategize

Agenda Priority 6

POLICY PRIORITY 6.2

DEVELOP A SKILLED LABOR FORCE

Main Challenges

- *Diversify education*
- *Promote lifelong learning*

Proposed Measures

Measure 6.2.1

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

Measure 6.2.2

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

Measure 6.2.3

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

★ Measure 6.2.4

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

POLICY PRIORITIES 6.3

STRENGTHEN PUBLIC EDUCATION

Main Challenges

- *Standardize education*
- *Strengthen institutional autonomy*

Proposed Measures

Measure 6.3.1

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

Measure 6.3.2

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

Measure 6.3.3

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

Measure 6.3.4

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



HEALTH

Lacking of universal health insurance and access to healthcare for everyone, Lebanon's national healthcare system has historically been marked by notable accomplishments and equally notable failings. Health was amongst the greatest casualties of the economic crisis, apart from the man-made disaster of the August 4 Beirut port explosion and its burdens of destruction of physical lives and mental health as well as serious damages to important hospitals. The removal of subsidies for imported medical drugs and devices caused tremendous distress to the wide majority. After the onset of Lebanon's liquidity crisis in the second half of 2019 and the following year's pandemic, public concerns have been peaking over availability and affordability of medical procedures, hospitalization, and irreplaceable imported medicines and medical equipment. Even after the most acute period of the economic crisis, the healthcare sector has been predicted to continuously require high levels of international support in provision of health services to impoverished population groups. Governance problems and corruption at the level of hospitals, clinics, pharmacies, and smuggling of subsidized brand medicines, have been highlighted by the crisis. The Ministry of Public Health must hone its ability to regulate and supervise while policy makers need to reposition the MoPH as a regulatory body, pivoting away from its service-delivery role. Awareness-building within the general population must become a greater priority.

POLICY PRIORITY 7.1 *MODERNIZE THE LEGISLATIVE AND INSTITUTIONAL FRAMEWORK*

Main Challenges

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

Proposed Measures

Measure 7.1.1

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

Measure 7.1.2

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

Measure 7.1.3

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

Strategize

Agenda Priority 7

↓ Measure 7.1.4

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

X Measure 7.1.5

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

★ Measure 7.1.6

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

POLICY PRIORITY 7.2

IMPROVE SOCIAL INSURANCE SYSTEMS

Main Challenges

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

Proposed Measures

★ Measure 7.2.1

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

★ Measure 7.2.2

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

Measure 7.2.3

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

Measure 7.2.4

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

X Measure 7.2.5

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

POLICY PRIORITY 7.3**LAUNCH AN EDUCATIONAL AND CIVIL SERVICE CAMPAIGN****Main Challenges**

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

Proposed Measures**★ Measure 7.3.1**

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

Measure 7.3.2

Offer free wellness packages at primary healthcare centers for individuals who fit the criteria for extreme poverty. Subsidize an annual general checkup at select hospitals for citizens of low-income status, and all citizens above the age of 50.

Measure 7.3.3

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

Measure 7.3.4

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

POLICY PRIORITY 7.4**IMPROVE PUBLIC HEALTH****Main Challenges**

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

Proposed Measures**Measure 7.4.1**

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

Strategize

Agenda Priority 7



Measure 7.4.2

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

Measure 7.4.3

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

Measure 7.4.3

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

• • •

ENERGY

Lebanon's power sector is essential to economic development, yet it has turned into a heavy burden due to inefficiencies. Over the past decades, the power sector—primarily through public utility, Electricité du Liban (EDL)—has consumed billions of dollars from the treasury. Meanwhile, service provision has worsened over the years as the electrical grid deteriorates and electricity demand grows. Patching the power supply gap has been attempted with politicized solutions, but sustainable solutions in the sectors of renewable energy and comparatively clean conventional energy are needed urgently. Lebanon is moving forward on oil and gas exploitation projects after taking first realistic exploration steps in the 2010s. To uphold commitments to the 2015 Paris Agreement on climate change and subsequent nationally determined commitments to the Conferences of Parties (COP), Lebanon must invest heavily in renewable energy generation, taking advantage of the country's abundant renewable resources. Aiming for energy security as a pillar for functional sovereignty requires diversification of the country's energy sources, a gradual decrease in Lebanon's dependence on fossil fuels, and alignment of national energy strategies with global targets and mechanisms for climate risk mitigation and adaptation to climate change.

POLICY PRIORITY 8

DEVELOP AND IMPLEMENT A SUSTAINABLE ENERGY POLICY

Main Challenges

- *Improve sector's governance, regulation, and procurement processes*
- *Sustainably increase power generation*
- *Cut down on technical and non-technical losses*
- *Reduce the cost of power generation*
- *Equitably increase the electricity tariff*
- *Restructure Electricité du Liban (EDL)*
- *Strategize for offshore and onshore exploration*
- *Develop regional partnerships and grid networks*
- *Increase competition in the gas and fuel import markets*

Proposed Measures

★ Measure 8.1

Use financial resources available from the IMF and bilateral partners.

