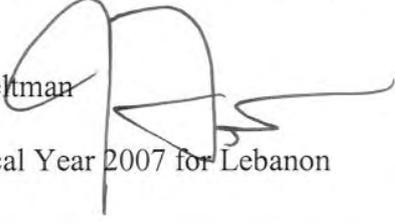




UNCLASSIFIED

ENDORSEMENT MEMO FOR ACTING DIRECTOR OF U.S. FOREIGN ASSISTANCE  
HENRIETTA FORE

FROM: AMBASSADOR Jeffrey Feltman   
SUBJECT: Performance Report on Fiscal Year 2007 for Lebanon  
DATE: November 15, 2007

I am pleased to submit this memo in endorsement of the FY 07 Operational Plan Performance Report.

This has been an exceedingly challenging year for Lebanon and the democratically elected Government of Lebanon (GOL). In many arenas USG assistance has addressed fundamentally the forces that seek to destabilize and halt the transition to an independent, sovereign and constitutionally governed partner in the Middle East. Assistance has been significantly focused on the security sector, in direct response to the USG commitments made at Paris III, followed by support for the institutions of democratic and economic reform as well as economic growth.

Great challenges, both internal and external, remain for this strategic country. Political maneuvering by the various interests and factions have virtually paralyzed the operations of government at a time when Lebanon must increase and expand its sphere of influence geographically and assume its social responsibilities in the face of foreign inspired armed violence and competing quasi-governmental actors and natural disasters.

As noted at the time of the FY 07 Operational Plan submittal, reconstruction activities continue as well as our sustained support for ongoing development needs. Following the passage of the supplemental appropriation significant additional resources were made available to Lebanon bringing the FY07 total transfers up to \$340,343,000 with \$250,000,000 earmarked for debt relief. Of that amount \$122,394,530 has been obligated with an additional \$57,000,000 anticipated before the end of the calendar year.

Lebanon has weak government institutions that are not providing economic and social services, and various parties and factions, some legitimate and some not, have tried to fill the gap. With the supplemental appropriation the US Mission in Lebanon has expanded private sector support, including small and medium enterprises, and support for those state institutions

that continue to operate and are able to play a more effective and powerful role. The U.S. foreign assistance program in FY07 is addressing the needs of those affected sectors through strengthening the middle class and state institutions that would support it; Lebanon's civil society and governing institutions, the security forces, and help establish the foundation for effective economic policies and private sector.

This partnership was highlighted most dramatically by our rapid and extended support for the Lebanese Armed Forces in their critical and successful campaign at Nahr El Bared. Building capacity in Lebanon's forces to handle insurrection and to secure its own borders continues to be a high priority. The USG increased support to the military and internal security institutions has contributed to greater confidence in the State's institutions.

In the longer-term, these efforts can and hopefully will lead to a sovereign Lebanon with growth opportunities and a legitimate, consensus-building democratic process not in thrall to extreme factions and non-state militias. Thank you for your support to the US foreign assistance program to Lebanon. The following pages document the progress made in 2007 and I look forward to continued efforts and committed funding towards the USG goals of supporting freedom, security and democracy in Lebanon.

## **List of Acronyms**

ACS	American Community School
AEI(s)	American Education Institutions
AUB	American University of Beirut
C2	Intelligence Command
CENTCOM	US Central Command
CHF	Cooperative Housing Foundation
CSO(s)	Civil Society Organization(s)
DOS	Department of State
EPCA	European Payments Consulting Association
ERW	Explosive Remnants of War
FMF	Foreign Military Financing
FY	Fiscal Year
GOL	Government of Lebanon
HACCP	Hazard Analysis Critical Control Point
HMMWV	Military Vehicles
IC	International College
ICT	Information and Communication Technology
IMET	International Military Education and Training
IMETP	International Military Education and Training Professionals
IMF	International Monetary Fund
INL	International Narcotics and Law Enforcement
ISO	International Standards Organization
LAF	Lebanese Armed Forces
LAU	Lebanese American University
LEAD	Lebanon Education Assistance for Development
NOA	New Obligation Authority
MENA	Middle East and North Africa
MEPI	Middle East Partnership Initiative
OFDA	Office of Foreign Disaster Assistance
OP	Operating Unit
PDA(s)	Personal Digital Assistant(s)
PTP	Professional Training Program
SME(s)	Small and Medium Enterprise(s)
SUNY	State University of New York
TAG	Transparency and Accountability Grants
UN	United Nations
UNSCR	United Nations Security Council Resolution
US	United States
USA	United States of America
USAID	United States Agency for International Development
USG	United States Government
UXO(s)	Unexploded Ordnance(s)
WTO	World Trade Organization

# Lebanon 2007 Performance Report

## Operating Unit Performance Summary

This has been an exceedingly challenging year for Lebanon and its democratically elected Government. In many arenas USG assistance has address fundamentally the forces that seek to destabilize and halt the transition to an independent, sovereign and constitutionally governed partner in the Near East. Assistance has been significantly focused upon security sector assistance, in direct response to the USG commitments made at Paris III, followed by support for the institutions of democratic and economic reform as well as economic growth.

Great challenges, both internal and external, remain for this strategic country. Political maneuvering by the various interests and factions have virtually paralyzed the operations of government at a time when Lebanon must increase and expand its sphere of influence geographically and assume its social responsibilities in the face of foreign inspired armed violence and competing quasi-governmental actors and natural disasters.

The USG goal for assistance in Lebanon continues to be the creation of a stable situation for good governance to take hold, the increase of social services, and to solidify the building blocks of sound policy and functional institutions conducive to future progress. Key programming under the USG strategy addresses peace and security, governing justly and democratically, investing in people, economic growth and humanitarian assistance. The US Mission in Lebanon carries out these programs with funding through diverse accounts including; DA, ESF, IMET, FMF, NADR and MEPI, and several USG entities, including USAID, the Office of Defense Cooperation and MEPI.

The main thrust of the FY07 program has been on post conflict reconstruction, support for the Lebanese Armed Forces and economic growth efforts. The USG works with GOL institutions, nongovernmental organizations, small community organizations and the private sector. The success of the GOL in assuming their responsibilities and extending sovereign control over its territory will be the measure against which citizens will assess success and will lead to the marginalization of Hezbollah's influence.

### **Program Area Performance \ 1 Peace & Security \ 1.3 Stabilization Operations and Security Sector Reform**

Unfortunately, due to the July 2006 conflict in the country, the ERW program was unable to train any new LAF personnel. However, in FY 2006 150 civilians were trained in mine risk education, also 17 host nation mine risk education teams were trained, as well as 5 host nation mine risk officials were trained, in addition to 77 ERW clearance teams were trained and equipped. USG support to strengthen the Lebanese Armed Forces (LAF) is urgent for Lebanon's legitimate government to gain control over its territories from unauthorized militia. Lebanon's FY07 IMET program was supplemented by FMF funds provided training for 166 students. Only travel was funded by the IMETP while FMF funded travel and living allowance. Visa problems and vetting were the only problems encountered in FY07. The war in Nahr El Bared and the security situation in Lebanon did not really affect the training program.

In FY08 the FMF training budget is increased to 1M and an increase of the IMET allocation for Lebanon is required in order to provide training for the same number of students trained in FY07. The purchase of additional language laboratories will provide better language training for Lebanese military personnel

assigned in the North, South and the Bekaa, especially the enlisted personnel. The training data provided by the Training Management System (TMS 7) is accurate.

### **Program Element Performance \ 1 Peace & Security \ 1.3 Stabilization Operations and Security Sector Reform \ 1.3.4 Explosive Remnants of War (ERW)**

Due to the July 2006 conflict in the country, the international community has given considerable funding to the Humanitarian Mine Action program in Lebanon. However, the US continues to be the only country that provides direct technical assistance and supplies/equipment to the Lebanese Armed Forces (LAF) Engineer Regiment. US support for national capacity building has proven to be a good investment as demonstrated by the LAF Engineer Regiment's capacity to deal with the various types and quantities of Unexploded Ordnances (UXO)s found across Lebanon. Because of US contributions, the LAF has been able to clear/dispose of UXO's at triple the rate of other organizations. The LAF are extremely active in rebuilding and restructuring a military that had suffered under Syrian control for over 30 years. With the rapid assumption of extensive and unexpected border missions under UNSCR 1701, the LAF is under enormous pressure to expedite organizational, equipment, and training enhancements. This includes demining/UXO removal capabilities. Over the next five years, LAF will transform organizationally, training and equipping itself to deal with the requirements of its new and expanded missions. This will require significant investment in de-mining equipment acquisition and training.

Unfortunately, due to the July 2006 conflict in the country, the ERW program was unable to train any new LAF personnel. However, in FY 2006 150 civilians were trained in mine risk education, also 17 host nation mine risk education teams were trained, as well as 5 host nation mine risk officials were trained, in addition to 77 ERW clearance teams were trained and equipped.

### **Program Element Performance \ 1 Peace & Security \ 1.3 Stabilization Operations and Security Sector Reform \ 1.3.6 Defense, Military, and Border Restructuring, Reform and Operations**

USG support to strengthen the Lebanese Armed Forces (LAF) is urgent for Lebanon's legitimate government to gain control over its territories from unauthorized militia. LAF is active in rebuilding and restructuring a military that had suffered under Syrian control for over 30 years. With rapid assumption of extensive and unexpected border missions under UN Security Council Resolution 1701, LAF is under pressure to expedite organizational, equipment, and training enhancements. In FY06, LAF provided extensive and unprecedented access for four major CENTCOM assessments addressing equipment, ammunition, and training, to include a detailed look at their special forces. These assessments established an equipment and training need of over \$500M to bring the LAF to an acceptable level of readiness. USG FMF resources in FY07 helps LAF address the most pressing needs cited in the assessments: ammunition, weapons, communications, and mobility assets. LAF will host in FY07 maintenance, logistics, and tactical training teams as well as Joint/Combined Exercise Teams. They have started creating a special operations directorate to better manage their special operations forces at the joint staff level and are in discussions to enhance C2 systems through the creation of national and regional command centers. For the first time in over 30 years, LAF is deployed throughout all of Lebanon. Over the next five years, this will require significant investment in commodities, repairs, and systems. Lebanon's FY07 IMET program was supplemented by FMF funds provided training for 166 students. Only travel was funded by the IMETP while FMF funded travel and living allowance. Visa problems and vetting were the only problems encountered in FY07. The war in Nahr El Bared and the security situation in Lebanon did not really affect the training program. In FY08 the FMF training budget is increased to 1M and an increase of the IMET

allocation for Lebanon is required in order to provide training for the same number of students trained in FY07. The purchase of additional language laboratories will provide better language training for Lebanese military personnel assigned in the North, South and the Bekaa, especially the enlisted personnel. The training data provided by the Training Management System (TMS 7) is accurate.

