



**USAID**  
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*Proposed Strategy Presented by the  
Volunteers for Economic Growth Alliance  
(VEGA) to USAID/Lebanon*

**STRATEGIC OBJECTIVE:**

**STRENGTHENING DEMOCRACY  
THROUGH ECONOMIC OPPORTUNITY**

**PART 1: PROPOSED STRATEGY**

*December 20, 2005*

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## 1. EXECUTIVE SUMMARY

The Volunteers for Economic Growth Alliance (VEGA) was contracted by USAID/Lebanon to design a conceptual and programmatic framework for activities under a new Strategic Objective entitled Strengthening Democracy through Economic Opportunity. This Strategic Objective (SO), along with SOs for the Environment and Democracy and Governance, will comprise part of a tripartite USAID/Lebanon Mission strategy for the 2007-2010 period.

Through literature and data review, in-country research, interviews, and focus groups, the VEGA team developed a strategy that attempts to address the political and economic realities in Lebanon and in the region. This strategy was designed to support the goals of the USAID/Lebanon Mission and the USAID Strategic Framework for Asia and the Near East. It has been designed to build on the previous successes of USAID activities in Lebanon in three industry sectors—ICT, tourism, and agribusiness—as well as past success in promoting the effectiveness of municipal governments.

This strategy is comprised of three complementary pillars:

- I) Reinforcing the Economic Foundations of Democracy
- II) Reviving Periurban and Rural Areas
- III) Empowering Citizens to Secure Economic Opportunity & Democratic Government

The strategy aims to address the crucial relationship between equitable economic growth, good governance, an empowered citizenry, and peace and stability. It was developed to provide opportunities to stimulate economic growth in all parts of the country—especially the periurban and rural areas—through continued focus on successful industry sectors and sub-sectors, as well as increased focus on entrepreneurs and the middle class. Concurrently, the framework promotes opportunities for greater citizen empowerment so as to increase involvement in economic, governmental, and social affairs.

There are a number of enabling factors that should be in place to promote successful activities under this new strategy: regular and efficient coordination between donor agencies, at least tacit support from the Lebanese government, and a measure of regional and domestic stability. On USAID/Lebanon's part, it will be necessary to complete ongoing activities in a timely and effective manner, conduct monitoring and evaluation activities on all USAID programs, and regularly coordinate programs within USAID. These structural and institutional supports are necessary for an effective implementation of this Strategy: Strengthening Democracy through Economic Opportunity.

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## 2. PURPOSE OF PROPOSED STRATEGY

The purpose of this document is to provide a conceptual and programmatic framework for activities under the new Strategic Objective (SO) for USAID/Lebanon entitled Strengthening Democracy through Economic Opportunity. The proposed framework and activities support the goals and policies of USAID/Lebanon and the overall US policy in the region related to

promoting economic growth and strengthening the foundations of democracy. This strategy document will provide:

- A description of approach and methodology;
- A problem definition and a narrative of the pillars of the proposed strategy; and
- A description of enabling conditions for the success of the strategy and implications for USAID structure and management.

Finally, this document will include a broad delineation of options for programmatic activities, based on the framework established by the three strategy pillars.

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### **3. APPROACH AND METHODOLOGY**

#### **ASSESSMENT TEAM**

The Volunteer Economic Growth Alliance (VEGA) team for this assessment was comprised of one staff member from Citizens Development Corps, seven consultants and volunteers from both Citizens Development Corps and Partners of the Americas, and two local Lebanese consultants. The team members are experts in the tourism, agribusiness, and information technology industries, as well as experts in the fields of municipal governance, community strategic planning and USAID strategy development. Consultants and volunteers undertook their research and assessment activities in Lebanon for approximately three to five weeks each, and each expatriate consultant/volunteer produced a final report on his/her area of expertise. Consultants/volunteers also provided significant input into the development of the recommendations for this SO.

#### **ACTIVITIES AND METHODOLOGY**

The VEGA team collected qualitative and quantitative data through the following activities:

- A review of existing research and background documents;
- The development of sector and industry specific questionnaires;
- Stakeholder interviews; and
- Workshops and community stakeholder meetings.

