



Lebanon
Results Review and
Resource Request
(R4)
1996

Table of Contents

I. The Development Setting and Factors Affecting Program Performance	1
A. The Enabling Environment and Progress in the Overall Program	2
B. Agency Special Issues	5
II. Progress Toward Achievement of Special Objectives	7
A. SPO1: Sustained rural community reconstruction and rehabilitation	8
1. Summary of Data	8
2. Analysis of SPO Progress/Contribution of USAID Activities . .	11
3. Expected Progress over the next year	11
B. SPO 2: Increased effectiveness of selected institutions which support democracy	12
1. Summary of Data	12
2. Analysis of SPO Progress/Contribution of USAID Activities . .	15
4. Expected Progress over the Next Year	15
C. SPO3: Enhanced capability of institutions of higher education to contribute to Lebanon's development objectives	16
1. Summary of Data	16
2. Analysis of SPO Progress/Contribution of USAID Activities . . .	18
3. Expected Progress over the Next Year	18
D. SPO4: Expanded Economic Opportunities	19
1. Summary of Data	19
2. Analysis of SPO Progress/Contribution of USAID Activities . . .	20
3. Expected Progress	21
III. Status of Management Contract	24
A. Special Objective Changes or Refinements	24
B. Special Concerns or Issues	24
C. 22 CFR Issues and Schedule	25

IV. Resource Requirements	27
A. Program Funding Requested by Special Objective	27
B. Program Management Requirements: Operating Expenses and Staffing	30
C. Technical Support Needs from USAID/W	30
Annexes:	31
A. Tables: Table 1 Performance Data Table (See Annex B of Strategy)	
Table 2 All Resources Table*	33
Table 3 Funding Scenarios by Objective	34
Table 4 Regional and Global Field Support	35
Table 5 Staff Requirements by Objective	36
Table 6 Operating Expense Requirements	37

Glossary of Acronyms

AA	Assistant Administrator
ANE	Bureau for Asia and the Near East
ASHA	American Schools and Hospitals Abroad
AUB	American University of Beirut
BHR	Bureau for Humanitarian Response
BSE	Beirut Stock Exchange
CIB	Central Inspection Board
CLD/SUNY/A	Center for Legislative Development State University of New York in Albany
CPS	Country Program Strategy
CSB	Civil Service Board
FY	U.S. Fiscal Year (October 1 - September 30)
NARP	National Administrative Rehabilitation Program
NGO	Non-Governmental Organization
PVO	Private Voluntary Organization
SEC	Securities and Exchange Commission
SPO	Special Objective
SVP	Small Value Procurement
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

LEBANON

RESULTS REVIEW & RESOURCE REQUEST (R4)
1996

I. FACTORS AFFECTING PROGRAM PERFORMANCE

RESULTS REVIEW AND RESOURCES REQUEST USAID LEBANON

I. The Development Setting and Factors Affecting Program Performance

Given the rapidly changing assistance environment in Lebanon that followed the end of the civil war in 1991, and the uncertainties associated with the Middle East Peace process, USAID has until this year managed Lebanon activities on a rolling two-year program cycle, with annual action plan updates approved by the AA/ANE. This year, USAID developed the first three-year Country Program Strategy and Performance Monitoring Plan for Lebanon.

USAID does not maintain a USDH presence in Lebanon. Due to its assessment of direct threats to U.S. nationals, the Department of State continues to enjoin U.S. citizens from visiting Lebanon. Therefore, the country strategy and this R4 were developed in Washington by the ANE Bureau's Office of Resource Allocation, the Office of Middle East Affairs, and the Strategy and Economic Analysis Office, with support and involvement of the G Bureau Centers for Economic Growth and Democracy/Governance. Without travel access, interaction with customers and partners in Beirut is difficult. USAID's local staff monitors progress and reports to ANE on policy and operational issues.

In 1995, USAID obligated \$15.7 million to Lebanon activities, representing \$7.7 million of FY 95 funds plus \$8.0 million of FY 94 funds carried over from a period of FY 94 Congressional holds. Approximately \$414,000 of FY 95 funds are carried over to FY 96.

A. The Enabling Environment and Progress in the Overall USAID Program

A.1 The Enabling Environment

USAID's objective in Lebanon is to assist with post war recovery and modernization, while seeking the greatest development impact without U.S. in-country presence. This R4 stems directly from the 1996 - 1999 Country Strategy. It relates proposed funding levels to the importance of supporting nascent financial markets and strengthening educational institutions, and recognizes that an investment in Lebanon's public sector is an investment in Lebanon's overall recovery. Although it requests no additional funds for rural-level reconstruction and rehabilitation, it reports on the successes in this area and sets forth the targets that grantees will pursue as they complete their work and phase out of this component.

Lebanon's economy continues to improve. However, the political environment remains uncertain, as Syrian-Israeli peace negotiations continue. The outcome of the Middle East peace process will ultimately affect Lebanon's political stability. The main challenge in attaining macroeconomic stability is

resolving the fiscal imbalance without impinging on vital reconstruction and social expenditures.

Social problems persist, and occasionally lead to strikes over low wages (or the disparity of wages between modern, high-technology sectors and more traditional ones). In these events, there is a persistent theme that a few are benefiting greatly from economic restoration, while many others are left behind.

Positive factors affecting reconstruction (SPO 1) are evident with the GOL and other donors. The World Bank is ready to initiate a community development loan fund which will provide additional resources for the rehabilitation of rural infrastructure and communities. USAID has also seen growing interest among the still-weak central ministries, like agriculture, to enlist the PVOs in partnerships to extend the reach of government programs in rural areas. The electric utility has assumed full control of the restoration of the power net. The Ministry for the Displaced has accelerated disbursements of its housing repair fund, for which USAID-funded PVOs provide expertise in the field, along with matching contributions. This is another case where the presence and the effectiveness of a PVO ensures that a government program reaches the intended customer with the desired result.

The Government continues to place high priority on both rehabilitation and reform of the seriously damaged public administration (SPO 2). This priority has been repeatedly expressed by the Prime Minister and the Council of Ministers. The National Administrative Rehabilitation Program (NARP), issued in November 1994, lays out the framework for administrative reform for the government. It recognizes the fundamental dual problems of rehabilitation and reform. The Minister of State for Administrative Reform acknowledges that many of the needed reforms are highly political but also points out that many basic functions and technical capacities need to be established along with the reforms. The World Bank and UNDP are supporting a revitalization program that includes other critical structural reforms that are highly political in nature. The Arab Fund is also providing funds for the basic office functional needs of the ministries. Procurement of furniture and equipment, including computer systems, is moving forward as the funds start flowing from the donors and the GOL counterpart contributions.