Measure 8.2

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

★ Measure 8.3

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

Measure 8.4

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

Strategize

Agenda Priority 8

- Boost the share of gas in the energy mix
- Remedy absence of comprehensive national energy strategy
- Develop integrated strategy that covers fossil and renewable energy resources

Measure 8.5

Fully implement EDL's Master Plan for grid reinforcement.

X Measure 8.6

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

Measure 8.7

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

★ Measure 8.8

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

★ Measure 8.9

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

Measure 8.10

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

Measure 8.11

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

Measure 8.12

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

Measure 8.13

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

X Measure 8.14

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

★ Measure 8.15

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

Measure 8.16

Launch process to privatize generation plants.

Measure 8.17

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

• • •

Strategize

Agenda Priority 9

WATER

Lebanon is blessed with substantial natural water resources, including surface water, groundwater, and spring water, but little has been accomplished in the way of conservation or sustainable exploitation of these resources. The Ministry of Energy and Water (MoEW) is largely understaffed and past attempts to reorganize managing bodies have fallen short. The confluence of these factors has left most of the country to rely on costly private distribution networks. The development of the water sector and related transportation infrastructure is crucial to the future diversification of the Lebanese economy. While there are laws that govern well digging, it is estimated that 80 percent of wells in Lebanon were dug illegally, diminishing the supply from public wells. In the agriculture sector, which accounts for 61 percent of the country's water usage, inefficient irrigation practices are another cause for concern. All these inefficiencies equate to a colossal waste of water. Private households have next to no incentive to conserve water, and there is a lack of public awareness about water conservation. The last national water strategy, drafted in 2010, is outdated and must be altered to address the current challenges in the sector. It is imperative to upgrade storage facilities and existing delivery systems and networks.

POLICY PRIORITY 9.1

UPDATE WATER STRATEGY AND SECTOR GOVERNANCE

Main Challenges

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

Proposed Measures

Measure 9.1.1

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

★ Measure 9.1.2

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

Measure 9.1.3

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

Measure 9.1.4

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

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

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

Proposed Measures**Measure 9.2.1**

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

Measure 9.2.2

Assess and strategize optimal efficiency of water transport infrastructure.

Measure 9.2.3

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

Measure 9.2.4

Assess and optimize efficiency of water use by industry.

Measure 9.2.5

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

Measure 9.2.6

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

Measure 9.2.7

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

Measure 9.2.8

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

• • •

Strategize

Agenda Priority 10

TRANSPORT

Having remained partially isolated from new transportation developments during the civil war (1975-1990), Lebanon has, in the three post-conflict decades, failed to catch up with global transportation sector developments. This fueled transportation debates based on environmental and congestion concerns. Weaknesses and deficiencies relating to the safety, governance and security of external transport were put into sharp relief by the Beirut Port explosion on August 4, 2020. In the country's emergence from the Lebanese economic crisis, infrastructure deficiencies and operational problems threaten to translate into missed opportunities for reaping greater economic and social benefits across all modes of transportation. Lost economic benefits are further associated with sub-optimal utilization of the country's geographic location, which gives it an advantage in areas such as commercial shipping. Additionally, transportation infrastructure inefficiencies have obstructed the realization of tourism potentials in a variety of segments, from religious and ecological to leisure and cultural tourism, and have also limited Lebanon's potential as an aviation hub. The lack of a coherent strategy for cross-border and national transport in general, and the absence of plans for satisfying domestic needs has been identified as a drag on the Lebanese economy. Knowledge of the insufficient and fragmented allocation of funds to transportation infrastructure developments makes it even more important to strategize mobility and transportation.