The research process began with a review of relevant background documents, previous studies related to business development in Lebanon, and reports from numerous on-going and past development projects. Key data collected from a wide range of sources on different Lebanese sectors were often inconsistent and not easily comparable. The data found in international donor reports was of limited utility since it was compiled originally for different purposes and was rarely broken down beyond major categories. Therefore, rather than relying solely on this existing data, the research team elected to use the current information gathered from interviews and discussion groups as the basis for the programmatic framework.

To assure a consistent approach for data collection, the team developed sector and industry-specific interview questionnaires and designed the research methodology that would be used for sector studies. Using these tools, the team conducted more than 60 interviews with businesses,

government officials, business association leaders, NGOs, banks and non-bank financial institutions, business training and consulting organizations and other relevant groups and individuals. This approach provided the team with a sampling of data used to formulate a preliminary set of findings, conclusions and recommendations. Additional extensive research may be required in each sector to formulate more specific interventions, but given the amount of time available for this activity, the team feels confident that the data collected supports the strategy outlined in this document.

In addition to surveys and interviews, the team conducted eight regional meetings of municipalities. These meetings enabled the team to facilitate dialogue between municipal and community leaders and collect data from a diverse group of stakeholders. The meetings included representatives from local governments, the business community, NGOs and other non-institutional actors. This participatory approach encouraged attendees to share information, identify common interests, and build relationships that could form the basis for the joint development and implementation of projects. It also encouraged consensus building and prioritizing about the most pressing needs of the participants' communities. The data collected from those meetings were analyzed and utilized in strategy preparation.

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## 4. BACKGROUND

### POLICY CONTEXT

This proposed strategy supports the USAID/Lebanon Mission Statement, which states:

*USAID's Mission in Lebanon strives to help nurture the right environment for the Lebanese people to promote sound economic opportunities, political governance, environmental health, and peace and stability in order to improve Lebanon's overall regional and global well being, primarily by targeting key growth-oriented industry sectors and geographical areas.*

The activities proposed under this strategy address the critical relationship between equitable economic growth, good governance, and peace and stability, all of which are central tenets of the USAID Mission strategy. Additionally, proposed activities continue to support those industries that show a likelihood of contributing greatly to jobs creation and economic development in Lebanon. Activities also continue to focus on supporting the development of more effective and empowered municipal governance as a mechanism both to foster business development and safeguard citizens' rights.

This strategy is also aligned with USAID's Strategic Framework for Asia and the Near East, which consists of five Strategic Priorities for Asia/Near East:

- 1) Winning the war against terrorism: Iraq, Afghanistan, and the broader Middle East
- 2) Jobs for the 21<sup>st</sup> century
- 3) Making national governments work
- 4) Launching a "Blue Revolution"
- 5) Training future leaders

By suggesting programs that reduce the number of people who are disenfranchised and underprivileged, the strategy outlined below supports activities that counter the threat posed by extremism and terrorist recruitment. The strategy promotes jobs creation and the importance of supporting youth in their search for viable and productive employment in a globalizing economy. It includes activities that promote effective and transparent government capable of providing services, supporting business, and effectively representing citizens nationally and internationally. The strategy also calls for effective water resources management—including drinking water and sanitation. Finally, the strategy focuses on education and training that will support future business and community leaders in Lebanon.

To further support USAID’s Strategic Priorities for Asia and the Near East, this strategy promotes cooperation with USAID’s Global Development Alliance to maximize the effects of partnerships between public and private sectors.

## **BUILDING ON USAID/LEBANON’S PREVIOUS PROGRAM ACTIVITIES**

Under USAID/Lebanon’s current strategy for 2003-2005 (recently extended to 2007), the activities that support SO 1—Expanded Economic Opportunities—have focused on support for the ICT, tourism, and agribusiness industries; technical assistance related to Lebanon’s World Trade Organization accession; provision of credit to targeted sectors and geographic locales; and assistance to victims of landmines. Programs under Strategic Objectives 2 and 3 focused on strengthening foundations for governance and improving environmental policies and practices.