#### **Element Indicator Narrative \ 1 Peace & Security \ 1.3 Stabilization Operations and Security Sector Reform \ 1.3.4 Explosive Remnants of War (ERW)**

Unfortunately due to July 2006 conflict, the Explosive Remnants of war was unable to train additional Lebanese Armed Forces (LAF) personnel. In FY 2006, in mine risk education, 150 civilians 17 host nation mine risk education teams, five host nation mine risk officials, and 77 Explosive Remnants of War teams were trained and equipped.

#### **Element Indicator Narrative \ 1 Peace & Security \ 1.3 Stabilization Operations and Security Sector Reform \ 1.3.6 Defense, Military, and Border Restructuring, Reform and Operations**

Results reflect International Military Education and Training (IMET) only and not Foreign Military Financing (FMF) interventions that are almost entirely directed at the equipping needs of military forces (not training). IMET, addressed separately, deals with training. In FY06 Lebanon received its first FMF in several years. Funds were spent on parts for weapons and vehicles, small arms ammunitions, and personal military equipment, all identified in CENTCOM assessments as first priority purchases. FMF for 07/08 will continue to address priority purchases such as spares and repairs, HMMWVs, 5-Ton trucks, surveillance and communications equipment, weapons, and sniper rifles. Lebanon will also ask for mortars and unguided antitank systems and for fire support equipment. All of FY 2007 results were not achieved, due to the fact that there was no FY 07 FMF money obligated or spent towards key issue. Lebanon's FY07 IMET program was supplemented by FMF funds from FY 06, which provided training for 166 students. The war in Nahr El Bared and the security situation in Lebanon did not really affect the training program.

#### **Program Area Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance**

Programmatic delays were encountered as a result of the unstable political environment in Lebanon and post summer 2006 conflict. Activities designed to improve the legislative framework for local government were impacted by the national political impasse and the failure of Parliament to be convened to address legislative issues. Despite that, notable results at the local government level continued minimizing opportunities for corruption, expanding economic opportunities, and broadening access to good governance. Overall efforts focused on strengthening the capabilities of local government to effect change in the community through economic development initiatives. More than 700 municipalities are now utilizing the processes, procedures, and automated systems developed under the program. Municipal revenue expansion continued with 342 municipalities increasing their own-source revenue in 2007 compared to 2006. Implementation of the Municipal GIS in 12 relatively large municipalities in FY 2007 brought the total to 20 and is anticipated to enable further expansion of municipal revenue and taxpayer bases to be achieved. Complementary support to municipal unions was organized to ensure sustainability of reform achievements with assistance to municipal oversight agencies encouraging better local to central government relations and enhanced administrative and financial auditing of local government.

USAID/Lebanon through the Transparency and Accountability Grants project -- also supports Lebanese Civil Society Organizations (CSOs) to play a more robust role in advocating for good governance, rule of law, and greater democracy by strengthening democratic civic participation, supporting civil society

initiatives and advocacy campaigns, and improving internal capacity of promising CSOs and key professional associations. FY07 proved to be a more difficult year to help NGOs develop partnerships with public institutions or work with Parliament for legislative reform. Parliament did not convene due to the political stand-off caused by withdrawal of Hizballah members in the cabinet. However, several public-private partnerships were launched, as well as other advocacy programs designed to foster public debate on non-confessional, technical economic and social issues of importance to all Lebanese in their daily lives. Now in its seventh year, TAG program has supported 131 innovative projects by CSOs from all regions through FY07.

### **Program Element Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.1 Legislative Function and Processes**

Program activities are designed to strengthen the democratically elected parliament in Lebanon in support of improved municipal governance. Sustainability of reform efforts were significantly affected by the ongoing and deepening crisis at the national political level and the heightened security risks in particular for Members of Parliament. Activities focusing on enhancing the legal and regulatory framework for municipalities have been affected by a lack of consensus on major political issues that continued to dominate parliamentary discussions as well informal dialogue. Specifically, efforts to improve the legal framework for local government by encouraging approval of one (1) law drafted with the support of USAID were precluded by the resignation of six cabinet ministers in November of 2006 and the subsequent failure of Parliament to be convened to address legislative issues. USAID FY07 resources were utilized to provide specialized training courses for 50 parliamentary staff on effective legislative administration as well as in the use of the Bill Tracking System that allows proposed legislation to be efficiently reviewed, modified, and reconciled, and to conduct several studies related to the implementation of the draft e-signature law in collaboration with the IT Parliamentary Committee.

### **Program Element Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.3 Local Government and Decentralization**

Efforts to strengthen effectiveness, democracy and responsiveness of local institutions continued despite the political crisis in Lebanon. The situation negatively affected training for municipalities and unions, workshops for elected officials and senior staff, organization of policy dialogue and exchange trips, and efforts to broaden citizen participation in government. Activities not directly related to the daily work of local government institutions were less critical given the immediate issues facing the public sector, and more difficult to implement in light of the coordination needed with various parties. USAID FY07 resources were utilized for technical support to 800 municipalities, 22 unions, and oversight agencies to improve their auditing capacities. Training activities were delayed due to the situation and subsequently rescheduled; 2082 municipal and union officials were trained, exceeding the target by 82 trainees. Efforts to expand municipal revenues were successful in 2007 whereby 342 municipalities increased their own-source revenues, exceeding the expected target of 250 municipalities. Municipal GIS for expanding taxation, inspection, and auditing enhanced the revenue capabilities of 12 municipalities. Relations and communication with citizens were enhanced by establishing Citizen Reception Offices in an additional 2 municipalities bringing the total to 27 this year. Internet access was provided to 632 municipalities and interactive websites were launched in 2 municipalities, less than the 5 anticipated for FY 2007 due to municipal staff shortages. Three websites planned for FY 2007 and two planned for FY 2008 are now scheduled for completion in FY08. USAID will utilize supplemental funds allocated for FY08 to broaden citizen advocacy and participation in government; work on multiple activities to increase municipal revenues; focus on improving the legal framework for

local government through legislation related to municipal governance, municipal fees, and decentralization; and initiate a new program to empower municipalities to take the lead in implementing community socio-economic projects.

### **Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.1 Legislative Function and Processes**

Despite the political situation that impacted the Lebanese Parliament in terms of effective functioning, SUNY/CLD worked with the IT Committee of Parliament to implement draft legislation related to the e-signature law. Parliament's failure to convene to address legislative issues in FY07 precluded finalization and submission of the draft e-signature law to the assembly. In addition specialized training to support effective legislative administration was conducted for parliamentary staff. In addition, MPs and senior staff were trained in the use of the Bill Tracking System which allows proposed legislation to be effectively reviewed at all stages while being debated and amended by the different committees. To encourage citizen participation in the public policy debate the Lebanese Parliament made the Bill Tracking System available to the public in FY07 through the Lebanese Parliament website.

### **Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.3 Local Government and Decentralization**

Major efforts continued in FY07 in support of effective, democratic, and responsive local government institutions with technical assistance extended to municipalities, municipal unions, and regional governments. Specific assistance related to implementation of the Municipal GIS developed under the program was extended to 12 additional municipalities in FY07. Interactive websites were launched in 2 municipalities, less than the 5 anticipated for FY 2007 due to municipalities being unable to allocate personnel to the activity given the other challenges being confronted. The 3 websites planned but not created in FY 2007 and the 2 planned for FY 2008 are scheduled for completion in FY08. Achievements in FY07 include the development and official approval by the Court of Audit of the municipal financial auditing mechanism and the financial budget structure and end-of-year financial statement for municipal unions subject to agency oversight. A new program for municipal service delivery to be initiated in FY08 will create an additional 7 mechanisms, bringing the targeted total to 12, and will expand the benefiting sub-national governments receiving assistance; also a new standard indicator is added to reflect the number of non-government associations that will also benefit from the program.

### **Program Area Performance \ 2 Governing Justly & Democratically \ 2.4 Civil Society**

USAID/Lebanon through the Transparency and Accountability Grants project, supports Lebanese Civil Society Organizations (CSOs) to play a more robust role in advocating for good governance, rule of law, and greater democracy by strengthening democratic civic participation, supporting civil society initiatives and advocacy campaigns, and improving internal capacity of promising CSOs and key professional associations. FY07 proved a more difficult year than previous years to help NGOs develop partnerships with public institutions or work with Parliament for legislative reform, as the government faced a year-long effort to overthrow it, and Parliament did not convene due to the political stand-off. However, several public-private partnerships were launched, as well as other advocacy programs designed to foster public debate on non-confessional, technical economic and social issues of importance to all Lebanese in their daily lives. Now in its seventh year, the program has supported 131 innovative projects by CSOs from all regions through FY07.

## **Program Element Performance \ 2 Governing Justly & Democratically \ 2.4 Civil Society \ 2.4.1 Civic Participation**

The Transparency and Accountability Grant (TAG) project successfully launched 16 new activities targeting diverse needs such as legal and judicial ethics, post-war economic policy, grassroots advocacy by women's NGOs, a youth environment parliament, and support for the Prime Minister's office and the new Telecommunications Regulatory Agency. Total funding to local NGOs was \$761,405 matched by cost-sharing of \$411,431, or 54%. The project initially planned to make 12 new grants with remaining funds, but the number was raised to 34 grants contingent upon final funding being received. Achievement of the 34 grants was not possible due to delay in receiving program funds until April 2007, non-stop political and security crises; hence, the program has been extended into FY2008 and targets revised. Most offices of the government – i.e. those run by Prime Minister Siniora allies -- remain cooperative and enthusiastic about TAG support. A February 2007 impact assessment highlighted the effectiveness of TAG as a program to both mobilize and improve the capacity of local CSOs to be effective partners for reform. Gender factors are not critical for the success of TAG but the project has worked extensively to ensure that women's organizations and concerns are supported with TAG grants. Three out of 16 grants this year focused directly on women's rights and empowerment.

## **Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.4 Civil Society \ 2.4.1 Civic Participation**

Targets not reached due to challenges in the post-war era, such as delays caused by security and political crises; NGOs busy with post-war recovery issues and not focused on good governance and transparency; public-private partnerships difficult to develop with government focused on the opposition's efforts to bring down the government. The delay in receipt of program funds until late April also prevented many grants from being made. Despite the myriad challenges, TAG was successful in launching 16 new programs. Local CSO initiatives often cut across various program areas and elements. For example, advocacy campaigns addressed many different current issues from advocacy to government policies. Capacity-building projects have supported promising NGOs and reform-minded public entities. Other projects mobilized youth or women to enhance their advocacy capabilities. The number of people in civic education programs is difficult to quantify exactly. One public awareness campaign with advertisements on all local TV stations will reach tens of thousands of TV viewers, but we used a modest figure of 10,000. A project on judicial and legal ethics has outreach to 10,000 lawyers and judges, and 50,000 citizens, yet we only counted the 10,000 professionals. A citizen rights project was counted as reaching only 1 person at each of the 350 police stations, although many more are expected to benefit from these citizen guides.