POLICY PRIORITY 10.1

DEVELOP A TRANSPORT POLICY FOR NATIONAL AND CROSS-BORDER MOBILITY

Main Challenges

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

Proposed Measures

Measure 10.1.1

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

Measure 10.1.2

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

Measure 10.1.3

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

Measure 10.1.4

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

Measure 10.1.5

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

Measure 10.1.6

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

Measure 10.1.7

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

POLICY PRIORITY 10.2

IMPROVE URBAN MOBILITY AND THE ENVIRONMENTAL COMPATIBILITY OF TRANSPORT**Main Challenges**

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

Proposed Measures**Measure 10.2.1**

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

Strategize

Agenda Priority 10

Measure 10.2.2

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

★ Measure 10.2.3

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

Measure 10.2.4

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

Measure 10.2.5

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

X Measure 10.2.6

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

Measure 10.2.7

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

Strategize

★ **Measure 10.2.8**

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

★ **Measure 10.2.9**

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

• • •

Combat

Agenda Priority 11

GENDER INEQUALITY

To date, Lebanon has made some inroads toward correcting the injustices inflicted on women, but many improvements to the standing of women in the economy appear to have been halted or rolled back under the impact of the nation's economic crisis and the COVID-19 pandemic in 2020. Lebanon has a reputation for openness, liberties, and freedom, but in reality the country lags behind others in the region in matters of women's empowerment. There are some positive indicators concerning education and engagement in decision-making positions (namely in the judicial and public administrations). The newly deteriorated economic situation calls for integration of rational efforts to achieve progress on gender equality into overall needs to maintain the country's social integrity and escape from all-engulfing economic misery. Campaigns for gender equality have visibly increased in number and intensity. Lebanon still lacks proper civil laws guaranteeing equal rights for women and the country maintains reservations about some major international conventions—such as the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)—and has yet to reform domestic laws, and combat gender-based violence (GBV). There are insufficient laws protecting the rights of women, and insufficient institutional support when women are facing the judiciary.

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

Main Challenges

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

Proposed Measures

Measure 11.1.1

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

Measure 11.1.2

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

Measure 11.1.3

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

Combat

Measure 11.1.4

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

Measure 11.1.5

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

X Measure 11.1.6

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

Measure 11.1.7

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

Measure 11.1.8

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

POLICY PRIORITY 11.2

EMPOWER WOMEN AND ENCOURAGE PARTICIPATION

Main Challenges

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

Proposed Measures

Measure 11.2.1

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

Combat

Agenda Priority 11

Measure 11.2.2

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

Measure 11.2.3

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

POLICY PRIORITY 11.3

INCREASE THE NUMBER OF WOMEN IN LEADERSHIP ROLES

Proposed Measures

Measure 11.3.1

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

Measure 11.3.2

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

Measure 11.3.3

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

• • •

POVERTY

Extreme poverty has remained entrenched in Lebanon also during the early 21st century when many other countries achieved significant progress toward the millennial UN goals of poverty eradication. Excessive inequality, measurable as multi-dimensional or relative poverty, has been pronounced throughout the post-conflict reconstruction and development period that commenced at the end of the 20th century. With asset ownership and bank deposits concentrated in the hands of the few, the Lebanese economic crisis thrust society from its first onset into spiraling poverty and even greater inequality. Moreover, before 2020, Lebanon's governments successively failed to devise a comprehensive social safety net due to fiscal, monetary, or political constraints, dumping the workload on NGOs and international donors. As new poverty fighting measures have been initiated in recent years largely on the strength of support from outside of Lebanon, efforts for implementation of social safety nets in the post-crisis phase deserve the attention of political stakeholders, civil servants, and elected officials. They also need homegrown support from religious institutions (as the traditional providers of poverty alleviation in Lebanese communities), wider civil society (the country's charitable and humanitarian NGOs), and private sector individuals and institutions (from schools and microfinance institutions to manufacturers and banks). The continued need for foreign support of social safety net implementation is predictable the end of the acute economic crisis and diaspora contributions to poverty alleviation have become more important than ever.

POLICY PRIORITY 12.1

TARGET AND SUPPORT THE EXTREME POOR AND THE DISADVANTAGED

Main Challenges

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

Proposed Measures

★ **Measure 12.1.1**

Rapidly advance development of the National Social Protection Policy.

★ **Measure 12.1.2**

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

Combat

Agenda Priority 12

★ **Measure 12.1.3**

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

Measure 12.1.4

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

★ **Measure 12.1.5**

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

Measure 12.1.6

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

Measure 12.1.7

Implement the ratified law on disability.

Measure 12.1.8

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

Measure 12.1.9

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

↓ **Measure 12.1.10**

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

POLICY PRIORITY 12.2**DEVELOP FISCAL AND PRIVATE SECTOR FINANCIAL
MECHANISMS FOR THE SUPPORT OF THE POOR****Main Challenges**

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

Proposed Measures**Measure 12.2.1**

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

Measure 12.2.2

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

Measure 12.2.3

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

• • •

Combat

Agenda Priority 13

CORRUPTION

Corruption—defined as the misuse of public posts for personal gain—is a popular and recurring talking point in Lebanon. Citizens and political leaders have long been emphasizing that something must be done in Lebanon to curb major and minor forms of corruption. Despite many years of citizen complaints and lip service from politicians, very little was done before the Lebanese economic crisis to achieve concrete progress toward penalizing illegal enrichment of public officials. Even in the wake of the August 4, 2020 Beirut port explosion and in the face of corruption allegations against the central bank, populist anti-corruption declamations outweighed serious dialogue on wider issues of corruption such as nepotism and communal favoritism. Instead, corruption has been discounted in public discourse as someone else's vice. This chronic lack of self-reflection and systemic inaction was enabled by a combination of factors, all of which are now challenged by the Lebanese polity. After baby steps in the right direction of reducing corruption in the two years before the thawra, new anti-corruption forces have come into existence and the pursuance of decisive measures in the fight against corruption has become possible. Steps that include the passage of laws (e.g., access to information) after more than a decade-long process and the announcement of the country's first national anti-corruption strategy after nearly eight years of incremental work behind the scenes need to be empowered so that they can induce tangible change. Barriers that still hinder the combat against corruption, such as poor law enforcement and the fact that the national strategy has not been formally adopted or provided with the necessary financial and human resources, are now in closer reach and can be challenged decisively.