The framework and activities under the new Strategic Objective proposed in this strategy have been designed to build upon the work already undertaken by USAID under previous SOs. A special focus was placed on continued support for those industry sectors promoted under the previous USAID strategy—ICT, tourism, and agribusiness—but with an eye toward shifting activities so that they better respond to the changed political and economic environment that has come about since the previous strategy was developed. Additionally, this strategy is focused on building on USAID/Lebanon’s efforts to support decentralization and to make municipal governments stronger, more accountable, and more transparent. Through an intensified focus on the relationship between economic growth and good governance, this strategy aims to bring USAID’s activities in Lebanon out of the transition period and into one focused vigorously on promoting both governance and growth through interrelated and innovative programming.

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## **5. PROPOSED STRATEGY**

### **STRATEGIC OBJECTIVE: “STRENGTHENING DEMOCRACY THROUGH ECONOMIC OPPORTUNITY”**

As a result of the popular movement of March 2005, the people of Lebanon are beginning to overcome longstanding divisions. They have dramatically demanded a functioning modern democracy and a vibrant free market economy. The withdrawal of the foreign occupation forces that had enforced corruption and economic stagnation now makes change possible. USAID’s work in recent years has given the Agency unmatched credibility with the Lebanese people. At

this moment in time, when the experience of the Cedar Revolution and the memories of war and occupation are fresh, there is an unique opportunity for USAID to capitalize on its good reputation in order to catalyze democratic transformation in Lebanon.

## **PROBLEM DEFINITION**

Lebanon, a small Mediterranean country encompassing just over 4,000 square miles, is a middle-income country with an annual per capita gross domestic product of \$4,800. It has a well-educated population, a large, organized, and concerned Diaspora and a history of trading and entrepreneurship. Colonial rule, civil war and foreign occupation have fragmented Lebanese society and significantly hindered economic growth.

The Beirut metropolitan area dominates the country economically, as well as politically. Universities, cultural facilities and jobs are all concentrated in and around the city. The impressive post-war reconstruction of the city monopolized available capital and contributed significantly to a large national debt that now skews incentives for investment and threatens the stability of the banking system. Because of the civil war, occupation, and changes in the international economy, the Lebanese economy has stagnated.

Lebanon's formal political institutions follow a hub-and-spoke pattern radiating outward from the nation's capital. The national government reflects the fact that this country's fundamental power and authority relations have historically come from confessional communities. Shifting coalitions based on single issues are replicated at all levels, from international politics to the more mundane transactions of everyday life. The result is a lack of social solidarity and trust between and within confessional communities.

The present Lebanese government appears incapable of making or enforcing decisions about policy other than those that continue the status quo. The gridlocked central government has proven ineffectual at utilizing funding received for political and economic reform. Accomplishments of the central authority are often perceived publicly as tainted by corruption and the pursuit of the narrow interests of the elite. Unless government mechanisms are made more transparent and democratic these social, economic and political dynamics will continue to worsen the economic situation and spur the recurrence of inter-communal violence. Such an outcome would be a disaster for Lebanon and its people and would hinder the achievement of United States policy goals in the region and the global war on terrorism.<sup>1</sup>

The assassination of former Prime Minister Rafik Hariri and the ensuing Cedar Revolution mobilized the Lebanese, and especially the youth, to demand something new and better. They are trying to redefine themselves as citizens of their country rather than Maronites, Orthodox, Shiite, Sunni, Druze, etc. If this broader political participation and popular belief that real change is possible can be sustained, the Lebanese political and economic system can be fundamentally altered. In order to develop more effective democratic institutions and a dynamic economy, real power must shift from confessional communities to a formal, transparent system of governance.

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<sup>1</sup> See *USAID Strategic Framework for Asia and the Near East* (Washington, D.C.: United States Agency for International Development, November 2005).