## **Program Area Performance \ 3 Investing in People \ 3.1 Health**

USAID is assisting the Lebanese through health programs focusing mainly on water and sanitation addressing the problem of lack of waste management systems. Activities aim at helping the Lebanese improve their behavior towards their environment by demonstrating environmentally sound and appropriate solutions to environmental problems and creating awareness on proper waste management and operation leading to a healthier environment. USAID helped around 120 municipalities build and operate 19 wastewater treatment plants and solid waste treatment plants that reduced pollution of potable water sources and soil and improved health conditions in the rural areas.

## **Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.8 Water Supply and Sanitation**

Under this element, USAID is initiating small community wastewater and solid waste treatment plants to improve quality of water and the health and sanitation conditions of the people. In FY07, using previous year funding, USAID partners completed the construction of 17 wastewater treatment plants in 22 villages and two solid waste treatment facilities all over Lebanon benefiting more than 360,000 people. Currently USAID is building two relatively larger wastewater treatment plants in the Litani river watershed that aim at alleviating pollution at the lower basin in South Lebanon by treating 6,000 cubic meters of raw sewage that is flowing into the Litani river. 32,000 people in 5 villages will benefit from these facilities. Construction is underway with 60% completion rate for the Qaraoun/Aitanit wastewater treatment plant. These activities are accompanied with extensive training on operation and maintenance targeting water establishments and municipalities' employees, as well as awareness sessions on proper waste disposal targeting local organizations, institutions and households. However, despite all these efforts, sustainability of these facilities and proper operation and maintenance remains a major challenge that USAID is encountering with several Municipalities. Lack or change of commitment and will is one of the major factors causing defects in operation.

### **Element Indicator Narrative \ 3 Investing in People \ 3.1 Health \ 3.1.8 Water Supply and Sanitation**

FY 07 results reflect the number of people that have benefitted from improved sanitation in their villages resulting from the construction of 17 wastewater treatment plants in 22 villages and 2 large solid waste treatment facilities in 100 villages. FY 2008 targets have been revised to reflect beneficiaries from one solid waste facility and two relatively large wastewater facilities benefiting almost 61 villages. These were not reported in FY 07 OP. It is worth noting that this indicator does not adequately capture USAID's training and capacity building that is provided to the entities managing the waste facilities. These targets will later be captured through the number of operational management training, the number of government officials attending, and the level of private sector involvement. Also percentage of water quality improvement will be measured.

## **Program Area Performance \ 3 Investing in People \ 3.2 Education**

Lebanon is faced with economic stagnation which has been the major factor in forcing young graduates to immigrate to the Gulf countries, Europe and the United States, in an effort to find good job opportunities for a more economically prosperous future. Education in Lebanon is an essential element in developing a strong economy and a stable society. In order to achieve the long term goal of economic and political stability, the short term goals are to provide scholarship support to university and school students to enable them to access American educational institutions of higher learning. US assistance provided scholarship support to 1,250 school and university students at 4 American educational institutions in Lebanon, to enable them to access American style education. These students would have otherwise not been able to study at these American institutions. Furthermore, public education in Lebanon is in dire need of assistance to reach acceptable standards. Public schools are in bad condition, both physically and on the educational level. US assistance provided support to more than 75,000 Lebanese students in public schools, through physical repair works, school and laboratory equipment, awareness workshops and extra-curricular activities.

### **Program Element Performance \ 3 Investing in People \ 3.2 Education \ 3.2.1 Basic Education**

Basic Education aims at providing access to American style education to Lebanese students who come from disadvantaged economic backgrounds in the developing world, with the purpose of promoting the American way of thinking to have an overall impact on Lebanese society. American educational institutions in Lebanon serve a vital role in the President's Freedom Agenda to reinforce positive images of American culture and education. Lebanon's long term goal is to achieve an overall socio-economic stability to an increasing number of students at the school level, by supporting American schools in Lebanon that distinguish themselves by extended secular curriculum, knowledge base, free and critical thinking. In the short term, Lebanon's goal is to alleviate the burden of expensive tuition rates to 283 students in need. Furthermore, public education in Lebanon is in dire need of assistance to reach acceptable standards. Public schools are in bad condition, both physically and on the educational level. US assistance provided support to more than 75,000 Lebanese students in public schools, through physical repair works in 105 schools, provision of school and laboratory equipment to 159 schools and the provision of awareness workshops and extra-curricular activities.

### **Program Element Performance \ 3 Investing in People \ 3.2 Education \ 3.2.2 Higher Education**

Higher education aims at providing access to American style education to Lebanese students who come from disadvantaged economic backgrounds in the developing world, with the purpose of promoting the American way of thinking to have an overall impact on Lebanese society. American educational institutions in Lebanon serve a vital role in the President's Freedom Agenda to reinforce positive images of American culture and education. In FY 2007, 1,250 Lebanese university students received scholarship support to enable them to have access to an American style education at American institutions of higher education, which they could not otherwise be able to attend.

### **Program Area Performance \ 3 Investing in People \ 3.3 Social and Economic Services and Protection for Vulnerable Populations**

The "Professional Training Activity" (PTP) program assists USAID Mission in Lebanon in achieving its strategic objectives by employing carefully targeted training programs and professional conferences for public and private sector institutions and professionals in Lebanon. A crosscutting theme approach is being adopted to fulfill more than one Objective. The PTP program has demonstrated its capability in delivering targeted training to the right individuals from all sectors of Lebanese society in an effective and efficient manner. Knowing that there was a period of political instability in Lebanon, as a result many programs that were planned for were cancelled and/or postponed. However, in FY 07 training was provided for 12 participants in the US and in-region on the status of women, Arab reform, healthcare, and professional development for the Lebanese Parliament librarian. Over eighty percent of the participants were female, focusing on promoting the training of women who are underserved in the MENA region.

The Small Grants Program, under the Social Services and Social Assistance elements, continued to address the needs of vulnerable populations; such assistance is especially critical in the light of the dire social, economic, and political situation facing the country. In FY 2007, US assistance to local NGO programs benefiting vulnerable populations in marginalized and rural areas has improved the lives of 10,628 persons. Supplemental FY2007 ESF funds will be used in FY2008 to continue the Small Grants Program and to target 91,000 persons.

### **Program Element Performance \ 3 Investing in People \ 3.3 Social and Economic Services and Protection for Vulnerable Populations \ 3.3.2 Social Services**

\$1 million ESF Supplemental FY 2007 funds will be used in 2008 under the Small Grants Program to support the programs of local NGOs and Faith Based Organizations for providing social services to vulnerable populations especially in rural and marginalized regions in Lebanon. The livelihoods of orphans, children, at-risk youth, victims of gender-based violence, elderly, and female heads of households will be improved, and the services will be sustained by local NGOs and Faith-Based Organizations for at least the next five years. This program is in line with foreign assistance overarching goal of assisting Lebanon to respond to the needs of its population. Impact with Supplemental ESF funds will be achieved in 2008 and in 2009. The revised indicators for 2008 are included in the additional indicators sheet, whereby at least 20 local NGOs and Faith-based organizations will benefit from USG assistance by improving the social services programs provided to vulnerable persons.

### **Program Element Performance \ 3 Investing in People \ 3.3 Social and Economic Services and Protection for Vulnerable Populations \ 3.3.3 Social Assistance**

USAID Lebanon's Professional Training Program (PTP) is a flexible mechanism which supports short-term training for select professionals from the public, private, civic, legal, and media sectors. The programs are diverse and cross cut almost all DOS objectives and program areas. The AID-funded participants benefit from upgraded professional skills, knowledge, and contacts which help to further develop their institutions' capacities. Programs are conducted in the USA, in-region and in-country as appropriate. Lebanon faced several obstacles in FY07 in attempting to reach the goal of 20 anticipated beneficiaries. Instability and security concerns affected the mobility and focus of Lebanese civil society actors, and in-country training was put on hold as experts declined travel to Lebanon. The security situation, combined with internal staffing challenges prevented the expansion of the program into needed areas of training for Lebanese society, and made long term planning difficult. PTP in FY07, however, was able to provide training for 12 participants in the US and in-region on the status of women, Arab reform, healthcare, and professional development for the Lebanese Parliament librarian. Over eighty percent of the participants were female, focusing on promoting the training of women who are underserved in the MENA region. During FY08, PTP expects to continue benefiting local needs through three types of training. Training in the US will provide opportunities for professional capacity building, so trainees can return and contribute to their institutions' development. In region training will provide venues for Lebanese beneficiaries to exchange ideas and best practices with neighboring colleagues in the MENA area. Training in Lebanon will bring experts from the US to enhance key skills amongst Lebanese. All training programs are expected to address key issues such as agricultural quality control, disabilities, strengthening civic organizations, leadership, legal and judicial reform, media, women's empowerment, good governance, economic growth, environment, public health, and intellectual property. Under the Small Grants Program livelihoods of vulnerable populations were improved and 10,628 individuals benefitted from the program; in 2008, 91000 persons are expected to be targeted.

### **Element Indicator Narrative \ 3 Investing in People \ 3.3 Social and Economic Services and Protection for Vulnerable Populations \ 3.3.3 Social Assistance**

Indicator \"Number of Institutions Strengthened by Applying a Human and Institutional Capacity Development Approach\" :The above number of 12 trainees are direct participants in training who have each impacted their field and area of expertise. The two representatives in the 51st session of the Commission on the Status of Women impacted women fighting violence against children. Four participants in the Fourth Arab Reform Forum were empowered to advance women in development and succeeded in implementing development activities benefitting hundreds. The 5 participants in the First Arab Healthcare Quality Forum,

represented a health institution in a disadvantaged region, worked on the accreditation of health care services which effects the immediate population in these areas. Training of the parliament librarian has succeeded in providing the legislative information and research base for Parliament members and staff. While 12 trainees actively participated in PTP training, the indirect number of beneficiaries throughout Lebanon is significantly higher. Depending upon internal stability in Lebanon, a FY08 target of 133 professionals among 3 types of programs - 23 for US training, 40 for in-region training and 70 for in-country training has been set. For the Small Grants Program, two standard indicators have been added reflecting achievements of FY07 and targets for FY08.

#### **Program Area Performance \ 4 Economic Growth \ 4.1 Macroeconomic Foundation for Growth**

Underpinning political stability and transformation of the Lebanese economy is the necessity to reduce foreign debt. The establishment of a stable and predictable macroeconomic environment is key to private sector growth and productivity. Implementation of Lebanon's economic reform strategy is the foundational element of future management of the tools to guide economic growth. FY 2007 Economic Support Funds will bring progress in Lebanon toward fiscal balance, which is essential to economic stability and ultimately on political stability. Recognizing this, the Government of Lebanon has presented an economic reform plan, endorsed by the IMF, that addresses Lebanon's central economic problem—an unsustainable public debt fed by continuing fiscal deficits. In full support of this economic reform plan, the USG intends to provide \$250 million in economic growth funds as a cash transfer to the GOL for foreign debt reduction. The USG will also provide \$3 million towards technical assistance to support the achievements of policy reform benchmarks necessary for the release of cash transfers for debt relief with particular emphasis on technical assistance and moderate equipment provision to assist the recently established Telecommunications Regulatory Authority (TRA). Five main milestones are under the Cash transfer and the assistance to the TRA. The cash transfer program was initiated in FY 2007 and two out of five milestones have been achieved by the GOL: signing the EPCA with the IMF and submitting the 2007 budget law; hence, USG obligations in the amount of \$75 million in FY 2007 have been transferred towards debt relief for Lebanon. Three milestones are planned for FY2008 as follows: 1. Addressing excise rates on gasoline, per the EPCA - \$50 million; 2. Soliciting expressions of interest in mobile telecom licenses and assets, per the EPCA - \$50 million; 3. selling the licenses for the two mobile telephone companies held by the GOL through a transparent process - \$75 million.