POLICY PRIORITY 13.1 *PROMOTE AND INCREASE TRANSPARENCY*

Main Challenges

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

Proposed Measures

Measure 13.1.1

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

Measure 13.1.2

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

Combat

Measure 13.1.3

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

Measure 13.1.4

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

POLICY PRIORITY 13.2

STRENGTHEN LEGAL AND JUDICIAL ANTI-CORRUPTION FRAMEWORKS

Main Challenges

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

Proposed Measures

Measure 13.2.1

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

Measure 13.2.2

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

Measure 13.2.3

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

Measure 13.2.4

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

Combat

Agenda Priority 13

Measure 13.2.5

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

Measure 13.2.6

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

Measure 13.2.7

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

X Measure 13.2.8

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

Measure 13.2.9

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

POLICY PRIORITY 13.3

IMPROVE INSTITUTIONAL AND SOCIETAL RESILIENCE AGAINST CORRUPTION

Main Challenges

- *Improve institutional control mechanisms in the fight against corruption*
- *Enhance integrity of public and private sectors*
- *Create anti-corruption interface tools between the public and private sectors*

Proposed Measures

Measure 13.3.1

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

Measure 13.3.2

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

Combat

Measure 13.3.3

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

X Measure 13.3.4

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

Measure 13.3.5

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

Measure 13.3.6

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

Measure 13.3.7

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

• • •

Combat

Agenda Priority 14

POLLUTION

Pollution in Lebanon is pervasive and falsely tolerated despite its myriad repercussions for health and quality of life. Economic benefits of nature preservation are at best privatized and otherwise largely forgone. The air and water are contaminated and noise levels are high as a result of heavy traffic, reckless driving, and unregulated noise levels for bars and clubs. Car emissions, in particular from red diesel-powered vehicles, are a primary source of pollution, despite a law prohibiting this diesel's use. The waste protests in the mid-2010s were an outcry against a corrupt and heavily damaging waste management system but did not lead to creation of a clean system. Even though Lebanon is not a country with highly polluting industrial activities or resource extraction as bases of the economy, the lack of environmental protections against illegal industrial practices, quarrying, construction, and real estate development activities has exacerbated the country's trouble with maintaining minimal environmental integrity and quality of life for its population. The costs can be seen in the proliferation of chronic medical conditions, such as cancers and respiratory diseases, and in negatively impacted economic activities, such as tourism. Lebanon's environment is, put plainly, in a catastrophic state, and measures to change this trajectory have to be taken along a multitude of legislative and behavioral vectors. Combating pollution and advancing toward environmental justice are both necessity and precondition for healthier and better living.

POLICY PRIORITY 14.1 **COMBAT AIR AND WATER POLLUTION**

Main Challenges

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

Proposed Measures

Measure 14.1.1

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

X Measure 14.1.2

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

X Measure 14.1.3

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

Combat

Measure 14.1.4

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

Measure 14.1.5

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

Measure 14.1.6

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

Measure 14.1.7

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

Measure 14.1.8

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

Measure 14.1.9

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

Measure 14.1.10

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

Combat

Agenda Priority 14

POLICY PRIORITY 14.2 **COMBAT NOISE POLLUTION**

Main Challenges

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

Proposed Measures

Measure 14.2.1

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

Measure 14.2.2

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

Measure 14.2.3

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

Measure 14.2.4

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

Measure 14.2.5

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

Measure 14.2.6

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

Measure 14.2.6

Enforce the prohibition of firearm usage for celebratory purposes.

POLICY PRIORITY 14.3

*STOP ENVIRONMENTAL DEGRADATION
AND PROMOTE GREEN LEBANON*

Main Challenges

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

Proposed Measures***Measure 14.3.1***

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

Measure 14.3.2

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

Measure 14.3.3

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

X Measure 14.3.4

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

Measure 14.3.5

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

• • •

Develop

Agenda Priority 15

COMPETITIVENESS

Improvements of competitiveness, vital for maintaining and embellishing the contribution of Lebanon's trade, have gained further importance with the waning of temporary cost advantages of the productive sectors due to currency depreciation during the economic crisis. Sustainable enhancements of competitiveness have to be pursued on levels of national regulations and the ease of doing business, compliance with international targets of climate, environmental, social, and governance improvements, and integration with the international trade system. Lebanon has in the recent past been active in negotiating framework trade agreements with Arab states, as well as Eastern European countries. Fiscal revenue measures and specifically customs barriers must be legislated with great care to not violate trade agreements. Moving to eliminate tariffs is not the main objective when Lebanon pursues needed integration and harmonization of trade relations under the international system of the World Trade Organization: such development of trade requires major reforms and efforts that will incur costs on enterprises as protectionist measures are rescinded. The international trade liberalization process must thus be accompanied by internal measures to increase competitiveness. Because the Lebanese economy is overwhelmingly composed of micro, small, or medium-sized enterprises (MSMEs), any long-term plan to promote economic growth must target MSMEs and include mise à niveau programs to upgrade national competitiveness and enable local producers to penetrate foreign markets.