USAID's efforts in these very difficult circumstances have generated a considerable amount of credibility for US government-supported assistance in Lebanon. As a result of the new political situation in Lebanon, carefully-redesigned USAID activities can now provide additional impetus to help the Lebanese people carry out the free-market and democratic transformation that they demand. The linchpin to success is to support and encourage popular participation in community-based organizations and municipal governments, which can then drive the reconfiguration of national power relations and the national government.

The Lebanese economy and society has many strengths, in spite of difficult circumstances during the war and occupation. These strengths include:

- A trained and educated population;
- High quality academic and research institutions;
- Capital available for investment;
- A large diaspora;
- The capability to capitalize on transit trade; and
- Relatively good infrastructure.

An effective assistance strategy should utilize these strengths to achieve its overall objectives.

#### ***Trained and educated population***

The country's most important strength is its good educational system that produces trained and capable individuals who:

- Are specialists in such fields as medicine, tourism/hospitality, banking and other professional services;
- Are able to function in at least two, and often three, languages (usually Arabic, English, and French);
- Have lived in a multicultural environment; and
- Can fruitfully interact with people from many backgrounds.

For lack of opportunity at home, many of the best of those people now leave the country in search of better lives abroad. However, their existence is a great potential strength.

#### ***High-quality academic and research institutions***

Lebanon is an historic center of higher education for the region. Although its universities have suffered greatly in the past 30 years, they continue to attract first-class students and faculty. The country's educational system produces trained managers in a variety of disciplines and has public administration programs that can develop the skills of civil servants. For example, American University in Beirut has managed agricultural extension projects for USAID in the past and, along with other academic institutions, is interested in developing a more systematic agricultural extension program in training managers and staff that can support it.

No fewer than six universities in Lebanon have departments in tourism and hospitality. These institutions can play an important role in education and building broad-scale awareness on the importance of the country's natural and cultural resources and opportunities of sustainable

tourism development. However, the higher education system can do more to address the fundamental issues facing business and government in the country. Improved coordination and cooperation among the universities, and the development of university-related research and industrial parks, similar to university-founded US models, should be considered by the academic institutions.

### ***Capital potentially available for investment***

Lebanon lost much of its role as the Middle East's banking center to the Gulf states during the Lebanese civil war. However, it retains a strong and established banking center and continues to attract regional investors and the Lebanese diaspora. Currently, the very high government debt and associated high yields on government bonds are so attractive that almost all other potential investments are starved of capital. This problem will have to be resolved by judicious national policy in the near future if a crash is to be avoided. Interventions to make more capital available for other purposes should also be considered.

### ***Large diaspora***

Reportedly, more than 16 million Lebanese live in other countries, which is nearly four times Lebanon's resident population. Many of those émigrés have done well in their chosen activities. A large, if unknown, fraction of that diaspora retains close ties to Lebanon. This group should be mobilized so that it becomes a major source of capital, skill, and publicity for Lebanon.

### ***Transit trade through Lebanon to third countries***

Although Lebanon's ancient position as Europe's gateway to Asia has long been lost and will not be regained, some transit trade to other countries remains. With careful development, Lebanon should be able to use its location and population to develop considerable transit trade with its immediate neighbors, particularly Iraq, Jordan and potentially the West Bank. Opportunities might also be explored related to the construction and/or rehabilitation of airports in agricultural areas, to transport products to target countries more easily and provide a number of skilled and unskilled job opportunities.

### ***Comparatively good physical infrastructure***

Large investments managed by the government through the Council for Development and Reconstruction have financed impressive infrastructure renovations in several areas, and while the existing urban infrastructure is able to support a modern economy in most parts of the country, more needs to be done. For example, there are many rural villages in Lebanon with inadequate physical infrastructure (roads, electrical and telephone service, sewers, public buildings, etc.). Relatively high and uneven population density has threatened a fragile environment and controlling the solid waste and wastewater treatment systems need to continue to be a priority.