On the institutional side, the GOL is proceeding, against a timetable established with the World Bank, to complete the studies needed to modernize the government. Efforts are aimed at making government more accountable, transparent, and responsive. This includes analyses to update all ministries' charters and missions (possibly consolidating several); taking a full census of government employees and trimming the rolls of contract and "ghost" workers; and updating the civil service approaches to salaries and benefits, job classification, and performance evaluation. The Minister's technical secretariat, supported by the World Bank and UNDP, is now fully staffed, and branching out into areas of interministerial importance, such as information

management and technology policy. While the legitimacy of the authority of the Minister of State is occasionally questioned by other ministers who are his equals, he has almost always been able to proceed with a renewed mandate from the Prime Minister, by mobilizing additional donor resources, and by the effectiveness of interventions supported by his office (including USAID-funded ones, discussed below under SPO 2).

The U.S.-based universities (SPO 3) are moving forward with efforts to restore and expand plant, equipment, and faculty. In 1995, after a pause to reach consensus with the U.S.-based universities operating in Lebanon, USAID supported outreach and development-focused activities of the American University of Beirut and the Lebanese American University that will add to the vitality and relevance of these universities. The AUB President has started to make regular visits to the Beirut campus, under a special arrangement with the Department of State. Faculty in the various disciplines are seeking state-of-the-art refresher training in the United States.

LAU is proceeding with faculty recruitment, seeking individuals with advanced degrees from the U.S. Expansion of campuses in Byblos and Sidon are making it a more national and diverse institution.

Economic opportunities (SPO 4) are slowly increasing. The Beirut Stock Exchange reopened in late 1995, with four firms listed (other applicants in process), and its regulatory framework still in formative stages. The secondary market is trading the shares of Solidere, the reconstruction entity for downtown Beirut. Banking is reviving more quickly, with many foreign banks returning to set up operations.

A.2 Overall Progress

The progress of the program by objective is discussed in detail in Section II below. The overall situation is positive. There is agreement with partners that USAID has a more focused role to play in areas that emerged from the post-war relief effort.

PVO partners, such as the Red Cross and the World Rehabilitation Fund, whose activities will phase out this year, understand that USAID must consolidate scarce resources in developmental efforts that track the Agency's areas of emphasis (democracy and governance, economic growth). They are emphasizing institutional strengthening of counterpart organizations during the final months of their USAID-funded activities.

The public sector's rehabilitation is being funded largely by other donors, with targeted, selective USAID interventions that complement those funds and experts and are particular areas of strength for the USG, such as technology policy or legislative development. In developing work plans and shared responsibilities for these efforts (agreed through memoranda of understanding)

the GOL has been responsive in terms of hiring staff to be trained, and establishing space and support services for activities of the CLD/SUNY team.

The universities understand that while there is symbolic importance in the United States Government's support for their restoration, USAID must apply its strategic and programmatic criteria to all funding decisions, rather than continuing to offer unrestricted financing. Although the kind of grant administration required by M/OP is different from that of ASHA, the universities' administrators are adapting to these rules, and the program heads of the activities USAID has funded are responding to results-based management.

In summary, USAID's program is now evolving, in concert with willing partners, toward a more measurable, discrete set of activities with special objectives. The areas where USAID now works or has chosen are ones that allow a notable, if not major, contribution.

B. Agency Special Issues

B.1. Crisis Prevention

Lebanon's economic and political recovery depends largely on what happens to two sets of relations and Lebanon's ability to prevent further political crises: those between Lebanon and Israel, and those between the government in Beirut and Hizbollah. Lebanon's future is, in turn, intrinsically linked to the outcome of Israeli-Syrian negotiations. These factors are likely to have a significant impact on overall prospects for sustainable development in Lebanon. The outcome of Middle East peace negotiations is the single most important variable affecting Lebanon's reconstruction prospects. As long as Israeli troops occupy southern Lebanon, Hizbollah remains armed, and the situation between Israel and Lebanon is not normalized, Lebanon will continue to suffer from the following ills:

- Domestic and external confidence in the political regime will remain low;
- The United States is unlikely to resume consular activities or lift the ban on travel of U.S. citizens to Lebanon;
- Security conditions will remain volatile, though most of the country north of the Israel border area is peaceful and secure; and,
- Foreign investment will not be forthcoming in significant amounts for reconstruction and economic recovery.

There is a more subtle internal threat to stability and development, namely the social and political ills which lie near the surface. Confessional distrust, even hatred, along with economic inequity, are presently covered

over and set aside. These are kept from erupting partly by the Syrian role in resolving conflicts among top leaders, and by the drive to reconstruct what was damaged in the war. Reconstruction gives hope that its economic benefits will accrue throughout the society. In this respect, USAID's program is encouraging cross-confessional community development work in war-torn rural areas, with an increasing emphasis on economic opportunities.

B.2. New Partnerships Initiative

The Lebanon program works through US and local NGOs that work in tandem. These partnerships provide a mutual learning experience involving strategic planning, management systems and financial tracking, performance monitoring, and developing effective teamwork at the local level. Lebanon's local government system has been largely dormant for nearly 20 years, but where vestiges exist, USAID grantees are working to strengthen community organizations that influence (or in some cases act in place of) local government.

B.3. Tropical Forests and Biodiversity

Lebanon has no tropical forests. At one time it was known for having relatively diverse flora and fauna. The nature, extent and distribution of germplasm resources in Lebanon at this time are not well known. Also unknown is the degree to which the diversity of that germplasm may have been affected by more than 15 years of civil strife. Current conditions do not permit the conduct of a baseline survey of biological diversity, nor of actions necessary to conserve those resources, as required by Sections 118 and 119 of the FAA.

USAID's program in Lebanon is highly unlikely to have a significant adverse effect on the country's germplasm resources, since USAID activities focus on community reconstruction, government institutional strengthening, and enhancing the capabilities of the universities (including strengthening the environmental program of one of them). The net affect may in fact be positive.

LEBANON

RESULTS REVIEW & RESOURCE REQUEST (R4)
1996

II. PROGRESS TOWARD ACHIEVEMENT OF SPECIAL OBJECTIVES

II. Progress Toward Achievement of Special Objectives

The USAID/Lebanon strategic framework rests on the four special objectives (SPOs) described below. Given the modest resource levels for Lebanon and the unique nature of USAID's non-presence management constraint, there are no strategic objectives. As discussed in Section 1, the supportive climate and relationships with partners for transition to sustainable development of USAID's program for 1996 and beyond are in place. Progress is reported below by SPO.

A. Special Objective 1 (SPO 1): Sustained rural community reconstruction and rehabilitation

1. Summary of Data

This objective supports the resettlement of displaced persons in selected rural areas, and in so doing builds local non-governmental organizations' capability to manage reconciliation and development.