POLICY PRIORITY 15.1

MAINTAIN A FREE AND FAIR TRADE POLICY

Main Challenges

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

Proposed Measures

★ **Measure 15.1.1**

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

★ **Measure 15.1.2**

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

Measure 15.1.3

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

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

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

Proposed Measures**X Measure 15.2.1**

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

Measure 15.2.2

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

★ Measure 15.2.3

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

X Measure 15.2.4

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

Measure 15.2.5

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

X Measure 15.2.6

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

• • •

Develop

Agenda Priority 16

ENTREPRENEURSHIP SUPPORT

Since its independence, Lebanon has adopted liberal economic policies whereby market forces dictate the behavior of economic agents. In the years prior to the Lebanese economic crisis, the growth of the public sector has been higher than that of the private one, and state intervention has risen, resulting in more corruption and inflation. The Lebanese enterprise environment has been strung between the state's underlying concept of entrepreneurship in a free-market economy and the corruption of the economy into fragmented silos with clientelist structures under the control of competition-distorting oligopolies. Entrepreneurial energy is nonetheless deeply embedded in the Lebanese business environment. Entrepreneurship has been developed and incentivized in different ways throughout the 2010s but has during the economic crisis been suffering impediments, including the dissolution of central bank funding support of the tech entrepreneurship ecosystem and knowledge enterprises. In this context, new impulses for funding, development, and exits in the ecosystem are urgently needed. Administrative reforms should be put in place to lessen the burden on entrepreneurs from regulatory and legal standpoints, allowing for more flexibility and better ease of doing business, to foster competition and growth.

POLICY PRIORITY 16.1

PROMOTE INNOVATION AND DIVERSIFICATION

Main Challenges

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

Proposed Measures

Measure 16.1.1

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

★ Measure 16.1.2

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

X Measure 16.1.3

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

Measure 16.1.4

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

Measure 16.1.5

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

Measure 16.1.6

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

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

Main Challenges

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

Proposed Measures**Measure 16.2.1**

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

Measure 16.2.2

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

Measure 16.2.3

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

Measure 16.2.4

Enforce intellectual property protection through better laws and regulations.

Develop

Agenda Priority 16

POLICY PRIORITY 16.3

WIDEN ECONOMIC REACH OF MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES

Main Challenges

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

Proposed Measures

X Measure 16.3.1

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

Measure 16.3.2

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

X Measure 16.3.3

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

X Measure 16.3.4

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

Measure 16.3.5

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

Measure 16.3.6

Develop incentives for investors to participate in microfinance institutions.

Measure 16.3.7

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

Measure 16.3.8

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

Develop

Measure 16.3.9

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

X Measure 16.3.10

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

X Measure 16.3.11

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

Measure 16.3.12

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

Measure 16.3.13

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

Develop

Agenda Priority 17

LABOR

Labor co-determines a person's self-worth and contributions to society. Given the predominance of human capital in the national asset base of Lebanon, the importance of labor as a social and economic resource is higher than in economies that have more abundant natural resources. The destruction of financial assets and constructed capital in course of the crisis years has further highlighted the importance of human capital for rebuilding the national economy. However, the high value of labor is not matched by policies and institutions. Estimates of the size and composition of the Lebanese labor market have historically been impaired by incomplete data. As levels of both unemployment and economic informality have risen in course of the Lebanese economic crisis, new efforts for increased protection of working people's rights need to be combined with efforts of improving labor market structures and efficiencies. Labor policy needs to be developed from a to-be-researched knowledge base on labor issues. Projections of future Lebanese labor realities, needs, and opportunities must be improved so as to lessen uncertainty in impending labor market needs related to automation and digital transformation pressure. Employee rights, rules for unionization and collective bargaining, and access to the national labor market need to be strengthened and widened where appropriate.

