



EU - Lebanon
Cooperation Days

**Economic
Development**



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2010-2013

EU

Support to reforms III 2009 € 8 000 000

Budget: €8.000.000. Duration of Project: 2010-2013. Implementing partners: Administration Office (PAO) at the Presidency of the Council of Ministers. Beneficiaries: Ministry of Finance, Customs Administration, exporters, importers and civil society at large.

Lebanon's accession to the World Trade Organisation (WTO) and the required reform efforts are considered as instrumental to boosting competitiveness and reducing the cost of doing business in the country. Lebanon's economic growth and competitiveness are hampered by substantial import, export and transactions costs, which hinder further trade integration and more efficient markets. In addition, a key element of the Lebanese Government's current fiscal reform plans is the establishment of a modern tax system and an administration capable of managing taxes effectively and efficiently. This EU programme aims at providing better conditions for economic growth, facilitating WTO accession through customs procedures mainstreaming and simplification, and to improve the Government's fiscal position by modernising and making a more efficient and fair tax collection. A Twinning with the Italian Customs has been signed to allow 18 months of joint work to mainstream and modernise the clearance system at the Lebanese Customs. In addition, substantial equipment will be provided in order to create a Tax Payers Call Centre to make a friendlier, customer-oriented service to tax payers. An additional Twinning is being prepared with an EU Member State to jointly reinforce and upgrade the Public Finance Management Systems in Lebanon.

2009-2014

Reinforcement of the Private Sector Competitiveness € 14 000 000

Budget: € 14 000 000 Duration of project: 2009-2014. Implementing partners: Ministry of Economy and Trade, Ministry of Industry - Industrial Research Institute, Euro-Lebanese Centre for Industrial Modernisation, Kafalat. Beneficiaries: Lebanese small and medium-sized enterprises (SMEs) and start-ups, young or new entrepreneurs.

The objective of this programme is to improve the Lebanese private sector competitiveness. Lebanese exports should be boosted and jobs and new competitive SMEs should be created by ensuring a more business friendly environment, providing capacity to enterprises to have a more innovative edge, and by improving the compliance of Lebanese products and services with international standards. The main activities of the programme are: the provision of technical assistance to the Lebanese Government to facilitate «doing business» and simplify administrative and legal procedures; the creation of a financial scheme with Kafalat to promote investments in innovative enterprises; the funding of three Business Development Centres all over Lebanon to incubate new SMEs and start-ups; the provision of technical assistance to Lebanese SMEs to innovate their production and access new markets; and the support to the improvement of the Lebanese quality-related legal and institutional set up dealing with standardisation, accreditation, conformity assessment and consumer protection.

These activities have already produced, amongst other, the following results:

A joint project with the International Finance Corporation – IFC (World Bank) will help modernise the Commercial Registry of Beirut, simplifying the registration of companies and helping migrate the process to the internet. It will also strengthen the regime for debt resolution and insolvency to allow distressed firms to reorganise or exit the market efficiently, that will promote business continuity and save jobs. Finally, it will support the creation of a modern legal framework to enable banks to increase lending to SMEs based on loans secured by movable property, such as equipment, inventory, and

since
2002

accounts receivable. The initiative will help smaller firms that may not possess real estate to access financing.

An Innovation Voucher Scheme has been created with the Industrial Research Institute, it grants up to €10 000 to at least 20 Lebanese small and medium enterprises to apply research and innovation in their products and services. The EU-funded Innovation Voucher project can grant you up to € 10 000 (www.cit-lb.org).

A Twinning project has been signed with the British Standards Institution – BSI in order to upgrade, modernise the Lebanese Quality laws, institutions and awareness. Substantial Consumer protection assistance is foreseen.

A new Credit Guarantee Fund has been created with Kafalat to facilitate access to funding to innovative Small and Medium Enterprises and start-ups.

Support is being provided to the Lebanese Franchisers Association in order to make Lebanese Franchises a growth engine for Lebanon and abroad.

Job Creation Component – Economic and Social Fund for Development (ESDF) € 21 000 000

The Job Creation unit at the ESFD aims at facilitating access to financing and creating job opportunities by providing loans to Small and Medium Enterprises (SMEs) through partner commercial banks, thus performing sustainable activities with significant impact on poverty alleviation. Financed projects cover the sectors of agriculture, trade, services and industry, and are distributed on all the Lebanese territory. The main partners are:

- Competent Partner Banks act as intermediaries to channel fine-tuned loan products at preferential conditions. Banks are selected through a tendering procedure on the basis of competence, financial strength, and outreach.
- Business Advisors (BDS) support SME owners who do not have enough experience in dealing with banks and preparing acceptable credit files. They also offer technical training to ESFD beneficiaries.