#### **Program Element Performance \ 4 Economic Growth \ 4.1 Macroeconomic Foundation for Growth \ 4.1.1 Fiscal policy**

Economic Support Supplemental Funds will bring progress in Lebanon toward fiscal balance, which is essential to economic stability and ultimately on political stability. The GOL has presented an economic reform plan that addresses Lebanon's unsustainable public debt fed by continuing fiscal deficits. USG intends to provide \$250 million in economic growth funds as a cash transfer to the GOL for foreign debt reduction. The USG will also provide \$3 million towards technical assistance to support the achievements of policy reform benchmarks necessary for the release of cash transfers with particular emphasis on technical assistance and moderate equipment provision for the Telecommunications Regulatory Authority (TRA). Five main milestones are under the Cash transfer and assistance to the TRA. The cash transfer program was initiated in FY 2007 and two out of five milestones have been achieved: signing the EPCA with the IMF and submitting the 2007 budget law; hence, USG disbursements in the amount of \$75 million in FY 2007 have been transferred towards debt relief for Lebanon. Three milestones are planned for FY2008 as follows: 1. Addressing excise rates on gasoline, per the EPCA - \$50 million; 2. Soliciting expressions of interest in

mobile telecom licenses and assets, per the EPCA - \$50 million; 3. selling the licenses for the two mobile telephone companies held by the GOL through a transparent process - \$75 million.

#### **Program Area Performance \ 4 Economic Growth \ 4.2 Trade and Investment**

USG assistance enabled Lebanese producers take advantage of demands for niche Lebanese food products and other specialty products in the world market. FY2007 focused on one program element, Trade and Investment Capacity, by providing market information, product standards, negotiation and marketing skills and exposure to international trade events for Lebanese producers and enterprises. Sales, trade, and export of targeted commodities increased and targeted enterprises were empowered to respond to international opportunities. USG assistance was implemented against a background of economic and political turmoil and a series of security incidents; however, the resilience of Lebanese people and businesses and their constant strive to find new opportunities and compete has generated positive results whereby a 32% increase in export of targeted commodities was made possible as compared to results in 2006. Also, through trade capacity building, the business confidence in Lebanon was revived and Lebanon's business profile abroad was strengthened as compared to 2006. FY2007 results have exceeded the set targets and three implementing partners built the export capabilities of 203 enterprises, trained 34 women and 61 men on trade and investment related topics, and enhanced marketing abilities and quality standards of benefiting enterprises. USG funds assisted enterprise participation in 9 international trade shows, 2 national tradeshows, and 5 regional marketing events to access more marketing outlets in Lebanon, Arab countries, Europe, and the US. More than 150 business deals were concluded as a result of USG assistance. Assistance programs built the capacity of local long-term stakeholders including the Lebanese Syndicate of Food Industry, specialty producer cooperatives, and Chambers of Commerce, Industry and Agriculture and enterprises to transfer knowledge to other enterprises and sustain future participation in tradeshows and international marketing events. Continuing US assistance can significantly help Lebanese enterprises develop a wider variety of niche products that can compete and access yet untapped worldwide markets. The USG also provided technical assistance to the Government of Lebanon for WTO accession through assistance in responding to 800 questions received as a result of the fourth and fifth working party meetings and drafting 6 laws, three of which were approved by the Cabinet and submitted to Parliament.

#### **Program Element Performance \ 4 Economic Growth \ 4.2 Trade and Investment \ 4.2.2 Trade and Investment Capacity**

The USG continued to build the capacity of Lebanese producers and enterprises to expanding their trade and exports and respond to international opportunities. With focus on agribusiness, niche Lebanese food products, Lebanese specialty handicrafts, and SMEs the business confidence in Lebanon was revived and Lebanon's business profile abroad was strengthened. FY2007 results have exceeded the set targets and three implementing partners built the export capabilities of 203 enterprises, trained 34 women and 61 men on trade and investment related topics, and enhanced marketing abilities and quality standards of benefiting enterprises. USG funds assisted enterprise participation in nine international trade shows, two national tradeshows, and five regional marketing events to access more marketing outlets in Lebanon, Arab countries, Europe, and the US. More than 150 business deals were concluded as a result of USG assistance. Furthermore, the USG continued to provide technical assistance to the Government of Lebanon for WTO accession. During this period, the fifth working party meeting took place in May 2007 that resulted in the recommendation to circulate the Lebanon final draft accession report positioning it to accede WTO.

#### **Element Indicator Narrative \ 4 Economic Growth \ 4.2 Trade and Investment \ 4.2.2 Trade and**

## **Investment Capacity**

FY2007 targets placed in OP2007 accounted for targeted results with FY2007 funds only, while the recorded actuals are accounting for achievements using FY2006 carry-over funds. However, the Operating Unit has analyzed the achievements at the implementing mechanism level funded with FY07 NOA and results show that FY2007 actuals have exceeded the set targets above for all three standard indicators. At the Element level, with all year funds, three implementing partners built the export capabilities of 203 enterprises, trained 34 women and 61 men on trade and investment related topics, and enhanced the enterprises' marketing and quality standards. USG funds assisted enterprise participation in nine international trade shows, two national tradeshows, and five regional marketing events to access more marketing outlets in Lebanon, Arab countries, Europe, and the US. With focus on agribusiness, niche Lebanese food products, Lebanese specialty handicrafts, and SMEs the aim was to revive business confidence in Lebanon and strengthening Lebanon's business profile abroad. More than 150 business deals were concluded as a result of USG assistance. FY2008 targets have been revised since the activities of one implementing partner have been extended into FY2008.

### **Program Area Performance \ 4 Economic Growth \ 4.5 Agriculture**

US assistance achieved a significant role in alleviating the severe economic difficulties encountered in rural areas. In 2006 the sector had suffered losses of more than \$260 million. Indirect losses extended into FY2007 as affected lands in South Lebanon were not rapidly cleared from UXOs. In the last quarter of FY2007, farmers in the North and Akkar were hindered from harvesting and marketing their produce as a result of Nahr El Bared conflict and closure of Northern border gates into Syria. Despite unstable security and political situation, the continued chain of assassinations, and tensions of upcoming presidential elections, targets set for FY2007 were met and exceeded. This was due to: the success and flexibility of implementing partners who reached out to coops, farmers, and processors and vigorously developed their production, competitiveness and sales; and the strong will and commitment of local partners, both public and non-governmental, towards improvement of farmer and rural livelihood. US assistance focused on Agricultural Sector Productivity in the Bekaa, North Lebanon and South Lebanon and resulted in sales and exports of fresh and processed products in the value of \$12 million, 32% increase as compared to last year. US assistance targeted farmers, cooperatives and processors dealing with fruits, vegetables, milk and dairy products, forage, organic products, olive oil, niche Lebanese agro-processed commodities, and fish. More than 3900 persons were trained and more than 1900 rural households benefited from USG assistance. Fifteen new local marketing outlets for farmers were accessed and more than 38 were maintained; five new farmer extension and service centers and product agro-processing centers were created and eleven existing ones were further developed. Thirty eight olive mills were rehabilitated. New agricultural technologies and management practices were provided for organic production, processing, packaging, labeling and export, pest warning systems, improved olive oil production, standards, and certifications. Twenty two women organizations and coops were assisted, and 894 farmers and agro-processors accessed loans to improve production. Assistance in agriculture has helped farmers, rural agro-processors and families improve their livelihood in the light of the detrimental socio-economic, security, and political situation witnessed this year and last year. 560 jobs were created in the agricultural and agribusiness sectors.

### **Program Element Performance \ 4 Economic Growth \ 4.5 Agriculture \ 4.5.2 Agricultural Sector Productivity**

Through the value-chain approach, activities for improving agricultural sector productivity resulted in sales

and exports of fresh and processed products in the value of \$12 million. USG assistance helped improve the farmers, cooperatives and processors dealing with fruits, vegetables, milk and dairy products, forage, organic products, olive oil, niche Lebanese agro-processed commodities, and fish; work in the pine seeds sector was cancelled due to presence of unexploded ordnance in pine forests in South Lebanon. 3923 persons were trained and 1904 rural households benefited from USG assistance. Fifteen new local marketing outlets for farmers were established and more than 38 were maintained; five new farmer extension and service centers and product agro-processing centers were created and 11 existing ones were further developed in rural areas. 38 olive mills were rehabilitated. Eleven types of new agricultural technologies and management practices were provided and included: organic production and processing, organic packaging, labeling and export, use of beneficial insects, pest warning systems, several practices for better olive oil production, production standards, marketing certifications, and traceability. Twenty two women organizations and coops were assisted through USG activities. 894 farmers and agro-processors accessed loans to improve their production. The increase in sales of targeted sectors was 36% as a result of USG assistance. Activities focused on North Lebanon, South Lebanon and the Bekaa. Despite the unstable security and political situation due to continuous chain of assassinations, the Nahr El Bared conflict with Fateh El Islam terrorist group, the persistence of unexploded ordnances in many farming areas in South Lebanon, as well as tensions due to the upcoming the presidential elections and subsequent change in government, targets set for FY2007 were met and exceeded due to the success and flexibility of implementing partners to reach out to beneficiary associations and farmers and vigorously develop their production, competitiveness and sales, as well as due to the strong commitment of local partners, both public and non-governmental towards improvement of farmer and rural livelihood.

#### **Element Indicator Narrative \ 4 Economic Growth \ 4.5 Agriculture \ 4.5.2 Agricultural Sector Productivity**

Through the value-chain approach, activities for improving agricultural sector productivity resulted in sales and exports of fresh and processed products in the value of \$12 million, 32% increase from last year. 3923 persons were trained, 1904 rural households benefited from USG assistance. Fifteen new local marketing outlets for farmers were established, and five new farmer extension and service centers were created and 11 existing ones were further developed in rural areas. Eleven new agricultural technologies and management practices were provided and included: organic composting, use of beneficial insects, several practices for better olive oil production, and production standards and certifications. Twenty two women organizations and coops were assisted through USG activities. Activities were focused on North Lebanon, South Lebanon and the Bekaa. Targets set for FY2007 were met and exceeded due to the success of implementing partners to reach out beneficiary associations and vigorously develop their competitiveness and sales. FY2008 targets have been revised since the activities of one implementing partner have been extended into FY2008.