POLICY PRIORITY 17.1

ESTABLISH IMMEDIATE MEASURES FOR LABOR INFUX

Main Challenges

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

Proposed Measures

Measure 17.1.1

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

Measure 17.1.2

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

Measure 17.1.3

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

POLICY PRIORITY 17.2
STRENGTHEN WORKERS' RIGHTS

Main Challenges

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

Proposed Measures**Measure 17.2.1**

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

Measure 17.2.2

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

Measure 17.2.3

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

Measure 17.2.4

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

Measure 17.2.5

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

• • •

Develop

Agenda Priority 18

OUTREACH TO THE DIASPORA

Communities of Lebanese emigrants around the world, known as the Diaspora, constitute an important factor in the national economy. Tapping into Diaspora sources for investments and economic networks has a long tradition already since before, in the 1990s, the Lebanese conflict ended and reconstruction was initiated with Diaspora support. The intensification of the economic crisis in 2020, further accentuated by the August 4, 2020 Beirut port explosion, drove the role of financial inflows from the Diaspora to new heights. Inversely, the uncertainty and lack of economic opportunities in Lebanon made the out-migration of educated Lebanese, known as the brain drain, escalate. Brain drain, a frequent occurrence over the past 25 years, was in course of the Lebanese economic crisis accelerated into a much greater stress factor for society and economy. Moreover, coincidental to the Lebanese economic crisis, new technologies for long-distance remote working have opened additional economic opportunities for Lebanese knowledge workers with Diaspora networks. In sum of such developments, the complicated economic interaction of local and Diaspora interests is cast into a new phase with new support and development needs. Further improvement of ties with and new outreach to the Diaspora thus deserves to be supported by public and private sector efforts.

POLICY PRIORITY 18.1 CAPITALIZE ON DIASPORA RESOURCES

Main Challenges

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

Proposed Measures

Measure 18.1.1

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

X Measure 18.1.2

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

Measure 18.1.3

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

X Measure 18.1.4

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

Measure 18.1.5

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

X Measure 18.1.6

Encourage diaspora investments into Lebanese startups.

Measure 18.1.7

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

X Measure 18.1.8

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

POLICY PRIORITY 18.2**INSTITUTIONALIZE RELATIONS WITH THE DIASPORA**

Main Challenges

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

Proposed Measures**Measure 18.2.1**

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

Measure 18.2.2

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

X Measure 18.2.3

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

Measure 18.2.4

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

Develop

Agenda Priority 18

X **Measure 18.2.5**

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

Measure 18.2.6

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

• • •

HERITAGE PRESERVATION

In matters of heritage, Lebanon still relies on legislation from the first half of the 20th century. The August 4, 2020 port blast impacted many heritage buildings. This catastrophe emphasized the need to preserve urban heritage, a need that has often been neglected in favor of profit-seeking. Civil society, legislators and the administration are mandated to improve heritage preservation while banning commercial exploitation of properties whose historic value has been willfully eroded. Urban settlements in this region have histories and identities that are more than deserving of protection and preservation for future study and enjoyment. Authorities have to protect landmarks and make sure they are restored and renovated. Until today, the Lebanese state has not shown the political will to improve and enforce existing laws on the protection of antique treasures. Nor has the country shown any signs of developing and pursuing a national strategy to preserve our natural and built heritage, a matter of pressing urgency as post-explosion damage remains.

POLICY PRIORITY 19.1

LEGAL REFORM FOR HERITAGE PRESERVATION

Main Challenges

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

Proposed Measures

Measure 19.1.1

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

Measure 19.1.2

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

Measure 19.1.3

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

Measure 19.1.4

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

Measure 19.1.5

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

• • •

Enable

Agenda Priority 20

MANUFACTURING

Manufacturing industry is decisive in advancing national development. Having enjoyed only very limited state support during the 2000s and 2010s, manufacturing frequently remained below its growth potentials before the outbreak of the Lebanese economic crisis. In the following period, the country's sharp economic contraction highlighted the need for industrial productivity and activation of export potentials. The small domestic market size and lingering restraints disadvantaging local industrial producers versus importers, pose challenging but surmountable hurdles to manufacturing. Having suffered from absence of coherent macroeconomic policy making and having endured years of spiking economic informality that has been deterring industrial investments, enablement of manufacturing industries is a priority need for creation of economically sustainable jobs and livelihoods. Needs to improve governance, productivity, and inclusion have to be met by industrial producers while they also must adapt to new international climate, environmental, and social standards. For the successful adaptation to global challenges and advancement in competitiveness of private sector industry it is paramount that the manufacturing sector benefits from public decision makers' implementation of public policy priorities in terms of legal, institutional, and structural reforms.

POLICY PRIORITY 20.1

ENABLE MANUFACTURING COMPANIES

Main Challenges

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

Proposed Measures

Measure 20.1.1

Encourage industrial manufacturers to adhere to cross sectorial collaboration.

Measure 20.1.2

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

Measure 20.1.3

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

Measure 20.1.4

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

Measure 20.1.5

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

Measure 20.1.6

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

Measure 20.1.7

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

Measure 20.1.8

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

Measure 20.1.9

Invest in R&D.

Measure 20.1.10

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

Measure 20.1.11

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

Measure 20.1.12

Adopt lean manufacturing principles for improving competitiveness and productivity.

Measure 20.1.13

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

Measure 20.1.14

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

Measure 20.1.15

Create common export bureaus for adjacent industries.

Measure 20.1.16

Seek export technical assistance from potential export markets.

Measure 20.1.17

Create a demand model for manufacturing jobs in Lebanon.