Civil strife ravaged the rural areas and catalyzed a massive exodus to Beirut. Previously productive villages and agricultural areas have been decimated and lack skilled people to revitalize them. Cognizant of the need to rebuild the rural areas, the Government of Lebanon has initiated a program for displaced persons to assist their return to selected villages. The Government has budgeted for infrastructure development, housing repair, and basic services for these areas and looks to private business and non-governmental organizations to play a key role in re-establishing viable social and economic systems.

Emergency humanitarian relief was the first type of assistance provided by USAID once the civil war ended. Since 1992, the activities that support SPO 1 have been successfully implemented by a dedicated group of eight U.S. Private Voluntary Organizations (PVOs). This year, USAID actively enlisted the participating PVOs to reconstruct baseline information and benchmarks to illustrate the advances that have been achieved since post-war reconstruction began. Presently, each PVO has its own selected measures, some of which track across programs, some of which do not. USAID/W is currently working with the field staff to assure the adequacy of monitoring of results and performance.

1995 marked the last year that grants will be provided to PVOs, as the program strategy shifts from one of post war relief to a more sustainable development-oriented agenda sought by the GOL. Funds provided to six remaining PVOs in 1995 will enable them to carry out activities under this SPO until the objective is phased out near the end of 1998.

For Lebanon SPOs, the contributions or expected accomplishments are measured by illustrative or notional key indicators or targets which may occur as the consequence of a number of activities. As explained in the Strategy, Annex B, these will be discussed with partners in the field as ongoing measures. Information that is useful to USAID may not be of value to our partners. Any measurement system for the USAID/Lebanon program must be designed to be simple as well as valid.

1.1: Community organizations strengthened

This includes forming or redirecting community organizations in rural villages to enable them to identify needed projects, to coordinate with NGOs and GOL agencies to develop plans and obtain funding, and to mobilize funds or community labor to carry out projects. Such organizations also collect users' fees, and maintain and repair common-use items, such as irrigation canals/pipes, water reservoirs, and feeder roads.

The project has conducted 8 training workshops for 13 NGOs, affecting 345 persons. This training covered project planning, financial management, and leadership skills. One or more community organizations has been organized or strengthened in each of 200 villages affected by the PVOs.

The key measure for future use might be: ***Community organizations strengthened (less than 50% of funds externally provided).***

1.2: Community economic activity resumed

This indicator refers to reopening businesses, agricultural activity that is restored or expanded, and other aspects to be determined in field discussions.

In the Lebanese culture, especially in Muslim families, women are more likely to work at home than in offices, shops or manufacturing plants. One activity conducted 10 training workshops for 400 women on income generation skills, manual skills like sewing and embroidery, and business management. One PVO estimates that incomes in affected villages have increased over the past year by \$1,000 to \$2,000 per family with the return of agriculture and commerce to the communities. This is nearly a doubling of family income in some areas. 300,000 ha. of land have been put back into cultivation as a result of efforts including land reclamation, restored irrigation systems and rebuilt terraces. Some of this land had not been farmed for 15 years.

The key measure might be: ***500 home-based enterprises created.***

1.3: Families Resettled in Target Communities

For families to resettle, basic living conditions and services in communities must be restored. A home is obviously a basic requirement, but that by itself is not enough to bring people, unless there are also power, light, schools, health centers, and commerce.

The program currently reports a number of results related to basic living conditions leading to resettlement of the displaced. Among them are statistics on the number of houses restored, public buildings (such as schools, health and community centers) put back in operation, and basic infrastructure repaired or upgraded (such as potable water systems, irrigation systems, feeder roads). During the GOL's baseline assessment of 1993 in war-damaged villages they found that all needed electricity, potable water, and irrigation. There was no separate inventory by type of infrastructure.

As of December 31, 1995, 3,100 housing units were repaired by all USAID-funded PVOs against a target of 2,200. This affects 13,900 individuals (7 percent of need assessed by the Ministry of the Displaced in 1993).

In infrastructure, the results to date are:

<u>Type</u>	<u>#projects</u>	<u>#villages</u>
Electricity	1	1
Potable water	47	44
Irrigation	59	56
Schools	7	6
Health/community Ctrs	11	10
Public works (e.g. reservoirs, pumps)	23	
Environment/sewers	10	10
Feeder roads/retainer walls	40	38

There have been a total of 198 projects in 165 villages affecting approximately 130,000 individuals.

Focusing more directly on family resettlement, data are difficult to acquire. The baseline survey in 1993 by the Ministry of the Displaced covered 192 villages in 4 governorates (Mouhafazats) of Beirut, Mt. Lebanon, South and Bekaa. The study concluded that 24,217 units were uninhabitable. Of those,

14,538 were destroyed, 5,639 were partially destroyed, and 4,040 were damaged. 39,972 families were displaced, totaling 210,500 individuals.

Of the 3,000 units restored by PVO efforts, USAID estimates that the rate of return of assisted families ranges from 0% to 100%, depending on the social and economic situation in the villages. 55% of families assisted by USAID have resettled to their villages full-time, and about 40% of houses reconstructed are used part-time.

Key measure for the future might be: *approximately 4,000 formerly abandoned houses will be occupied.*

2. Analysis of SPO Progress and Contribution of USAID

Special Objective 1: Work under this SPO is progressing as planned, and exceeding targets in some areas. The work in home repairs is diminishing as needs in target communities are met. Where needs persist, government housing assistance programs are beginning. The PVOs are shifting their efforts more toward infrastructure, as agreed with USAID in last year's competitive grant process. They are putting land back into production by repairing terraces, irrigation canals and feeder roads. The "habitability" or basic living conditions have improved in many areas; now the economic viability of these communities is of greater importance to assure that returnees become permanent residents again.

The program team looks forward to working on site with the PVOs to develop a realistic and cost-effective way to consistently measure village rehabilitation -- economic, social, and physical.

USAID has provided the means for the PVOs, especially the Lebanese counterpart organizations like the Middle East Council of Churches and the Pontifical Mission, to move from humanitarian relief to development work, and from working in spite of government to cooperation with government. In this way the Lebanese PVOs have greater credibility and can attract funds from domestic and international sources.

3. Expected Progress over the next year

Special Objective 1: USAID assistance will continue to support resettlement as an essential requirement of the process of reconciliation. The program will emphasize institutional development of non-governmental organizations to carry on once this SPO is phased out in 1998. In 1996, USPVOs will expand their work with local NGOs to empower heterogenous communities to work together, through conflict management, planning sessions, employment generation, and microenterprise development activities.

There is still physical reconstruction or improvement work for the PVOs to complete. PVO plans for the coming year include work on 765 homes and 151 infrastructure projects (increasingly economic in nature), in about 100 more communities in former war zones as well as in GOL-identified high poverty zones.

In addition, there will be additional training for 400 women on income generation projects, and training workshops for 60 NGOs financed by PVO-contributed matching funds.