#### **Program Area Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness**

Tourism and ICT are still the pillars of the Lebanese economy with greatest potential to generate jobs, increase income in rural areas, and curb the brain-drain phenomenon that plagued Lebanon in 2007 as a result of political and security instability and economic stagnation. Although tourist arrivals for the first nine months of 2007 amounted to 766,000, down by 8% as compared to the same period last year, US assistance continued to strengthen institutions and achieved the targeted result of providing tools to strengthen the sector. In 2008, tourism will be fully positioned to aggressively recover and boost rural economy and employment. Full collaboration and support from the Ministry of Tourism was witnessed in all USG-funded tourism projects and activities benefited all regions in Lebanon. Through Private Sector Productivity

Element and using the value chain approach, 93 firms invested in improved technologies and 253 improved their management practices. Lebanese specialty rural handicrafts were integrated into the hospitality sector. Five public-private dialogue mechanisms were undertaken for commercial diplomacy training to assist in developing national positions regarding ICT exports and for tourism recovery and development through the National Tourism Council and the Hotel Crisis Group. The first interactive internet-based national tourist map and trip planner for Lebanon was completed, the first hand-held tourist PDA's were made available, and the Lebanon Mountain Trail website was launched and benefiting 70 villages and the number of visitors attracted to the trail amounted to 8,858. The overnight stays amount to 759 tourists. 2882 persons were provided ICT access and related training through three rural centers. USG also provided access to credit to 20 local ICT firms, to enable them to expand their rural businesses, in addition to 894 loans accessed by agri-business enterprises. Under Workforce Development Element, the number and qualifications of persons engaged in tourism workforce increased in rural areas. The planned target of expansion and rehabilitation of a local catering and hospitality vocational school facilities was accomplished and 1250 persons were trained on rural hospitality techniques exceeding the planned target of 700 persons.

#### **Program Element Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.2 Private Sector Productivity**

Assistance focused on firms in rural tourism, hospitality, ICT, and handicrafts sectors and achieved targets in a background of strong commitment from Government of Lebanon and private sector partners despite challenging security and political conditions. An ICT sector capabilities survey was completed; results again identified this sector as a significant, resilient and productive industry sector in Lebanon. Tourism although witnessing an 8% decline in tourist arrivals compared to 2006 is still holds most potential to generate income and jobs if political deadlock is alleviated. USG assistance also integrated specialty rural handicrafts into the hospitality sector. Through the value chain approach, 93 firms invested in improved technologies and 253 firms improved their management practices. Five public-private dialogue mechanisms were undertaken for commercial diplomacy training to develop national positions in ICT exports, and for tourism recovery/development through the National Tourism Council and the Hotel Crisis Group. The first interactive internet-based national tourist map and trip planner was completed, the first hand-held tourist PDAs were made available, and the Lebanon Mountain Trail (LMT) website was launched. The LMT benefited 70 villages by attracting 8,858 tourists, with overnight stays amounting to 759. Also, 20 bank loans were accessed by ICT rural companies, 894 loans were accessed by agri-businesses, and 2882 persons accessed ICT and related training through three rural centers.

#### **Program Element Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.3 Workforce Development**

As planned, USG assistance focused on tourism with the objective of increasing the number and qualifications of persons engaged in tourism workforce especially in rural areas. Despite the security incidences (assassinations and Nahr El Bared conflict) and political deadlock, USG assistance achieved the set target of completing the expansion and rehabilitation of a local catering and hospitality vocational school facilities. Furthermore, the situation did not affect people's willingness to obtain hospitality training; 1,250 persons were trained on rural hospitality techniques exceeding the planned target of 700 persons.

#### **Element Indicator Narrative \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.2 Private Sector Productivity**

USG assistance under this element focuses on firms in ICT, rural tourism, hospitality and handicrafts sectors; ninety three firms received assistance to invest in improved technologies and 253 firms received assistance to improve their management practices. One public private dialogue mechanism was planned with FY2007 funds, this target was exceeded whereby the implementing partners developed additional four public-private mechanisms, and prior year funds have been used for national dialogues to mobilize and empower public-private cooperation for revival and recovery and long term development of tourism sector through the Lebanese National Tourism Council and the Lebanese Hotel Crisis Group. From FY2007 funds 20 rural beds and breakfasts accessed bank loans to improve their enterprises (and achieved targets set for FY08); under ongoing activities from previous years funds, an additional 894 agribusiness SMEs were assisted to access loans. FY2008 targets have been revised since the activities of one implementing partner have been extended into FY2008.

#### **Element Indicator Narrative \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.3 Workforce Development**

With the planned objective of increasing the number and qualifications of persons engaged in tourism workforce especially in rural areas, USG assistance completed the expansion and rehabilitation of Al Kafaat catering and Hospitality vocational school facilities and 1,250 students were trained on rural hospitality techniques.

#### **Program Area Performance \ 4 Economic Growth \ 4.7 Economic Opportunity**

Economic opportunity in rural areas was advanced through Strengthening Micro-enterprise Productivity. US assistance supported the start-up and expansion of self-employment in rural tourism, hospitality, and specialty food production. Targets were achieved and include the provision of business development services and value chain assistance for 10 beds and breakfasts, 20 self-employed eco-tour guides, 50 cottage inns along 70 villages of the Lebanon Mountain trail, and 80 handicrafts and specialty food producers. Furthermore, 106 micro-enterprises participated in 5 regional events cross promoting tourism, handicrafts and traditional foods. 164 small ruminant, dairy and food producer micro-enterprises were trained on business and management for micro-enterprises; however, the activities could not reach the targeted number of small ruminant, dairy and food producer micro-enterprises in North Lebanon and Akkar due to the Nahr El Bared conflict that paralyzed the North and Akkar for the last quarter of FY2007. Five SMEs realized an increase of \$700,000 from the trade fairs they participated in. Using FY2007 ESF Supplemental funds, the USG will initiate a new program to strengthen micro-enterprise productivity in productive economic sectors.

#### **Program Element Performance \ 4 Economic Growth \ 4.7 Economic Opportunity \ 4.7.3 Strengthen Microenterprise Productivity**

USG assistance supported the start-up and expansion of self-employment in productive economic sectors with focus on rural tourism, hospitality, and specialty food production. Achievements included the provision of business development services and value chain assistance for 10 beds and breakfasts, 20 self-employed eco-tour guides, 50 cottage inns along 70 villages of the Lebanon Mountain trail, and 80 handicrafts and specialty food producers; facilitation of participation of 106 micro-enterprises in 5 regional events cross promoting tourism, handicrafts and traditional foods; and provision of workshops and technical assistance for 164 small ruminant, dairy and food producer micro-enterprises. The activities could not reach the targeted number of small ruminant, dairy and food producer micro-enterprises in North Lebanon and Akkar due to the Nahr El Bared Palestinian Camp conflict that paralyzed the North and Akkar for the last quarter

of FY2007. With FY 2007 ESF Supplemental funds, a new program will be initiated in 2008 for strengthening microenterprise productivity in ICT, tourism, and agri-business; 900 SMEs are expected to benefit in 2008.

#### **Element Indicator Narrative \ 4 Economic Growth \ 4.7 Economic Opportunity \ 4.7.3 Strengthen Microenterprise Productivity**

Achievements include the provision of business development services and value chain assistance for 10 beds and breakfasts, 20 self-employed eco-tour guides, 50 cottage inns along 70 villages of the Lebanon Mountain trail, and 80 handicrafts and specialty food producers; facilitation of participation of 106 micro-enterprises in 5 regional events cross promoting tourism, handicrafts and traditional foods; and provision of workshops and technical assistance for 164 small ruminant, dairy and food producer micro-enterprises. The activities could not reach the targeted number of small ruminant, dairy and food producer micro-enterprises in North Lebanon and Akkar due to the Nahr El Bared Palestinian Camp conflict that paralyzed the North and Akkar for the last quarter of FY2007, hence could not reach the 522 target set for microenterprises participating in assisted value chains. USAID will initiate a new activity in 2008 for strengthening micro-enterprise productivity in ICT, tourism and agribusiness; hence 2008 targets are revised, and an additional standard indicator has been added to reflect 200 SMEs accessing loans in 2008.

#### **Program Area Performance \ 4 Economic Growth \ 4.8 Environment**

Despite the fact that Lebanon has relatively abundant water resources, the country faces prospects of major water deficits within 25 years due to mismanagement and old infrastructure causing more than 50% loss of water. USAID is helping the Government of Lebanon put more attention to water demand management and reform of laws governing domestic use and distribution of water. The aim is to improve water strategies, restore efficient use of water and decrease water losses. Through the Lebanon Water Policy Program, USAID is promoting better democratic practices and contributing to economic growth tied to institutional building and reform in the water sector. By developing water strategies, water tariff structure, strengthening pilot water establishments, USAID is instigating changes in behavior and understanding of water as a valuable, costly and relatively scarce natural resource.

#### **Program Element Performance \ 4 Economic Growth \ 4.8 Environment \ 4.8.1 Natural Resources and Biodiversity**

The Lebanon Water Policy Program (LWPP) targets assistance to water establishments by strengthening their capabilities, training their employees, introducing information technology systems, developing business planning and implementing new tariff structures. In FY 07 USAID focused assistance on South Lebanon Water Establishment (SLWE). The program so far has developed a clear tariff structure for all of the four water establishments in the country, a financial and accounting system for two water establishments -Beirut and Mount Lebanon; South Lebanon-, in addition 420m long Mudeirej Bridge consists of two spans. The North Bridge for westbound traffic and the South Bridge for eastbound traffic. By October 2007, design and assessment works have been completed. Demolition of the completely damaged part of the North Bridge has been completed and preparation for reconstruction is underway. South Bridge piers that needed demolition have been completely demolished and reconstruction works are currently in progress. The North Bridge is planned to be opened for two way traffic in May 2008, while final Bridge repair is planned to be completed in May 2009. As for the oil spill response, the work has been progressing in two phases. Under Phase 1, USAID performed initial clean up from September 28, 2006 to December 15, 2006. The initial

cleanup focused on removing free oil and oil contaminated debris from 28 oil spill sites. Also high pressure washing was performed at areas of high economic importance. Around 200 families of fishermen and owners of small businesses in the area benefited from the activity through direct employment as labor or through the use of their services. The severity of the oil contamination, oil spill dynamics, and the weather conditions hindered the complete clean up in one season as many oil spill sites were re-polluted several times while cleaning works were under way, prompting re-cleaning operations. Phase 2 was launched in early October 2007 using FY 07 funds and will last for six months. Phase 2 mainly involves final cleaning of 23 sites along the same sea shore area. Results expected to be achieved in FY 2007 will be reflected in FY 2008 as phase 2 was launched in September 2007 reflecting 38 beneficiaries that will reach 110 by the end of the activity. Under the education program, in FY 2007, 209 public schools have been physically rehabilitated enabling 75,268 students to attend schools with better learning environments.