By developing the infrastructure in these rural areas and villages, new economic opportunities can be extended throughout the country and utilized for decentralized economic growth. This issue is especially relevant to the various industry sectors that are dependent upon high-functioning infrastructure to thrive. Tourism, for example, is dependent not only on good roads on which to travel to key tourist destinations, but also on adequate solid waste and wastewater capabilities. Agribusiness is dependent on cooling facilities and irrigation mechanisms, as well

as good roads, and ICT is dependent on reliable electrical and phone services, as well as a fast connection speed. Thus, the continued development of the most modern infrastructure is crucial to the promotion of industry expansion and success.

## **PILLARS OF THE STRATEGY**

This strategy is comprised of three complementary pillars:

- I) Reinforcing the Economic Foundations of Democracy
- II) Reviving Periurban and Rural Areas
- III) Empowering Citizens to Secure Economic Opportunity & Democratic Government

The framework constructed by these pillars aims to address the crucial relationship between equitable economic growth, good governance, an empowered citizenry, and peace and stability. The framework was designed to provide opportunities to stimulate economic growth in all parts of the country—especially the periurban and rural areas—through continued focus on successful industry sectors and sub-sectors, as well as increased focus on entrepreneurs and the middle class. Concurrently, this framework promotes opportunities for greater citizen empowerment so as to increase involvement in economic, governmental, and social affairs.

### ***I. REINFORCING THE ECONOMIC FOUNDATIONS OF DEMOCRACY: ENSURING THAT THE MIDDLE CLASS PROSPERS & GROWS***

Pillar I—Reinforcing the Economic Foundations of Democracy—is crucial to the achievement of USAID/Lebanon goals and to the realization of broader US foreign policy objectives in Lebanon and in the region. The middle class is traditionally the driving force behind increased representation and governance in a country. They are educated, employed, and cognizant of the activities of their government as well as the general rights of its citizens. They are able to organize and push for better service provision from the government through the business and community associations to which they belong.

Thus, it is important to assure that the middle class increases in number of constituents, and that those constituents are able to access new business prospects and opportunities for organization. Stable democracies are founded on a politically active citizenry that accepts and supports the national political system as essentially fair and just. When significant numbers of people do not accept the legitimacy of the arrangements by which they are governed, demands for revolutionary change through a wide variety of tactics – individual terrorism, guerrilla war, “revolution from above” or class war – emerge.

Political movements that demand the revolutionary overthrow of existing political systems generally draw their supporters from two sources—the educated and the disenfranchised. The leadership of these movements comes from educated people who see no adequate use for their talents and skills and no realistic possibility of maintaining or improving their social and economic situation within the existing social system. Their support comes from people on the margin of survival, trapped in such hopeless circumstances that they see no prospect of a decent life. When significant numbers of people within those two groups see no possibilities for

themselves within the existing society, radical ideologies may flourish. For Lebanon to survive and prosper, moderate currents of opinion—whatever their religious beliefs—need a supportive atmosphere in which radical ideas are not as attractive.

A social system in which drive, initiative and talent are fairly rewarded is the best defense against creating reservoirs of recruits for revolution and terrorism and the spread of radical beliefs. Such a system will have a large middle class, and citizens will understand that they can achieve secure economic and social status by honest effort and application. A prosperous, entrepreneurial middle class supports the system of governance because an effective state provides it with real benefits. In turn, a good government provides security; impartial resolution of business and public disputes, including contract enforcement; and representation of all business interests internationally.

Social instability is created under conditions of extreme socioeconomic inequality (society divided into very poor and very wealthy) and a public perception that social mobility is impossible. A substantial middle class population already exists in Lebanon, and it can provide the foundation for a stable and functional democracy. However, the middle class is severely threatened because of present economic conditions, and it is likely that it is shrinking rather than growing. Thus, USAID should focus the new strategy on supporting the foundations of the middle class: educated youth, entrepreneurs, and small and medium size businesses.

#### **A. The future middle class: educated youth**

Lebanon's educated youth—the next generation of the Lebanese middle class—perceives that they have few opportunities for adequate employment at home. Young people would be less likely to emigrate or to join extremist activities if challenging jobs in the private and public sectors were available. There are not enough jobs of any type for those seeking employment, and too few of the existing jobs offer possibilities for stable earnings and supporting a reasonable standard of living. While there is currently a freeze on hiring, the government sector tends to be the employer of last resort not only because of the prevalence of patronage jobs, but because government employment does not pay well and is generally not based on individual merit.