B. Special Objective 2 (SPO 2): Increased effectiveness of selected institutions which support democracy

1. Summary of Data

This objective contributes to the rehabilitation and reform of the civil service and parliament to better manage a restructured central government and to carry out the country's redevelopment objectives.

Phase I of the Government Institutions Strengthening Component has been nearly completed, and Phase II (approved in FY 1995) is now starting. Under the cooperative agreement with the Center for Legislative Development at the State University of New York/Albany (CLD/SUNY/A), a number of changes are occurring. While the emphasis from Phase I on installing modern information systems is still present in this activity, for Phase II USAID and CLD/SUNY/A have agreed to give increasing emphasis to policy and procedural reform and institutional development in the Parliament (as highest priority) and the Control Agencies.

Providing information systems is used as an entree to gain the confidence and attention of senior GOL officials in both the executive and the legislative branches to introduce more lasting policy and institutional changes that will help make the GOL more responsive to citizen needs (in legislation), as well as more accountable, transparent, and effective (in the executive branch). It is anticipated that in this way, public confidence in government will grow, thus supporting the deepening of democracy in the country.

In working with the Control Agencies, cooperation with the Minister of State for Administrative Reform and the activities occurring under the NARP with World Bank is essential. This intent has been incorporated in two Phase II memoranda of understanding (USAID-GOL-CLD and USAID-Parliament-CLD) which set forth the deliverables under the cooperative agreement and the required counterpart support and involvement of the GOL and the Parliament.

2.1: Parliamentary processes improved and modernized, in particular the parliamentary committees on Budget & Finance and Administration & Justice exercise full authority.

The Parliament now has an electronic voting and sound system that allows public recording of attendance, votes (in committees as well as plenaries), and tracking/recording of the progress of bills and archiving of business conducted. The Parliament also has a functioning local area network (LAN). Users and systems administrators have been trained, and receive continuous training as the system is upgraded and new components are added.

As a result of the perceived potential operational and cultural impact of this technology on the institution, the Speaker of the House, who during Phase I left the liaison role with CLD to the Vice Speaker, has taken a direct personal interest in the activities. He insisted on signing the Phase II MOU.

During 1994, the Vice Speaker, two elected members, and three senior staff members of the Parliament were brought to the United States, where they attended seminars and the national conference of state legislatures in Louisiana, and watched the US Congress and the New York state legislature in action (one of the most modern in the nation). This "policy dialogue" trip exposed them to the role of committees in developing legislation, constituent service, how expert staff and data bases can be used, and the role of legislatures in oversight. This gave them a comparative framework to assess the steps to be taken to strengthen the operations of their institution.

CLD and Parliament leaders completed a thorough assessment of the problems and opportunities for improving legislative policy analysis and operations, especially the functioning of key committees, such as Budget and Finance, and Administration and Justice. The assessment also identified needs for improvement in managing the Parliaments' human resources and the directorate of studies and research. These will be the focus of Phase II.

A key measure for future use might be: **increasing number of bills (Parliament initiated or Cabinet-initiated) revised before passage.**

2.2: GOL adopts information technology policy, standards and management structures

During the war, the GOL sat in disarray and in isolation of the advances in the information age. In the period since then, the GOL has tried to catch up with the rest of the world. There is a tendency for information systems development to be driven by technology and vendors of hardware and software, rather than by the needs of users and their organizations. With the advent of this realization, the NARP team and the Minister for Administrative Reform has sought first to define the government's needs, and then to adapt technology to those needs.

To provide a detached, technical perspective they turned to the CLD/SUNY team, who has this activity as part of Phase II. In February of this year, CLD/SUNY conducted a three-day information technology policy (ITP) workshop in Beirut, attended by nearly half the cabinet and their senior information technology experts, as well as a number of parliamentary deputies. The result is an agenda for defining policies, standards, structures, and communications within the GOL on this vital topic. Included are concepts of business process reengineering and customer advisory councils. Followup work will be needed in this area, leading to administrative policies, organizational changes in the GOL, and legislation.

The indicator for future use might be: ***The cabinet adopts at least 5 major ITP workshop recommendations.***

2.3: Control agencies more efficient and effective

In the Phase I technology emphasis, the following information systems were installed as of December 31, 1995:

<u>Agency</u>	<u>Hardware</u>	<u>Software</u>
Civil Service Board (CSB)	LAN/PCs/printers Fax machine	Novel Administrator Microsoft Access Oracle Recruitm't data base Personnel Mgt. system Word processing Spreadsheet
Gen'l Accounting Office (GAO)	LAN/PCs/printers Fax Machine	Novel Administrator Microsoft Access Oracle Document tracking system Word processing Spreadsheet
Central Inspections Board (CIB)	PCs/printers Fax machine	Novel Administrator Microsoft Access Oracle Account & budget system Word processing Spreadsheet
Central Disciplinary Board (CDB)	PC/printer Fax machine	Word processing Spreadsheet

100 users and 7 systems administrators have been trained, and receive ongoing training as needed.

As Phase II with its different emphasis takes effect, the key performance indicator might be: ***each agency -- CSB, CIB and GAO -- reports one operational improvement to the public.***

2. Analysis of SPO Progress and Contribution of USAID Activities

Special Objective 2: CLD/SUNY's entree into government and Parliament has produced results that will support additional policy reforms. With SUNY's prompting, the Parliament now has an agenda for reform, and has dedicated funds, staff, and the Speaker's and Members' time to the effort. The agenda includes both technological upgrading as well as procedural changes.

In 1995, USAID brought the heads of the CSB, the CIB and the CDB to the United States to expose them to current and future-oriented thinking about administrative and personnel management systems, and the role of government in general. They attended a national public administration conference, seminars and workshops at the Nelson Rockefeller School of Public Affairs and Policy, and had intensive dialogues with key staff in state and Federal agencies engaged in reinvention and reengineering. Participant reactions to the training were excellent. On their return, the agency heads presented the Council of Ministers a new agenda for administrative reform, which received widespread press coverage, and moved the Prime Minister to reaffirm the GOL's commitment to the NARP and to modernization along with rehabilitation.

3. Expected Progress over the Next Year

Special Objective 2:

As the technology emphasis of Phase I decreases and the institutional emphasis of Phase II takes hold, the challenge of making change and measuring is augmented.

2.1: Parliamentary Processes Improved and Modernized:

Intensive institutional work is planned with the Parliament. Following the 1966 elections, there will be a New Member orientation. At other times during the 1996-97 period, the staff of the General Directorate for Sessions and Committees will be trained in bill tracking and the preparation of agendas and minutes. The staff of the Budget and Finance Committee will be trained in budget formation and tracking. The staff of the Administration and Justice will be trained in bill drafting and legislative review. Policy dialogue and training visits in the United States will be organized for staff and Members of the targeted Parliament units mentioned above. A student internship program will be started to assist the staffs of key committees. There will be a needs assessment for the Budget and Finance Committee, looking at its functions and staffing and how they might be improved. All of this will

contribute to the continuing modernization and institutionalizing of Parliamentary operations.