#### **Element Indicator Narrative \ 4 Economic Growth \ 4.8 Environment \ 4.8.1 Natural Resources and Biodiversity**

This indicator captures specifically the number of people trained in proper management of water utilities. Specifically, training aims at ensuring that the new tools developed under the Lebanon Water Policy Program are properly used, maintained and sustained. Training includes business planning, financial data management and financial model use, maintenance techniques, client service management, water meters readings and analysis, and training on public private partnership tools and mechanisms. In FY 07, the number of trainees is less than previewed because it was expected that the South Lebanon Water Establishment would be hiring new employees. The process is ongoing but is taking more time than expected. Recruitment is now planned for November 2007.

#### **Program Area Performance \ 5 Humanitarian Assistance \ 5.1 Protection, Assistance and Solutions**

USAID activities in response to the damages caused by the July 2006 conflict comprise of the repair of the Mudeirej Bridge which will restore vital commercial links in the country; clean-up of the oil spill which will restore important coastal economic and tourist areas; and rehabilitation of schools which will improve the learning environment. Rehabilitation of the bridge is well underway, and is regarded as the largest reconstruction project in the country. The clean up of the shore from the oil spill caused by the heavy bombings has benefited around 200 fishermen and service providers that were most heavily affected by the oil spill. The school rehabilitation program benefited 75,268 students in 209 public schools throughout Lebanon.

During FY2007, to address the alarming unemployment for youth in rural areas as a result of post-war socio-political turmoil and severe security disturbances, USG assistance under Assistance and Recovery Program Element succeeded in initiating a cash-for-work program revolving around the apple harvesting season. Program activities started at the end of September 2007 and will be completed during the first quarter of FY 2008 in 30 villages across five districts (mainly North Lebanon). 15000 person-days of work will be generated for unemployed youth. This program is central in helping Lebanese youth endure the dire socio-economic post-conflict conditions still plaguing the country.

#### **Program Element Performance \ 5 Humanitarian Assistance \ 5.1 Protection, Assistance and Solutions \ 5.1.2 Assistance and Recovery**

The 420m long Mudeirej Bridge consists of two spans. The North Bridge for westbound traffic and the

South Bridge for eastbound traffic. By October 2007, design and assessment works have been completed. Demolition of the completely damaged part of the North Bridge has been completed and preparation for reconstruction is underway. South Bridge piers have been demolished as needed and reconstruction works are underway. The North Bridge will be open for two way traffic in May 2008 while final bridge repair will be completed in May 2009. As for the oil spill response, work has been progressing in two phases. Under Phase 1, USAID performed initial clean up from September - December 2006, and focused on removing free oil and oil contaminated debris from 28 sites. High pressure washing was performed at areas of high economic importance. Around 200 families of fishermen and owners of small businesses benefited from direct employment in the activity. The severity of oil contamination, oil spill dynamics, and weather conditions hindered the complete clean up in one season as many oil spill sites were re-polluted several times while cleaning works were under way, prompting re-cleaning operations. Phase 2 was launched in October 2007 using FY 07 funds and will last for six months; work involves final cleaning of 23 sites along the same sea shore. FY 2007 expected results will be reflected in FY 2008; the 38 beneficiaries resulting from activities in FY2007 will increase to 110 by the end of the activity. Under the education program, 209 public schools have been physically rehabilitated enabling 75,268 students to attend schools with better learning environments. 54 additional schools have become part of the program, and results expected in FY 2008 will benefit 14,045. The Apple Harvesting Aid Cash-for Work program was initiated at the end of September 2007, and all results will be achieved in FY2008. This program is vital to alleviate unemployment that is plaguing rural areas as a result of post war, unstable politics and economy, and turbulent security situation. 15,000 person-days of work will be generated in FY2008.

#### **Element Indicator Narrative \ 5 Humanitarian Assistance \ 5.1 Protection, Assistance and Solutions \ 5.1.2 Assistance and Recovery**

This indicator reflects on the results of the oil spill activity that benefited in FY 2007 38 households of affected fishermen who lost their source or income as a result of the pollution of the sea. The reason behind having FY 07 results below target for the oil spill activity, is related to the fact that the oil spill response was launched late September 2007 reflecting only 38 beneficiaries that are expected to reach 110 by the end of the activity in FY 2008. It is worth noting that the schools rehabilitation program was not reported under FY 07 target. Results also reflect the number of families (22,329) benefiting from the rehabilitation of 209 public schools in FY 2007. The target is to rehabilitate an additional 54 schools benefiting 3,500 households in FY 08. A new cash-for-work program revolving around the apple harvesting season was initiated at the end of September 2007 with Supplemental funds, and results will be achieved in FY2008; a new custom indicator has been added to the list reflecting a 2008 target of 15000 person-days of employment generated with USG assistance.

#### **Key Issue Performance \ Local Organization Capacity Development**

USG assistance across Governing Justly and Democratically, Economic Growth, and Investing in People strengthened the capabilities of wide base of local organizations to implement and sustain activities that will advance Lebanon in each of the targeted objectives. Under Governing Justly and Democratically, the Transparency and Accountability Grants program enabled six CSOs improve their internal organizational capabilities. Under Economic Growth activities through Trade and Investment Capacity, Agriculture and Private Sector Productivity, Workforce Development, and Micro-enterprise Productivity, US assistance succeeded in build the capabilities of 77 local organizations to implement and sustain income generating activities in the agri-business and rural tourism and hospitality sectors for achieving self reliance. Under Social Assistance and Social Services, US assistance improved the capabilities of 15 local NGOs to provide

and sustain services to 10,628 needy, marginalized, and vulnerable Lebanese groups.

### **Key Issue Performance \ Anti-Corruption**

USAID resources supported the development and official approval during FY07 of the municipal financial auditing mechanisms and the financial budget structure and end-of-year financial statements for municipal unions, significant steps toward more accountable local government institutions. Anti-corruption efforts were supported by program activities at the local government level to institutionalize standardized, automated financial and administrative processes and procedures providing the internal controls necessary to minimize opportunities for abuse. Additional cases of embezzlement were identified in FY07 that would have been virtually impossible to document in the past. Broad access to information supports municipal processes that are consistent and fair, enabling citizens to interact with municipalities with greater confidence and without the intervention of third parties or payment of kickbacks.

### **Key Issue Performance \ Microenterprise**

USG assistance under the Strengthen Micro-enterprise Productivity program element, through the hospitality program, is providing technical assistance, training and capacity building activities to empower local cottage inns located in rural areas. 50 cottage inns have benefited from this program, enabling them to boost their businesses through better hospitality, financial and business training. Furthermore, 20 rural businesses specializing in ICT services have received access to loan to improve their businesses.

### **Key Issue Performance \ Trade Capacity Building**

USG assistance under Economic Growth Objective activities focused on several aspects of Trade Capacity Building that improved the business position of Lebanon in the world-markets. On the macro level, USG assistance to the Government of Lebanon for WTO accession resulted in the recommendation to circulate the final draft accession report positioning Lebanon to accede WTO. On the institutional and grassroots levels, US assistance to agro-food syndicates (including the Syndicate of Lebanese Food Industries and Biocoop Lubnan), producers and small and medium enterprises (both agriculture and rural handicrafts including the first national organic farming, processing and marketing cooperative, dairy producers, women agro-processing cooperatives, and rural handicrafts producers) has resulted in considerable increase in exports to Arab countries, Europe, and USA. To illustrate, US assistance enabled beneficiaries to participate in nine international tradeshow, obtain certifications for production and export including HACCP, ISO 22000, and organic certifications, and develop more than 30 new products ranging from niche foods, new cheeses, sauces, and specialty handicrafts. To illustrate, these efforts have resulted in \$12 million worth of exports for beneficiaries.

### **Key Issue Performance \ Dairy**

USG assistance based on value chain approach targeted 1400 dairy producers, cooperatives and SMEs across the entire Bekaa region. Assistance improved production and marketing through cattle vaccination campaigns, proper feeding, cost-efficient breeding practices, health and milk handling, ISO and HACCP training and certifications, and participation in local and International Trade shows. USG assistance triggered local contribution investment exceeding 700,000 USD in equipment, infra structure, facility, hygiene and other. Three new cheeses were introduced and eight local dairy products were improved.

## **Key Issue Performance \ Inclusive Development: Participation of People with Disabilities**

USG assistance under the Social Services program element, through the Landmine and War Victims\ Assistance program, is providing technical assistance, training, capacity building and income-generation activities to empower a local development cooperative whose members and beneficiaries are landmine and war victims and their families. More than 1,300 disabled beneficiaries and their families have benefited from this program. Furthermore, the small grants program helps improve the capabilities of local NGOs to provide assistance to persons with disabilities.

## **Key Issue Performance \ Community Mobilization/Participation**

USG assistance during this reporting period has mobilized community participation through the components of the program in Agribusiness, Tourism and ICT sectors. In the Agribusiness component, 3 chambers of commerce: Zahle in Bekaa, Saida in the South Lebanon and Tripoli in the North each contributed space and running costs for establishing agro-food pilot plants to improve the standards and marketability of products. In the Tourism sector, under the Lebanon Mountain Trail (LMT) activity 12 local Bed and Breakfast facilities offered each 90 nights free of charge stays for visitors to promote the Trail and to attract visitors; also six local universities mobilized their students to design promotional brochures and maps for the trail. Five tour operators trained 57 local guides along the Trail. Six daily newspapers and three weekly magazines contributed a total of 65 articles to promote the Trail, and one local TV station conducted six interviews that featured the Trail.

## **Key Issue Performance \ Public-Private Partnerships**

USG assistance under the Private Sector Competitiveness program element through the Accessing International Markets through Information Technology (AIM-IT) program, provided public private partnership awareness sessions through Commercial Diplomacy workshops. Participants from different sectors, public, private, academia, media and others, learned the best practices to bridge the gap between the private sector and the government and assist in developing national positions regarding ICT exports. Also, under the same program, USG supported the distribution of Personal Digital Assistant (PDAs) devices through the Federation of Syndicates of Tourism Establishments, the Ministry of Tourism and private tourism establishments. Furthermore, under the same program element, under the Expanded Economic Opportunities program, public private partnerships were established between the Ministry of Tourism, local NGOs and commercial NGOs to sustain the Lebanon Maps software application.

## **Key Issue Performance \ Civil Society**

The USG is assisting Lebanese CSOs to play a more robust role in advocating for good governance, rule of law, and greater democracy by strengthening democratic civic participation, supporting civil society initiatives and advocacy campaigns, and improving internal capacity of promising CSOs and key professional associations. The Transparency and Accountability Grants (TAG) project mobilizes CSOs to take the initiative and play an active role in reform. TAG awards small grants for projects that are short-term and focused on increased transparency, accountability and good governance in Lebanon. In FY2007, TAG successfully launched 16 new projects targeting diverse needs such as legal and judicial ethics, post-war economic policy, grassroots advocacy by women's NGOs, a youth environment parliament, and support for the Prime Minister's office and the new Telecommunications Regulatory Agency.