Measure 20.1.18

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

Enable

Agenda Priority 21

AGRO-INDUSTRY

Food imports are indispensable for Lebanon's food security. At the same time, import substitution and exportation potentials in the agro-food sector are pronounced, given the large share of agro-food companies in Lebanese industry overall. A superior concern for the food processing and agro-industrial realm has emerged during the 2019-23 economic crisis in the need of developing food safety and food security far beyond the levels that were deemed sufficient before the crisis. Agro-industrial producers have to address challenges that have been unmet in the past in the areas of preserving jobs, elevating quality, advancing competitiveness, and improving sustainable returns. Agro-industrial production is the stratum of Lebanese industry that is of leading import for the implementation of food security and sovereignty as building block of systemic and sustainable national, social, and economic sovereignty. It is paramount that agro-industrial production benefits from public decision makers' implementation of public policy priorities in terms of legal, institutional, and structural reforms.

POLICY PRIORITY 21.1

ENABLE FOOD PROCESSING & AGRO-INDUSTRIAL PRODUCTION ENTREPRISES

Main Challenges

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

Proposed Measures

Measure 21.1.1

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

Measure 21.1.2

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

Measure 21.1.3

Consider alternative financing solutions.

Measure 21.1.4

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

Measure 21.1.5

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

Measure 21.1.6

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

Measure 21.1.7

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

Measure 21.1.8

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

Measure 21.1.9

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

Measure 21.1.10

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

Measure 21.1.11

Invest in research and development (R&D).

Measure 21.1.12

Advance the development of geographical and quality certifications

Measure 21.1.13

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

Measure 21.1.14

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

• • •

Enable

Agenda Priority 22

MEDIA

The services sectors of commercial and news media as well as the print industry have contributed to the historic reputation of Lebanon as a hive of creativity and free expression. Digital content creation and journalistic ventures in Lebanon benefit from a large, multilingual and ambitious talent pool. Arising from increased use of generative artificial intelligence, originality in content creation is highlighted in the 2020s as cultural asset of incomparable value and deserving of highest standards in protection of intellectual property rights. Likewise, proliferation of propaganda and fake news in conflicts and politics make it an imperative of regional importance to spare no effort in safeguarding and expanding the Lebanese standards of journalistic integrity on individual and corporate levels of media. Economic, financial, and technical restraints against development of Lebanon as design, media, and content creation heavyweight in the Middle East and North Africa region have to be addressed by media owners. Insufficiencies in the rights and protection of journalists have to be addressed by policy makers through improvement of legislation and judicial framework.

POLICY PRIORITY 22.1

ENABLE MEDIA, PUBLISHING AND CONTENT CREATION VENTURES

Main Challenges

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

Proposed Measures

Measure 22.1.1

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

Measure 22.1.2

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

Measure 22.1.3

Create “free zones” for media.

Measure 22.1.4

Develop physical and digital infrastructures and technology clusters.

Measure 22.1.5

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

Enable

Measure 22.1.6

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

Measure 22.1.7

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

Measure 22.1.8

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

• • •

Enable

Agenda Priority 23

HOSPITALITY

Hospitality as a mindset and in the form of concepts and ventures is a fixture of national identity and staple of Lebanese economic activity. The warm and welcoming “ahlan wa sahlan” mindset that characterizes operators from the smallest to the very large is, however, juxtaposed with insufficient regulations and weak supervision of industry standards at hospitality ventures. Impacted hard by pandemic-related shutdowns in the early phase of the 2020-23 economic crisis, hospitality later in the economic crisis rose to the forefront of job creation and contribution to hard-currency inflows to the Lebanese economy. Lebanese concepts for hospitality management, restaurant branding and design, franchise solutions, and creation of new food and beverage concepts (F&B) signify opportunities with region-wide and cross-cultural appeal. Venue operators need to improve and implement health, hygiene, and service standards. The industry and regulators are urged to collaborate in addressing issues such as fair pay, employee qualification and job stability, venue insurance, climate and environmental responsibility, reduction of food waste and noise pollution.

POLICY PRIORITY 23.1

ENABLE FOOD & BEVERAGE AND HOSPITALITY ENTREPRENEURS

Main Challenges

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

Proposed Measures

Measure 23.1.1

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

Measure 23.1.2

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

Measure 23.1.3

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

Measure 23.1.4

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

Measure 23.1.5

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

Measure 23.1.6

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

Measure 23.1.7

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

KNOWLEDGE ENTERPRISES

Lebanon's information and communications technology (ICT) sector and the native tech entrepreneurship ecosystem has passed through several, complex and contradictory but always noteworthy, phases since the implementation of reconstruction and development efforts in the early 1990s. Rollouts of mobile telephony happened ahead of other countries in the Middle East and North Africa region but far-reaching state participation resulted in a duopoly of authorized providers juxtaposed with illegal operators. The system repeatedly fell victim to policy disagreements and corruption. Local IT companies developed profitable niches in software services but they and other knowledge enterprises have from the 1990s had to contend with strong comparative disadvantages. Tech startups have traditionally benefited from a strong entrepreneurial culture and Lebanese Diaspora connections. However, in context of the Lebanese economic crisis, the country's nascent entrepreneurship ecosystem was disrupted as early as 2019 by abrupt changes in their access to finance, by talent outflows, and by bottlenecks in graduate inflows from tertiary education providers. Given that the strongest asset base in the Lebanese economy is one of human capital, ease of communicating, and knowledge-based entrepreneurialism, new investments in tech startups and the entire entrepreneurship ecosystem are needed from the industry and on the part of state and educational institutions, startup-friendly laws and regulations are required alongside practice-oriented degrees.