An Arabic language e-mail system will be installed for Parliamentary leaders, and specialized management information systems (archiving of sessions, budget formulation/tracking, and bill drafting) will be put in place and staff/Members trained to use these systems.

2.2: GOL Information Technology Policy Formulated:

Next steps in this area will be contingent on the response of the GOL to the interministerial workshop that just concluded. Depending on the scope and focus of the policy that the GOL adopts, CLD/SUNY/A will assist with an overall workplan and implement one area of activities. A policy dialogue/workshop for senior staff of the control agencies is also important, to help them see the linkages between administrative and human resource management reforms, information technology policy, and interagency connectivity. Senior officials, such as the Cabinet Secretary and the Minister of Administrative Reform, may be exposed to a study tour of US expertise and institutions that are applying reform in combination with the use of new technology.

2.3: Control Agencies (GAO, CSB, and CIP) more Efficient and Effective:

A number of activities will occur that will extend the capacity of the Civil Service Board to work with ministries, the educational system, and quasi-government agencies. A computerized examination system will be put in place. The Central Inspections Board will get a new case tracking system, along with an administrative and regulatory reference system. The General Accounting Office's information systems will be expanded to reach administrative judges and inspectors.

Workshops and individual training of key staff will be used to build on the agenda of streamlining and modifying the role of the control agencies, working with the Minister of State for Administrative Reform and his Institutional Development Unit.

C. Special Objective 3 (SPO 3): Enhanced capability of institutions of higher education to contribute to Lebanon's development objectives.

1. Summary of Data

This SPO is intended to enhance the capability of U.S.-based higher education institutions to meet Lebanon's need for trained professionals and to contribute to the management of the rehabilitation/reconstruction effort of the country. Each institution is in the early stages of implementing the FY 1995 grant funding.

LAU did not receive its grant until January 1996, and has just begun to use grant resources in the two funded activities. The Research and Development Center's vision and mission statements were approved by the University's Board in March. IWSAW's research activity has just begun.

For LAU, the objectives are:

3.1: Lebanese American University (LAU) incorporates IWSAW research in its educational programs for women, as indicated by at least 3 curricula revised, 2 new programs or courses started.

3.2: LAU's Center for Research and Development is operational, indicated by two client-oriented, fully funded activities in business.

AUB received its grant in late September 1995, and has begun to procure equipment for water testing and central environmental studies laboratories. They have also prepared a training program for seven key faculty (largely in civil engineering and laboratory work), which will begin with short-term visits by the faculty members to the United States in May-June, 1996. Their performance assessment guidelines are tied to seven goals, which are:

1. Coordinate Management of the USAID-funded Environmental Program (EP)
2. Improve the quality of AUB's environmental education and research to train manpower and increase knowledge in Lebanon and the region
3. Improve the environmental skills of the GOL, National Research Council, and NGOs
4. Improve water quality in Lebanon and the Region
5. Enhance AUB's capabilities in environmental analysis
6. Expand AUB participation in regional and global environmental research
7. Develop revenue sources to sustain & expand the Environmental Program

To sum up the achievements under these goals, USAID proposes as a key measure:

3.3: The American University of Beirut's (AUB) Environmental Program Improved and Expanded, with studies or quality testing services used to affect government policies and expenditures

2. Analysis of SPO Progress and Contribution of USAID Activities

Discussed above

3. Expected Progress over the Next Year

Special Objective 3: In 1995, USAID requested that the American University Beirut and the Lebanon American University submit development-oriented proposals, in line with the guidance and agreement set out in the Administrator's letters to the Presidents of the two institutions. The following plans were submitted and will be carried out in 1996-97:

3.1: Lebanese American University (LAU) incorporates the Institute of Women's Studies in the Arab World's (IWSAW) research into its educational programs for women

The University's Institute for Studies of Women in the Arab World will conduct a forward-looking study of the role of women in the Lebanese labor market, drawing on existing studies and original surveys. This study will be used to better understand and help resolve issues of women's participation in the economy, their legal status and rights, and educational needs. This study will take most of the year to complete, though initial findings might be used to enrich or redirect LAU's course offerings.

3.2: LAU's Center for Research and Development is operational

A business plan for the Center for Research and Development will provide initial focus to attract funding for the Center's outreach program that will build on the University's recognized technical capacity and provide technical and analytical services needed for Lebanon's development.

3.3: The American University of Beirut's (AUB) Environmental Program Improved and Expanded

In the coming year, this initiative will strengthen an interdepartmental environmental education and outreach program that will build the University's capacity to educate on environmental subjects while enhancing its ability to support (with studies, technical assistance, data bases, etc.) the public and private Lebanese efforts to assess and tackle environmental issues.

Laboratories will receive state-of-the art equipment, and students and faculty will start using that equipment, along with refresher training to occur while the procurement and installation of equipment is happening, to respond to educational needs of the university and problem-solving needs of the government and industry, especially in areas of water quality and related pollution problems.

D. Special Objective 4 (SPO 4): Expanded Economic Opportunities

1. Summary of Data

This is a new SPO, combining some newly-started microenterprise activities and a proposed capital markets activity.

Despite its recent positive economic performance, Lebanon must still overcome enormous problems to re-establish its economy and society, particularly correction of its fiscal imbalance problem. The fiscal imbalance, along with the openness of Lebanon's economy (especially the existence of almost no restrictions on capital movements), and the dollarization of its economy (the Lebanese preference for holding dollar denominated assets), make the economy vulnerable to movements of speculative capital. For example, in 1992 when investors lost confidence in government policy, they moved their assets out of government treasury bills (denominated in Lebanese pounds) and into more stable foreign currency denominated assets. As a result, the government had to print money to meet its payments obligations, which caused inflation to skyrocket.

The threat of macroeconomic instability (primarily high inflation and interest rates) caused by the fiscal imbalance is detrimental to investment and to the business climate in general. It is important to note that inflation hurts the poor the most, since the poor are least able to protect the value of what savings they have by moving them to safer markets. It also hurts workers by reducing their standard of living since their earnings are denominated in Lebanese pounds and aren't keeping pace with inflation.