## **Key Issue Performance \ Water**

USG assistance under program elements Natural Resources and Biodiversity and Water Supply and Sanitation focuses on developing programs that improve the management and conservation of water, as well as its protecting its quality through construction of community level wastewater treatment plants and solid waste facilities. Tools for efficient and sustainable management of water were provided at the level of water establishments. Through construction of community level wastewater treatment plants and solid waste facilities low cost and manageable solutions to water pollution were demonstrated and duplicated by municipalities. By improving the value and quality of water resources, that are critical to potable use and health, as well as economic growth, the program addressed important factors for stability in Lebanon.

## **Key Issue Performance \ Increasing gender equity**

In FY 2007, Lebanon's economy stagnated as a result of the political tension and security incidences; unemployment in rural areas was further exacerbated leading to fewer economic opportunities and income generation activities for women especially in rural areas. USG assistance under ongoing Economic Growth programs created employment and increased the income of rural women through empowerment (with skills, resources, equipment and information) and integration into economic activities in agri-business and rural tourism. More than 300 women were empowered in the agribusiness sector, and more than 347 women have economically integrated into the rural hospitality sector.

## **Key Issue Performance \ Counter Terrorism**

The US continues to be the only country that provides direct technical assistance, and supplies/equipment to the Lebanese Armed Forces (LAF) Engineer Regiment. US support for national capacity building has proven to be a good investment as demonstrated by the LAF Engineer Regiment's capacity to deal with the various types and quantities of Unexploded Ordnances (UXO)s found across Lebanon. The LAF are extremely active in rebuilding and restructuring a military that had suffered under Syrian control for over 30 years. With the rapid assumption of extensive and unexpected border missions under UNSCR 1701, the LAF is under enormous pressure to expedite organizational, equipment, and training enhancements. Over the next five years, LAF will transform organizationally, training and equipping itself to deal with the requirements of its new and expanded missions. This will require significant investment in de-mining equipment acquisition and training. With the conclusion of the war against Fatah Islam, USG assistance is expected to reach and exceed the FY 2008 projection. The purchase of additional language laboratories will provide better language training for Lebanese military personnel assigned in the North, South and the Bekaa, especially the enlisted personnel, which will enhance military to military relations helping to counter terrorism.

# 1 Peace & Security - Lebanon

## 1.3 Stabilization Operations and Security Sector Reform\1.3.4 Explosive Remnants of War (ERW)

### Number of civilians provided mine risk education

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
150	150	-	150	-	-	-	-	-	-	-	-	-	-	-

## 1.3 Stabilization Operations and Security Sector Reform\1.3.4 Explosive Remnants of War (ERW)

### Number of ERW clearance teams trained and equipped

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
77	77	-	77	-

## 1.3 Stabilization Operations and Security Sector Reform\1.3.4 Explosive Remnants of War (ERW)

### Number of host nation mine action officials trained

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
5	5	-	5	-

## 1.3 Stabilization Operations and Security Sector Reform\1.3.4 Explosive Remnants of War (ERW)

### Number of host nation mine risk education teams trained

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
10	17	-	17	-

## chars

Unfortunately due to July 2006 conflict, the Explosive Remnants of war was unable to train additional Lebanese Armed Forces (LAF) personnel. In FY 2006, in mine risk education, 150 civilians 17 host nation mine risk education teams, five host nation mine risk officials, and 77 Explosive Remnants of War teams wer trained and equipped.

**1.3 Stabilization Operations and Security Sector Reform\1.3.6  
Defense, Military, and Border Restructuring, Reform and  
Number of host country military personnel trained  
to maintain territorial integrity**

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	127	127	166	127	127

**1.3 Stabilization Operations and Security Sector Reform\1.3.6  
Defense, Military, and Border Restructuring, Reform and  
Number of US trained personnel at national  
leadership levels**

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	17	17	77	17	17

**1.3 Stabilization Operations and Security Sector Reform\1.3.6  
Defense, Military, and Border Restructuring, Reform and  
Percent of US recommended military training need  
met during the year**

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	2	2	-	2	-

**chars**

Results reflect International Military Education and Training (IMET) only and not Foreign Military Financing (FMF) interventions that are almost entirely directed at the equipping needs of military forces (not training). IMET, addressed separately, deals with training. In FY06 Lebanon received its first FMF in several years. Funds were spent on parts for weapons and vehicles, small arms ammunitions, and personal military equipment, all identified in CENTCOM assessments as first priority purchases. FMF for 07/08 will continue to address priority purchases such as spares and repairs, HMMWVs, 5-Ton trucks, surveillance and communications equipment, weapons, and sniper rifles. Lebanon will also ask for mortars and unguided antitank systems and for fire support equipment. All of FY 2007 results were not achieved, due to the fact that there was no FY 07 FMF money obligated or spent towards key issue. Lebanon's FY07 IMET program was supplemented by FMF funds from FY 06, which provided training for 166 students. The war in Nahr El Bared and the security situation in Lebanon did not really affect the training program.

## 2 Governing Justly & Democratically - Lebanon

### 2.2 Good Governance\2.2.1 Legislative Function and Processes

#### Number of Draft Laws Subject to Final Vote in New or Transitional Legislatures Receiving USG

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1	-	-	-

### 2.2 Good Governance\2.2.1 Legislative Function and Processes

#### Number of National Legislators and National Legislative Staff Attending USG Sponsored training or educational Events

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
98	50	70	-	-	78	40	29	-	-	20	10	41	-	-

909

#### 2.2.1 Legislative Function and Processes narrative (no more than 1500 characters)

chars

Despite the political situation that impacted the Lebanese Parliament in terms of effective functioning, SUNY/CLD worked with the IT Committee of Parliament to implement draft legislation related to the e-signature law. Parliament's failure to convene to address legislative issues in FY07 precluded finalization and submission of the draft e-signature law to the assembly. In addition specialized training to support effective legislative administration was conducted for parliamentary staff. In addition, MPs and senior staff were trained in the use of the Bill Tracking System which allows proposed legislation to be effectively reviewed at all stages while being debated and amended by the different committees. To encourage citizen participation in the public policy debate the Lebanese Parliament made the Bill Tracking System available to the public in FY07 through the Lebanese Parliament website.

### 2.2 Good Governance\2.2.3 Local Government and Decentralization

#### Number of Individuals Who Received USG-Assisted Training, including management skills and Fiscal Management, to Strengthen Local Government and/or Decentralization.

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1,950	2,000	2,082	-	1,000	366	360	537	-	250	1,584	1,640	1,545	-	750

2.2 Good Governance\2.2.3 Local Government and Decentralization

**Number of Local Mechanisms Supported with USG Assistance for Citizens to Engage their Sub-**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
4	5	2	-	12

2.2 Good Governance\2.2.3 Local Government and Decentralization

**Number of Sub-national Governments Receiving USG Assistance to Increase their Annual Own-**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
233	250	342	-	100

1303 chars

**2.2.3 Local Government and Decentralization narrative (no more than 1500 characters)**

Major efforts continued in FY07 in support of effective, democratic, and responsive local government institutions with technical assistance extended to municipalities, municipal unions, and regional governments. Specific assistance related to implementation of the Municipal GIS developed under the program was extended to 12 additional municipalities in FY07. Interactive websites were launched in 2 municipalities, less than the 5 anticipated for FY 2007 due to municipalities being unable to allocate personnel to the activity given the other challenges being confronted. The 3 websites planned but not created in FY 2007 and the 2 planned for FY 2008 are scheduled for completion in FY08. Achievements in FY07 include the development and official approval by the Court of Audit of the municipal financial auditing mechanism and the financial budget structure and end-of-year financial statement for municipal unions subject to agency oversight. A new program for municipal service delivery to be initiated in FY08 will create an additional 7 mechanisms, bringing the targeted total to 12, and will expand the benefiting sub-national governments receiving assistance; also a new standard indicator is added to reflect the number of non-government associations that will also benefit from the program.

2.4 Civil Society\2.4.1 Civic Participation

**Number of Civil Society Organizations using USG Assistance to Improve Internal Organizational**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
10	12	6	-	3

2.4 Civil Society\2.4.1 Civic Participation

**Number of Civil Society Organizations using USG Assistance to Promote Political Participation**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
3	5	1	-	3

2.4 Civil Society\2.4.1 Civic Participation

**Number of CSO Advocacy Campaigns Supported by USG**

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	4	11	9	-	9

2.4 Civil Society\2.4.1 Civic Participation

**Number of independent and democratic trade/labor unions supported by USG to promote international**

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	1	1	-	-	1

2.4 Civil Society\2.4.1 Civic Participation

**Number of People who Have Completed USG Assisted Civic Education Programs**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
43,800	25,000	25,750	-	25,000	18,750	12,000	12,550	-	12,500	-	-	13,200	-	12,500

2.4 Civil Society\2.4.1 Civic Participation

**Number of Positive Modifications to Enabling Legislation/Regulation for Civil Society**

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	1	1	-	-	-

1434

## 2.4.1 Civic Participation narrative (no more than 1500 characters)

chars

Targets not reached due to challenges in the post-war era, such as delays caused by security and political crises; NGOs busy with post-war recovery issues and not focused on good governance and transparency; public-private partnerships difficult to develop with government focused on the opposition's efforts to bring down the government. The delay in receipt of program funds until late April also prevented many grants from being made. Despite the myriad challenges, TAG was successful in launching 16 new programs. Local CSO initiatives often cut across various program areas and elements. For example, advocacy campaigns addressed many different current issues from advocacy to government policies. Capacity-building projects have supported promising NGOs and reform-minded public entities. Other projects mobilized youth or women to enhance their advocacy capabilities. The number of people in civic education programs is difficult to quantify exactly. One public awareness campaign with advertisements on all local TV stations will reach tens of thousands of TV viewers, but we used a modest figure of 10,000. A project on judicial and legal ethics has outreach to 10,000 lawyers and judges, and 50,000 citizens, yet we only counted the 10,000 professionals. A citizen rights project was counted as reaching only 1 person at each of the 350 police stations, although many more are expected to benefit from these citizen guides.

person at each of the 350 police stations, although many more are expected to benefit from these citizen guides.

# 3 Investing in People - Lebanon

## 3.1 Health\3.1.8 Water Supply and Sanitation

### Number of people in target areas with access to improved sanitation facilities as a result of USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	number of women					number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
46,100	39,970	364,450	51,000	352,000	-	-	174,450	-	175,000	23,000	19,985	190,000	25,500	177,000

873

### 3.1.8 Water Supply and Sanitation narrative (no more than 1500 characters)

chars

FY 07 results reflect the number of people that have benefitted from improved sanitation in their villages resulting from the construction of 17 wastewater treatment plants in 22 villages and 2 large solid waste treatment facilities in 100 villages. FY 2008 targets have been revised to reflect beneficiaries from one solid waste facility and two relatively large wastewater facilities benefiting almost 61 villages. These were not reported in FY 07 OP. It is worth noting that this indicator does not adequately capture USAID's training and capacity building that is provided to the entities managing the waste facilities. These targets will later be captured through the number of operational management training, the number of government officials attending, and the level of private sector involvement. Also percentage of water quality improvement will be measured.