POLICY PRIORITY 24.1

ENABLE TECHNOLOGY AND KNOWLEDGE ENTERPRISES

Main Challenges

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

Proposed Measures

Measure 24.1.1

Focus on premium outsourcing.

Measure 24.1.2

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

X Measure 24.1.3

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

Measure 24.1.4

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

Measure 24.1.5

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

Enable

Agenda Priority 24



Measure 24.1.6

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

Measure 24.1.7

Lobby for legal facilitation for the incorporation of social enterprises.

Measure 24.1.8

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

• • •

CHEMICALS

The diverse chemicals sector entails both companies that are of medium size regionally, such as paints and pharmaceutical manufacturers, and small and micro enterprises producing organic skincare products and clean cosmetics. This diversity ties in with unused agricultural potentials for cultivation of native herbs, creating an attractive Lebanese producer niche vis-à-vis Arab markets for healthy beauty. The more traditional chemicals producing and processing industries of Lebanon have long been significant on a regional level and have displayed potentials for exports to Arab markets. A shift to more domestic production of medical drugs is, since the Lebanese economic crisis, seen as very positive in light of economic restraints that make importation of such drugs less desirable. In herbs and essences, Lebanon has potentials that have been widely discussed in the late 2010s, such as potential for cultivation of cannabis. Local medicinal herbs and boutique beauty products can nurture exports and have investment potentials.

POLICY PRIORITY 25.1

ENABLE SPECIALIZED CHEMICALS, HEALTH AND BEAUTY ENTREPRENEURS

Main Challenges

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

Proposed Measures

Measure 25.1.1

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

Measure 25.1.2

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

Measure 25.1.3

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

Measure 25.1.4

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

Measure 25.1.5

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

Enable

Agenda Priority 25

Measure 25.1.6

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

Measure 25.1.7

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

Measure 25.1.8

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

Measure 25.1.9

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

Measure 25.1.10

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

Measure 25.1.11

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

Measure 25.1.12

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

• • •

RENEWABLE ENERGY

The Lebanese energy sector is faced with an inequitable track record of reliance on environmentally and economically unsustainable practices while at the same time dragging its feet in adoption of Renewable Energy solutions. This dichotomy came to a head with the forced removal of subsidies for usage of imported fossil fuel in electricity generation. The available coping mechanism for addressing nearly total disappearance of electricity supply to households and industry was a rapid implementation of RE solutions, mainly solar photovoltaic (PV) but also including some wind and solar heating. Unmet need of electricity translated into demand for quick solutions, which in turn led in 2021/22 to a surge in demand for the most affordable solar PV systems and a wave of new RE companies being set up. As this demand surge for RE solutions is not economically sustainable, urgent needs for regulatory support and state incentives converge with energy companies having to collaborate on market education and quality creation. Activation of national RE scales is a strategic need of Lebanon under international obligations and for achievement of energy security that fortifies the country's sovereign standing.

POLICY PRIORITY 26.1

ENABLE RENEWABLE AND CLEAN ENERGY PRODUCTION COMPANIES

Main Challenges

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

Proposed Measures

Measure 26.1.1

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

Measure 26.1.2

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

Measure 26.1.3

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

Measure 26.1.4

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

Enable

Agenda Priority 26

Measure 26.1.5

Pursue decentralization and digitization of renewable energy sector.

Measure 26.1.6

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

Measure 26.1.7

Activate and de-risk finance of RE.

Measure 26.1.8

Ensure equitable provision of energy and protect vulnerable users.

Measure 26.1.9

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

Measure 26.1.10

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

Measure 26.1.11

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

Measure 26.1.12

Replace heavy fuel oil with gas in power plants.

Measure 26.1.13

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

★ Measure 26.1.14

Establish a regulatory body for decentralized power distribution.

★ Measure 26.1.15

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

✓ Measure 26.1.16

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

Measure 26.1.17

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

Measure 26.1.18

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

Measure 26.1.19

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

Measure 26.1.20

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

Measure 26.1.21

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

Measure 26.1.22

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

Measure 26.1.23

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

Measure 26.1.24

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

• • •

E 3

STRATEGY
FINANCE
GOVERNANCE



Al Bourj Building, Martyrs' Square, Beirut Central District, Lebanon

Tel. + 961 1 991 911 | E-mail. info@kconcept.org