Private capital markets development will assist Lebanon in attracting needed capital for reconstruction and business expansion. It will also build a national constituency in support of reducing the government deficit and finding a long-term solution to the fiscal imbalance problem. The World Bank indicated the importance to economic growth of stimulating private sector development while simultaneously providing a stable macroeconomic environment within which it can operate. Development of an effective capital market in Lebanon is critical to the country's post-war reconstruction. Successful capital markets development will also contribute to job creation and overall economic growth. Prior to the Lebanese Civil War, Lebanon was considered the richest and most developed country in the Middle East region, with a dynamic economy, characterized by low inflation, stable macroeconomic conditions and a functioning free market system. Despite the thriving economy, however, income

inequality was growing between the economically dominant Christian and Sunni communities and less well-off Druze and Shia communities. The growing disparity in incomes was one of the factors contributing to the Civil War. Promotion of sustainable microenterprises will benefit the poor including women and other disadvantaged groups, enabling them to participate in the growing economy.

This SPO has two areas of emphasis with their respective measures.

4.1 Sustainable microfinance and savings system in place (2 self-financing implementing institutions serving an estimated total of 6,000 women)

4.2 Stock Market operations and regulation improvement plan defined and in implementation (USAID assistance plan adopted and at least 1 intervention implemented)

2. Analysis of SPO Progress and Contribution of USAID Activities

The microfinance activities are starting as partnerships between the Lebanese Caritas and Catholic Relief Services (CRS) in one case, and between Save the Children (SCF) and Secours Populaire Libanais (SPL) in the other.

CRS has had an extended delay while they recruited a project director with the right combination of skills and nationality. The recruited person attended training at CRS' regional center in Cairo during March, and arrived in Beirut in April, 1996.

SCF has a microcredit and savings program in operation with its own funds. Its partnership (using USAID funds) with SPL is not beginning smoothly. By early June an assessment will be completed to advise USAID and SCF whether this partnership can be saved, or whether it can be quickly and feasibly restructured.

ANE and G/EG staff met in Washington during May, 1996 with the Chairman of the Beirut Stock Exchange (BSE) at the conclusion of his USAID-supported attendance at the SEC's international seminar to discuss the current status and operations of the BSE, its regulatory climate (legislation pending before Parliament, but not passed), and areas where he thought assistance would be helpful. Followup on this meeting (providing a diagnostic to further define assistance needs) is on hold, pending decisions on this SPO by the Agency.

3. Expected Progress

Special Objective 4: Expanded Economic Opportunities

4.1: Sustainable microfinance and savings system in place

Support to income-producing activities will be emphasized. As families return to their communities, drawn by reestablished schools, health centers, and housing, they are also seeking employment or income-producing opportunities. These might be in agriculture, food processing, reopening stores, and engaging in home or cottage industries (especially important for women-headed households). USAID now assists organizations that have programs in microenterprise lending, and that provide assistance in marketing, identifying new income-producing opportunities, and related activities. Support for income generating activities is provided to the areas with the highest poverty indices and lowest reach of government services, as identified by the High Relief Committee's survey.

The two USAID-funded microenterprise lending activities (Catholic Relief Services/Caritas Lebanon, Save the Children/Secours Populaire Libanais) are initiating in FY 1995-96, to expire in 1998. These microenterprise lending programs directed at rural women entrepreneurs should be (and are) closely linked with formal lending institutions such as Fransabank. Further linkages and the creation of a stand-alone microlending bank are also to be pursued. In the immediate months the first priority for the grantees and our field staff has to be getting these efforts up and running as group lending and savings schemes with a credible possibility of self-sufficiency.

4.2: Stock Exchange operations and regulation improvement plan defined and in implementation

The following can be achieved during the next year with minimal resources, and can provide badly-needed assistance to Lebanon in the development of the Lebanese Stock Market:

- Conduct an independent Capital Markets Diagnostic to determine the overall economic context of the market, existing legal and regulatory conditions, the status of the market institutions, market infrastructure, and the current situation regarding enterprises, especially privatization. The evaluation of current conditions, existing constraints in the market and consultation with Lebanese Stock exchange and Government officials, would clarify further the best development actions that USAID (or other donors and the GOL) could take, given the scarce resources

available. Depending on the outcome of this diagnostic, action might include:

- Provide (or finance) technical assistance in the design and improvement of the legal and regulatory framework for the Lebanese Stock Exchange. The most likely means is through a buy-in to the Financial Services Development Project II (FSDP II) managed by the Global Bureau Economic Growth Center. This will reduce management workload for ANE and the field office in Beirut by eliminating the need to design a separate bilateral activity.
- The FSDP buy-in could also include conducting in-country training on broker-dealer issues, clearing and settlement, and regulatory matters which will cater to the needs of the different participants in the market.
- Train three or four more Lebanese government and exchange officials by the U.S. Securities and Exchange Commission (SEC). The SEC conducts the international seminar once a year at no tuition cost to participants. The topics covered by SEC training course include market development, securities operations and securities regulations. The Chairman of the BSE completed the seminar in May of 1996. Other training needs might also be identified as candidates for USAID funding.

LEBANON

**RESULTS REVIEW & RESOURCE REQUEST (R4)
1996**

**III. STATUS OF MANAGEMENT
CONTRACT**

III. Status of Management Contract

A. Special Objective Changes or Refinements

The R4 and Lebanon Country Strategy are being submitted and reviewed in tandem this year. No management contract exists.

B. Special Concerns or Issues

Since U.S. NGO personnel or contractors may not travel to Lebanon on U.S. passports, ability to supervise, monitor and evaluate programs is greatly restricted.

There are a number of external factors that may affect achievement of results. These are summarized for each SPO.

Special Objective 1 - Rural Community Reconstruction

USAID is counting on the GOL and other donors, especially the World Bank, to take an increasing role in funding community rehabilitation and infrastructure in the poorer rural areas. If this does not happen, the sustainability of this effort will be put in jeopardy.

The Israeli action against Hezbollah during April 1996 may require that USAID reexamine assumptions about this SPO.

Special Objective 2 - Effective institutions which support democracy

The Parliamentary elections of late summer-early fall 1996 may impact the GOL's commitment to administrative reform. The formula for the composition of the Parliament may result in little change, especially among committee chairpersons. The continued existence of the special Ministry of Administrative Reform is not guaranteed.

Special Objective 3 - Capability of universities

A continuing concern is that the universities' central administrative systems will hamper the work of the centers which must be entrepreneurial, and focused on cost recovery. This means that the AUB Environmental Program or the LAU's Research and Development Center may need special hiring authorities to employ individuals on for the duration of special projects' work. The central university administrative systems are geared to long-term hiring of teachers and staff. The administration reviews all expenditures, procurements, teaching and research methods, but may not be able to provide the speed and agility the special centers need.

Special Objective 4 - Expanded Economic Opportunities

The current concern is the slow startup of USPVO and local NGO partnerships in microfinance (CRS with Caritas, and Save the Children with Secours Populaire). In the first case, recruiting a CRS director with the right skills and a non-US passport has been a problem, however the issue was just resolved in February. In the second, SPL has been slow to adopt the Save methodology, and alternative partnerships are under consideration.