## 3.3 Social and Economic Services and Protection for Vulnerable Populations\3.3.3 Social Assistance

### Percent of USG social assistance beneficiaries participating in productive safety nets

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
41	20	12	-	133

1389

### 3.3.3 Social Assistance narrative (no more than 1500 characters)

chars

Indicator "Number of Institutions Strengthened by Applying a Human and Institutional Capacity Development Approach" :The above number of 12 trainees are direct participants in training who have each impacted their field and area of expertise. The two representatives in the 51st session of the Commission on the Status of Women impacted women fighting violence against children. Four participants in the Fourth Arab Reform Forum were empowered to advance women in development and succeeded in implementing development activities benefitting hundreds. The 5 participants in the First Arab Healthcare Quality Forum, represented a health institution in a disadvantaged region, worked on the accreditation of health care services which effects the immediate population in these areas. Training of the parliament librarian has succeeded in providing the legislative information and research base for Parliament members and staff. While 12 trainees actively participated in PTP training, the indirect number of beneficiaries throughout Lebanon is significantly higher. Depending upon internal stability in Lebanon, a FY08 target of 133 professionals among 3 types of programs - 23 for US training, 40 for in-region training and 70 for in-country training has been set. For the Small Grants Program, two standard indicators have been added reflecting achievements of FY07 and targets for FY08.

ave been added reflecting achievements of FY07 and targets for FY08.

## 4 Economic Growth - Lebanon

### 4.2 Trade and Investment\4.2.2 Trade and Investment Capacity

#### Number of firms receiving capacity building assistance to export

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
52	70	203	-	25

### 4.2 Trade and Investment\4.2.2 Trade and Investment Capacity

#### Number of participants in USG supported trade and investment capacity building trainings

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
30	40	95	-	20	10	15	34	-	8	20	25	61	-	12

### 4.2 Trade and Investment\4.2.2 Trade and Investment Capacity

#### Number of USG supported training events on topics related to investment capacity building and

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
5	8	56	-	3

1265  
chars

#### 4.2.2 Trade and Investment Capacity narrative (no more than 1500 characters)

FY2007 targets placed in OP2007 accounted for targeted results with FY2007 funds only, while the recorded actuals are accounting for achievements using FY2006 carry-over funds. However, the Operating Unit has analyzed the achievements at the implementing mechanism level funded with FY07 NOA and results show that FY2007 actuals have exceeded the set targets above for all three standard indicators. At the Element level, with all year funds, three implementing partners built the export capabilities of 203 enterprises, trained 34 women and 61 men on trade and investment related topics, and enhanced the enterprises' marketing and quality standards. USG funds assisted enterprise participation in nine international trade shows, two national tradeshow, and five regional marketing events to access more marketing outlets in Lebanon, Arab countries, Europe, and the US. With focus on agribusiness, niche Lebanese food products, Lebanese specialty handicrafts, and SMEs the aim was to revive business confidence in Lebanon and strengthening Lebanon's business profile abroad. More than 150 business deals were concluded as a result of USG assistance. FY2008 targets have been revised since the activities of one implementing partner have been extended into FY2008.

4.5 Agriculture4.5.2 Agricultural Sector Productivity

Number of individuals who have received USG supported long term agricultural sector productivity training

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
628	1,928	1,449	-	-	251	771	107	-	-	377	1,166	1,342	-	-

4.5 Agriculture4.5.2 Agricultural Sector Productivity

Number of individuals who have received USG supported short term agricultural sector productivity training

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
831	998	2,474	-	40	64	80	300	-	10	767	918	2,174	-	30

4.5 Agriculture4.5.2 Agricultural Sector Productivity

Number of new technologies or management practices made available for transfer as a result of

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
16	8	11	-	3

4.5 Agriculture4.5.2 Agricultural Sector Productivity

Number of producers organizations, water users associations, trade and business associations, and

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
17	75	77	-	1

4.5 Agriculture4.5.2 Agricultural Sector Productivity

**Number of rural households benefiting directly from  
USG interventions**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1,074	1,923	1,904	-	-

4.5 Agriculture4.5.2 Agricultural Sector Productivity

**Number of women's organizations/associations  
assisted as a result of USG interventions**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
13	15	22	-	-

4.5 Agriculture4.5.2 Agricultural Sector Productivity

**Percent change in value of intra-regional exports of  
targeted agricultural commodities as a result of**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	25	32	-	-

4.5 Agriculture4.5.2 Agricultural Sector Productivity

**Percent change in value of purchases from  
smallholders of targeted commodities**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1	7	36	-	-

1159  
chars

**4.5.2 Agricultural Sector Productivity narrative (no more than 1500 characters)**

Through the value-chain approach, activities for improving agricultural sector productivity resulted in sales and exports of fresh and processed products in the value of \$12 million, 32% increase from last year. 3923 persons were trained, 1904 rural households benefited from USG assistance. Fifteen new local marketing outlets for farmers were established, and five new farmer extension and service centers were created and 11 existing ones were further developed in rural areas. Eleven new agricultural technologies and management practices were provided and included: organic composting, use of beneficial insects, several practices for better olive oil production, and production standards and certifications. Twenty two women organizations and coops were assisted through USG activities. Activities were focused on North Lebanon, South Lebanon and the Bekaa. Targets set for FY2007 were met and exceed due to the success of implementing partners to reach out beneficiary associations and vigorously develop their competitiveness and sales. FY2008 targets have been revised since the activities of one implementing partner have been extended into FY2008.

**4.6 Private Sector Competitiveness4.6.2 Private Sector Productivity**

**Number of firms receiving USG assistance to invest in improved technologies**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
23	30	93	-	-

**4.6 Private Sector Competitiveness4.6.2 Private Sector Productivity**

**Number of firms receiving USG assistance to improve their management practices**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
133	153	253	-	40

**4.6 Private Sector Competitiveness4.6.2 Private Sector Productivity**

**Number of public-private dialogue mechanisms utilized as a result of USG assistance**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1	1	7	-	-

**4.6 Private Sector Competitiveness4.6.2 Private Sector Productivity**

**Number of SMEs receiving USG assistance to access bank loans or private equity**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	20	914	-	-

1066

**4.6.2 Private Sector Productivity narrative (no more than 1500 characters)**

chars

USG assistance under this element focuses on firms in ICT, rural tourism, hospitality and handicrafts sectors; ninety three firms received assistance to invest in improved technologies and 253 firms received assistance to improve their management practices. One public private dialogue mechanism was planned with FY2007 funds, this target was exceeded whereby the implementing partners developed additional four public-private mechanisms, and prior year funds have been used for national dialogues to mobilize and empower public-private cooperation for revival and recovery and long term development of tourism sector through the Lebanese National Tourism Council and the Lebanese Hotel Crisis Group. From FY2007 funds 20 rural beds and breakfasts accessed bank loans to improve their enterprises (and achieved targets set for FY08); under ongoing activities from previous years funds, an additional 894 agribusiness SMEs were assisted to access loans. FY2008 targets have been revised since the activities of one implementing partner have been extended into FY2008.

**4.6 Private Sector Competitiveness\4.6.3 Workforce Development****Number of persons participating in USG-funded workforce development programs**

					number of women					number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
600	700	1,250	-	-	150	175	500	-	-	450	525	750	-	-

329

**4.6.3 Workforce Development narrative (no more than 1500 characters)**

chars

With the planned objective of increasing the number and qualifications of persons engaged in tourism workforce especially in rural areas, USG assistance completed the expansion and rehabilitation of Al Kafaat catering and Hospitality vocational school facilities and 1,250 students were trained on rural hospitality techniques.

**4.7 Economic Opportunity\4.7.3 Strengthen Microenterprise Productivity****Number of micro enterprises participating in USG assisted value chains**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
392	522	350	-	900

**4.7 Economic Opportunity/4.7.3 Strengthen Microenterprise Productivity**

**Number of micro enterprises receiving business development services from USG assisted sources**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
133	171	160	-	900

**1139**

**4.7.3 Strengthen Microenterprise Productivity narrative (no more than 1500 characters)**

**chars**

Achievements include the provision of business development services and value chain assistance for 10 beds and breakfasts, 20 self-employed eco-tour guides, 50 cottage inns along 70 villages of the Lebanon Mountain trail, and 80 handicrafts and specialty food producers; facilitation of participation of 106 micro-enterprises in 5 regional events cross promoting tourism, handicrafts and traditional foods; and provision of workshops and technical assistance for 164 small ruminant, dairy and food producer micro-enterprises. The activities could not reach the targeted number of small ruminant, dairy and food producer micro-enterprises in North Lebanon and Akkar due to the Nahr El Bared Palestinian Camp conflict that paralyzed the North and Akkar for the last quarter of FY2007, hence could not reach the 522 target set for microenterprises participating in assisted value chains. USAID will initiate a new activity in 2008 for strengthening micro-enterprise productivity in ICT, tourism and agribusiness; hence 2008 targets are revised, and an additional standard indicator has been added to reflect 200 SMEs accessing loans in 2008.

**4.8 Environment/4.8.1 Natural Resources and Biodiversity**

**Number of people receiving USG supported training in natural resources management and/or biodiversity conservation**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	number of women					number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
197	50	18	-	50	-	-	8	-	20	-	-	10	-	30

**767**

**4.8.1 Natural Resources and Biodiversity narrative (no more than 1500 characters)**

**chars**

This indicator captures specifically the number of people trained in proper management of water utilities. Specifically, training aims at ensuring that the new tools developed under the Lebanon Water Policy Program are properly used, maintained and sustained. Training includes business planning, financial data management and financial model use, maintenance techniques, client service management, water meters readings and analysis, and training on public private partnership tools and mechanisms. In FY 07, the number of trainees is less than previewed because it was expected that the South Lebanon Water Establishment would be hiring new employees. The process is ongoing but is taking more time than expected. Recruitment is now planned for November 2007.

## 5 Humanitarian Assistance - Lebanon

### 5.1 Protection, Assistance and Solutions\5.1.2 Assistance and Recovery

#### Percent of disaster-affected households provided with basic inputs for survival, recovery or

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
200	150	22,367	-	3,610

#### 1103

#### 5.1.2 Assistance and Recovery narrative (no more than 1500 characters)

#### chars

This indicator reflects on the results of the oil spill activity that benefited in FY 2007 38 households of affected fishermen who lost their source or income as a result of the pollution of the sea. The reason behind having FY 07 results below target for the oil spill activity, is related to the fact that the oil spill response was launched late September 2007 reflecting only 38 beneficiaries that are expected to reach 110 by the end of the activity in FY 2008. It is worth noting that the schools rehabilitation program was not reported under FY 07 target. Results also reflect the number of families (22,329) benefiting from the rehabilitation of 209 public schools in FY 2007. The target is to rehabilitate an additional 54 schools benefiting 3,500 households in FY 08. A new cash-for-work program revolving around the apple harvesting season was initiated at the end of September 2007 with Supplemental funds, and results will be achieved in FY2008; a new custom indicator has been added to the list reflecting a 2008 target of 15000 person-days of employment generated with USG assistance.