Since 2002

- Number of loans: 7,038
- Number of jobs created: 4,649
- Number of start-ups: 756
- Female entrepreneurs: 1,147
- Value of loans: 104,916,526,924 LL
- Average of 30 jobs per month



2007-2014

GERMANY

Promotion of Vocational Education and Small and Medium Enterprise Development in Lebanon – DSME € 14 000 000

The Lebanese economy is affected by increased competition from foreign manufacturers which makes economic reconstruction and development even more difficult. Small and medium-sized enterprises (SMEs) in particular bear the brunt. The job market lacks of opportunities for young adults and semi-skilled employees. At the same time, demand is growing for well-trained workers and middle management. Education and training therefore play a key role in the Lebanon's economic development. Like other education and training systems in the MENA region, the Lebanese system is out-dated

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and out of touch with the market needs. As a result the private sector finds it difficult to recruit skilled young professionals, yet on the other hand, the private sector plays only a minor role in their training. Furthermore the poor public perception of vocational education makes that young people have little interest in pursuing a career in these areas.

In order to overcome this situation, public and private-sector institutions in Lebanon need to work together to shape and promote the cooperative vocational training. GIZ plays a supporting role through its DSME programme implement the Dual System (initial training), Meister (master craftsmen) and small and medium enterprises. It advises the Ministry for Education and Higher Education and the Directorate General for Vocational and Technical Education as well as the Federation of the Chambers and works with regional chambers and associations, vocational schools and teacher training institutions. The duration of the programme is 04/2007 until 03/2014.

Objectives of the Project:

The government and private sector jointly shape cooperative (dual) vocational training

Specific objectives are:

- Offering advisory services for decision makers
- Implementing the Dual System programmes
- Executing the Meister programmes
- Assisting in developing the Training of Trainers
- Providing support for Small & Medium Enterprises development.

Achievements to date:

- 28 public and private schools offer initial cooperative vocational training in eight occupations.
- Demand is on the rise: in the 2012/2013 school year, approx. 1,700 young people underwent dual training and more than 750 companies offered apprenticeship positions.
- About two-thirds of the qualified apprentices found a job straight away or decided to study further.
- 4 schools also offer further training for Meister in four different occupations. To date, 200 participants have passed their examinations in this field.
- The Dual System and Meister qualification are both state-accredited and mainstreamed in legislation.
- In 2012, the teacher training institution IPNET ran the second training course round specifically for teaching staff working in the dual system. 140 teachers received technical training in collaboration with the Lebanese private sector.
- Since 2011 the regional chambers works on establishing a demand oriented short term training offer to their members in technical and non-technical subjects.
- Since 2012, the regional chambers of commerce participate in the promotion of the Dual System and Meister through providing Information and guidance service to their members and interested people in general.

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SES – Senior Experten Service - Capacity Building

Senior Experten Service (SES) is the Foundation of German Industry for International Cooperation (Stiftung der deutschen Wirtschaft für internationale Zusammenarbeit). It is a non-profit organisation.

SES offers interested retirees the opportunity to pass on their skills and knowledge to others, both within Germany and abroad. They work in a voluntary capacity as Senior Experts, helping to train both specialist workers and management staff. They help others to help themselves – an important contribution towards safeguarding a small slice of the future. It is a system that benefits all parties.

Project objective:

Senior Experts generally work in small and medium-sized enterprises, as well as with providers of vocational training and health care services, but it is also employed by such organisations and institutions as the German Agency for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit - GIZ). The duration of these honorary assignments ranges usually from three to six weeks; the maximum duration is six months. A Senior Expert can be requested for follow-up assignments – to ensure the sustainability of his or her work.

Our more than 10,000 Senior Experts, drawn from the active retired community, are entirely voluntary and help others to help themselves. Whether in small to medium-sized industrial or skilled trades and crafts enterprises, in large organisations or in local authorities, they offer help and advice using their specialist knowledge of over 50 different sectors.

The motto of SES is:

Future needs experience!

Achievements:

In Lebanon, the SES realised so far 60 assignments. Until today, we can note the greatest amount of assignments within the field of vocational trainings. Therefore, the SES could achieve in different fields a value benefit for the local market.