C. 22 CFR Issues and Schedule

With regard to environmental concerns, all activities funded in Lebanon under the Relief and Rehabilitation Project are exempted under the provision in paragraph 216.2(b)(1) of A.I.D. Handbook 3, Appendix 2D, Environmental Procedures, for international disaster assistance. However Grantees are required to identify any activities they may carry out which might adversely affect the environment in Lebanon and to detail what actions they will take to ameliorate the negative impact of such activities. See the Strategy paper for discussion of other environmental issues.

LEBANON

RESULTS REVIEW & RESOURCE REQUEST (R4)
1996

IV. RESOURCES REQUIREMENTS

IV. Resource Requirements

A. Program Funding Requested by Special Objective

The following sensitivity analyses discuss the impact of various budget scenarios on USAID/Lebanon's strategy and results framework. USAID/Lebanon applied the following ANE Bureau planning parameters in its analysis: The 1996 CP request level is \$8.0 million. Using the 75% of FY 96 CP request as prescribed in the R4 guidance would provide a total of \$6.0 million. However, funding for Lebanon will not even achieve this reduced level in FY 96. STATE has reduced FY 96 ESF levels to \$2.0 million and ANE/ORA has suggested that there will be no DA in 1996. There is a 1995 carryover of approximately \$414,000. Therefore this analysis assumes a total FY 96 base level of \$2,414,000 to be used for the following objectives:

SPO 1	0 (Reconstruction)
SPO 2	.569 (Government Institutions - SUNY Mortgage)
SPO 3	1.400 (Universities)
SPO 4	.445 (Economic Opportunities)

The OMB request level in FY 97 is \$4.0 million, reduced by half from the FY 96 CP level of \$8.0 million. There are two scenarios for FY 97, based on the OMB request level; the base (\$4.0 million) and base minus 20 percent (\$3.2 million).

In FY 98, The base figure remains at \$4.0 million. There are then two scenarios; the base minus 10% is \$3.6 million. The base minus 30% is \$2.8 million. (See Annex C for the budget tables)

A.1 Special Objective 1 - Rural Community Reconstruction

All activities grouped under this Special Objective will be terminated by FY 1998, as Lebanon, with other donor support, is progressively able to finance these costs. No additional funds are requested under any scenario.

A.2 Special Objective 2 - Effective institutions which support democracy

A gradual phase-out is also planned in this area, as discussed in the country strategy document. SPO 2 is managed by the State University of New York's Center for Legislative Development (SUNY/CLD). The grantee was awarded a two-year, \$2.3 million grant in 1995. The grant was partially funded and carries an approximately \$569,000 mortgage that will be funded using the remainder of FY 95 carry-over funds (\$414,000) and \$155,000 from the FY 96 OYB.

The kind of government that Lebanon wants to reestablish in the post-war period is different from that of the 1960s-70s, and USAID's strategy is one of

helping Lebanon to vision and shape a modernized government. The focus is on results, and funds requested under this R4 will be used to install information systems, and train staff at the Parliament and within government agencies. USAID's role is critical in assisting Lebanon to restore basic functions without locking those systems into outmoded management models.

No additional funds will be requested in FY 97 or FY 98 for this objective.

A.3 Special Objective 3 - Capability of universities

USAID has provided substantial assistance to American educational institutions in Lebanon, the American University of Beirut (AUB) and the Lebanese American University (LAU). The American universities are still recovering from the war years. They have and will continue to play a key role in providing technical and managerial leaders for Lebanon's economic recovery. This year, it is estimated that \$1.4 million will be need to pursue the following:

- to assist LAU to incorporate the research of the university's Institute of Women's Studies in the Arab World (IWSAW) into formal education and occupational training curricula;
- to support the startup operations of LAU's Center for Research and Development, with a clear strategy and sustainable cost structure; and
- to enable the AUB's environmental program to evolved into a semiautonomous center that meets international standards.

SPO 3 will continue to receive ESF funding and be managed by USAID in 1996. However, as Lebanon graduates and all other components of USAID's program phase out, it may become more effective to shift oversight of this remaining activity to the State Department.

At the FY 97 Base level, the program will continue to provide support to universities at an annual level of \$2 million.

Under the FY 97 Base minus 20%, the program will continue to provide support to universities at a level of \$2 million. Reductions would occur in SPO 4.

At the FY 98 Base Level and Base minus 10% Level, the program will continue to provide support to universities at a level of \$2 million.

At the Base minus 30% level, overall DA levels decline to \$800,000, a level at which it may no longer feasible be to maintain a USAID presence and staff in Lebanon. Should this occur, USAID would request no DA funds and would consider shifting management responsibility for the remaining ESF to the Department of State to continue funding U.S.-based universities.

USAID's program in Lebanon is viewed as part of the Middle East Peace process. While our assistance is not large in terms of dollar resources, it is visible evidence of the USG's interest in Lebanon's redevelopment process. Any significant reduction in program funding below Base -20% levels will detrimentally affect the United States' ability to influence the redevelopment process and cripple USAID's ability to maintain credible impact. If faced with a further reduction in funds, USAID's direct involvement with the program would likely end and management of ESF funds to support likely, continued involvement with the American University of Beirut and the Lebanese American University would be assumed by the Department of State. Given the policy commitment to support U.S.-based universities, adequate program levels will probably be funded for this objective. USAID would continue to maintain a reduced FSN staff in Lebanon only until all grants were complete.

A.4. Special Objective 4 - Expanded Economic Opportunities

Approximately \$445,000 will be allocated in FY 96 to begin interventions in the capital market development area. Microenterprise lending activities, which also fall within SP04, were fully funded for a two-year period in 1995 and will not require additional funds in FY 96.

The priorities for the 1996 allocation of DA are to:

- Fully fund an assessment of current capital market development requirements in Lebanon to determine appropriate interventions.
- Fund an initial commitment with an institutional contractor to begin work in one or more of the following areas, as determined by the assessment: Securities Commission development, legal and regulatory framework development, clearing and settlement operations, or stock exchange functions.

At the FY 97 Base level, the program will continue to fund capital market development and microfinance activities at the \$2 million level.

Under the FY 97 Base minus 20% scenario, the program would not be able to expand microfinance operations into new areas of the country beyond the two existing pilot programs and would reduce further outlays in this area in order to maintain depth and impact with the capital market interventions.

At the FY 98 Base Level and Base minus 10% Level, the program would allocate similar levels to those discussed above and would operate accordingly. However, if the base were further reduced by 30%, the program could no longer sustain activities in this area and would phase out of this special objective all together.

At the Base minus 30% level, overall DA levels decline to \$800,000, a level at which it is no longer feasible to maintain a USAID presence and staff in Lebanon. Should this occur, USAID would request no DA funds and would consider shifting management responsibility for the remaining ESF to the Department of State to continue funding U.S.-based universities.

B. Program Management Requirements: Operating Expenses and Staffing

This R4 submission is based on FY 1996 program levels of \$2.0 million and an FY 1996 OE budget request of \$155,000. Relationships between program and OE funds are extremely important in Lebanon given the lack of USDH presence in country to monitor activities. Since U.S. NGO personnel or contractors may not travel to Lebanon on U.S. passports, ability to supervise, monitor and evaluate programs is greatly restricted and must rely upon USAID's FSN staff in Beirut. Therefore, the most effective way to implement programs is to continue supporting USPVOs' work through local NGOs. This mode of assistance has proven effective and can operate even if there are reductions in OE funds. However, SPO 2 requires significant direct USAID involvement in implementation and monitoring, while reconstruction and redevelopment activities, successfully managed by PVOs, and support to universities require much less oversight. A lower OE level would mean that the FSN Program Assistant staff would have to be reduced by one from the present level of two and would significantly reduce our ability to continue a program like public administration strengthening that requires more interactive involvement with Lebanese participants.

C. Technical Support Needs from USAID/W

Given travel restrictions, minimal G field support is envisioned at this time. However, Global will continue to offer critical USAID/W input to program reviews, plans, and less often, their implementation. The Centers most drawn upon to date have been D/G, WID, PHN, and more recently, EG.

The Lebanon program team, including G/DG, is currently examining the appropriateness of providing election assistance to Lebanon. Depending on an assessment of the nature of the work required and upon discussions with the Embassy, DG or ANE may provide a small amount of resources to assist Lebanon carry out the Parliamentary elections in 1996.

LEBANON

RESULTS REVIEW & RESOURCE REQUEST (R4)
1996

ANNEXES

ANNEX A

RESULTS FRAMEWORK

(See Strategy)

ANNEX B

Performance Monitoring Plans

(See Strategy)

LEBANON

RESULTS REVIEW & RESOURCE REQUEST (R4)
1996

ANNEX C

Budget Tables: Table 2 - All Resources Table

Table 3 - Funding Scenarios by Objective

Table 4 - Regional and Global Field Support

Table 5 - Staff Requirements by Objective

Table 6 - Operating Expense Requirements

Annex C

Table 2
ALL RESOURCES TABLE
USAID/Lebanon
(\$000)

Funding Category	FY 1996*	FY 1997		FY 1998	
		Base**	Base - 20%	Base - 10%	Base - 30%
Sustainable Development					
Economic Growth					
SPO 3	0	0	0	0	800
SPO 4	445	2000	1200	1600	0
Of which: Field Support ***					
Child Survival/Disease	0	0	0	0	0
Of which: Field Support ***					
Basic Education	0	0	0	0	0
Of which: Field Support ***					
Population	0	0	0	0	0
Of which: Field Support ***					
Environment	0	0	0	0	0
Of which: Field Support ***					
USAEP					
Democracy (SPO 2)	569	0	0	0	0
Of which: Field Support ***					
Humanitarian Assistance (SPO 1)	0	0	0	0	0
Of which: Field Support ***					
TOTAL	1014	2000	1200	1600	800
Economic Support Funds					
SPO 3	1400	2000	2000	2000	2000
Of which: Field Support ***					
PL480:					
Title II	0	0	0	0	0
Title III	0	0	0	0	0
Other (HG, MSED)					
GRAND TOTAL	2414	4000	3200	3600	2800

*Includes \$414,000 96 carryover.

** Base is defined as operating bureau allocations from the FY 1997 OMB request level.

*** Refers to Field Support -- both Global-funded and Mission-funded.

Table 3
Funding Scenarios by Objective
(\$000)

OBJECTIVE	FY 1996*	FY 1997		FY 1998	
		Base**	Base - 20%	Base -10%	Base - 30%
Special Objective 1: Sustainable Rural Community Reconstruction and Rehabilitation	0	0	0	0	0
Total SPO 1:	0	0	0	0	0
Special Objective 2: Increased Effectiveness of Selected Democratic Institutions	569	0	0	0	0
Development Assistance Funds					
Total SPO 2:	569	0	0	0	0
Special Objective 3: Enhanced Capability of US-based Universities to Contribute to Lebanon's Development Objectives	1400	2000	2000	2000	2800
Economic Support Funds					
Total SPO 3:	1400	2000	2000	2000	2800
Special Objective 4: Expanded Economic Opportunities	445	2000	1200	1600	0
Development Assistance Funds					
Total SPO 4:	445	2000	1200	1600	0
GRAND TOTAL	2414	4000	3200	3600	2800

*This includes \$414,000 in FY95 carryover.

** Base is defined as operating bureau allocations from the FY 1997 OMB request level.

**Table 4
GLOBAL FIELD SUPPORT**

Mission Strategic Objective	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)							
				FY 1996**		FY 1997***				FY 1998***	
				Obligated by:		FY 1997 Base Obligated by:		FY 1997 Base - 25% Obligated by:		FY 1997 Base - 30% Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau
SPO 4: Expanded Economic Opportunities	new activity on Stock Exchange - buy-in to FSDP II	high	3 years	445	—	2000	—	1200	—	0	—
GRAND TOTAL.....				445	—	2000	—	1200	—	0	—

*For Priorities use high, medium-high, medium, medium-low, low
 ** The FY 1996 level is from operating bureau allocations based on 75 per cent of the 1996 CP request level.
 *** Base is defined as operating bureau allocations from the FY 1997 OMB request level.

Table 5

Staff Requirements (FY 1996)

	Special Objective 1: Sustainable Rural Community Reconstruction and Rehabilitation	Special Objective 2: Increased Effectiveness of Selected Democratic Institutions	Special Objective 3: Enhanced Capability of US-based Universities to Lebanon's Development Objectives	Special Objective 4: Integrated Financial Market Development	Total Staff by Class
USOH	0	0	0	0	0
FSN (OE)	0.5	0.5	0.5	0.5	2
FSN (TF)	0	0	0	0	0
FSN (Prog.)	0	0	0	0	0
US/TCN PSC (OE)	0	0	0	0	0
US/TCN PSC (TF)	0	0	0	0	0
US/TCN PSC (Program)	0	0	0	0	0
Total Staff by Objective	0.5	0.5	0.5	0.5	2

* Due to U.S. citizens Travel ban

Table 6	
Operating Expense Requirements	
OE/Trust Funded Levels by Major Function Code	FY 1996 (\$000)
U100 USDH	0.0
U200 FN Direct Hire	64.7
U300 Contract Personnel	60.0
U400 Housing	0.0
U500 Office Operations	30.3
U600 NXP	0.0
Total Mission-Funded OE	155.0
.....Of which Trust Funded	