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City Council of Menjez

€ 14 753

Public finance management

€ 10 701 000

Capacity Building in Public Procurement (€ 452 000 as grant)

Implemented by: Lebanese Government

The project aims at building the capacity of Lebanese public institutions to develop and better manage public procurement functions. This is expected to be achieved by providing the Lebanese public sector

2012



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with a sustainable source of high quality, specialised training, and building the capacity of the Institute of Finance staff and trainers to be able to transfer developed knowledge. An added value of the project is the focus on procedures that take into account the adoption of ethical and environment policies that foster the use of eco-friendly goods.

Support to municipal finance reform in Lebanon for the improvement of the local development (€ 1 749 000 as grant)

Implemented by: Lebanese Government

The overall objective of the project is to improve the link between the municipalities and their central administration by addressing the issue of municipal finance for a sustainable improvement of service delivery at local level. The Project targets critical reform issues such as the creation of a municipal development fund, the strengthening of the municipal finance framework and the provision of reform-based municipal development grants. As a following phase of the capacity building of local administrators, development grants will be launched on competitive bases.

Secure Information Technology Infrastructure for the Lebanese Central Bank (€ 8 500 000 as soft loan)

The project (a continuation of a previous phase) aims at contributing to the strengthening of the Lebanese financial and commercial system through the introduction of advanced technologies able to guarantee full security of electronic financial transitions. This will lead to enhance the further development of e-services in Lebanon such as the Secure Electronic Banking and Information and the Secure Information Technology Infrastructure - SeBIL/SITI II.

Support to the private sector, competitiveness, business environment € 300,000

Business development and promotion of investments (€ 300.000 as grant)

Implemented by: UNIDO

The promotion of economic growth in Lebanon through the support to employment and income generating activities is the ultimate goal of this project. Specifically, measures are implemented by UNIDO in order to promote housing investments, create new businesses and support their growth and international dimension.

BILATERAL PROGRAMME BUDGET - Building Capacity & Partnership in Public Procurement Work € 6 500

Three participants from the Lebanese Institut des Finances undertook a visit to the UK in June 2012 to familiarise them with the work of the Chartered Institute for Purchasing & Supply (CIPS) in order to take forward a public procurement capacity building agenda in Lebanon. The delegation gained an insight in the area of procurement training and qualifications, in particular CIPS certification programmes, training methodology, learning approaches and international cooperation initiatives. The delegation is now aware of the various options available for developing certification training programmes in Lebanon, and is evaluating them with a view to implementation beginning in the next year. A solid and sustainable institutional cooperation has now been built between the Institut des Finances and CIPS, ensuring sharing of information will continue.



FRANCE

Lebanese civil servants better trained to face today's issues € 15 000

The civil servants training programme, implemented by Basil Fuleihan Institute of Finance, aims at training Lebanese senior public service leaders in the modern management of the State's budget, the monitoring and performance tools and in change management, through sharing the best European practices in public finance management. This programme of trainings provided by the French National School of Administration will take place from March to June 2013 and is planned to target roughly fifty senior public service leaders.

Four topics will be addressed in the 2013 cycle :

- Public finances, a modernisation and performance tool for the State
- Evaluation and mobilisation of customs and tax resources
- Conducting change in the administration
- Economic realities of corruption

This programme is financed by the Department of Cooperation and Cultural Action of the French Embassy.

Supporting the development of the GIFT-MENA network (Governance Institutes Forum for Training – Middle East and North Africa) € 450 000

The GIFT-MENA network (Governance Institutes Forum for Training – Middle East and North Africa) launched by the Basil Fuleihan Institute of Finance in Beirut in March 2006 at the request of the Lebanese Ministry of Finance, aims at promoting exchange and cooperation between its members, in order to provide better support for the programmes of reforms and institutional development in the countries of this region. This network comprises currently 45 member institutions and 9 associated members including Arab regional organisations, international organisations and institutions from Europe. Its General Secretariat is located at the Institute of Finance (IoF) in Beirut.

The Treasury General Directorate within the French Ministry of Economy, Finances and Industry, through its operator Adetef, is providing financial support for the development of the network amounting to 450 000 Euros over 4 years, from 2010 to 2013.

The support to the network includes:

- Supporting the operations of the network's General Secretariat over 4 years.
- Developing a platform for exchange between the network's members (website, collaborative workspace, media library)
- Developing the exchanges of experts and trainers between the network's members
- Building the institutional capacity of the network's members
- Developing training modules and training of regional trainers in the field of economic and financial governance.

Modernising the administrative and operational capacities of the Lebanese tax administration € 1 850 000

The Public Finances Directorate General (DGFP) is managing a European twinning project aimed at assisting the Lebanese tax administration in "modernising its administrative and operational capacities"



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