This situation is exacerbated by the country's macroeconomic outlook. Because of the civil war and government borrowing for rebuilding, approximately 70 percent of government revenue is paid in debt service. Government debt is such an attractive investment that little capital is available for anything else. The country cannot pay for the generous social welfare and safety net the law guarantees to the Lebanese population, and this failure to deliver on expected social services further discredits the national authorities. A major structural adjustment of the economy is inevitable in the near future, and such changes are always difficult. A more effective and accepted national government will be more likely to mitigate the shock of the situation. An economy that is already experiencing sustainable growth will have more capacity to absorb the shock.

Potential interventions for USAID in this area include introducing innovative programs on workforce issues for youth development designed to provide high school-aged youth with the service and leadership skills and knowledge to make a valuable contribution to their

communities. Additionally, USAID might provide technical assistance to municipalities across the country as part of a Municipal Youth Leadership for Expanded Opportunities project. The technical assistance might aim at identifying best practices in municipal leadership and providing tools and resources for mayors and council members to strengthen out-of-school/vocational training programs in their communities.

Programs might also be funded that promote professional development projects for youth workers—those staff that work with children and youth at community centers, clubs, camps, after-school programs and that serve children and youth daily. These dedicated workers need ongoing training and professional development to enhance their skills and keep them current. Finally, support for the introduction of charter colleges that will serve the rural youth population interested in gaining college or professional degrees might be useful.

## **B. Supporting entrepreneurs and small and medium size enterprises**

Entrepreneurs—willing to take economic risks in hope of reward—are the heart of middle class and fundamental to economic growth. They create the employment that feeds the economy. Thus, economic entrepreneurs must be fostered. One can assess, in general terms, which business sectors might present opportunities in a particular country or context. However, recent attempts to administratively determine “winning” or “national champion” industries (i.e. in France and Japan) have generally failed. Simply put, entrepreneurs know more about their needs than administrators do.

Based on a series of studies from the late 1990s, the USAID “Lebanon Revisited: Transition Strategy, 2003-2005” recommended concentrating development assistance on information and communications technology (ICT), tourism, and agriculture as these areas were most likely to flourish in Lebanon. These areas continue to be reasonable sectors on which to focus. However, as the Lebanese economy returns to a condition closer to “normal,” it is important to retain flexibility to support and develop innovative, entrepreneurial activity in any sector of the economy so long as it contributes to the overall goals of this strategy and does not discourage private-sector initiatives.

Therefore, this strategy focuses on supporting entrepreneurs rather than specific economic activities or sub-sectors. True entrepreneurs need to be distinguished from individuals who are pursuing petty trade or subsistence agriculture as a pure survival strategy in an economy where jobs are scarce. Not all farmers or businesspeople are truly entrepreneurs who will be attracted to building modern businesses. Everyone should be invited to invest and increase profits, but development of entrepreneurs and businesses must focus on individuals who show that they are truly interested in developing and expanding their business. International experience suggests that these individuals will comprise no more than 15-20 percent of the economically active population.

### ***Helping entrepreneurs start businesses***

Entrepreneurs often have interesting ideas, but they lack the skill to prepare business plans to make their ideas a commercial success. Nor, once their business is established, do they have adequate management expertise. Business advisory and management training would be useful in

these instances. Consideration should also be given, if further investigation shows that other donors are not sufficiently doing so, to making available small grants to help provide training and technical assistance for businesses and micro and small lending programs that can help overcome the problem of misdirection of capital in the present Lebanese economy. This would help many businesses to secure start-up and development funds even though most investment is currently directed away from the private sector and into government bonds.

Where appropriate, businesses should also receive help training customer service staff and developing a sales and marketing staff. One possible solution is to tap into Lebanese Diaspora skills and capital to establish business development centers. Many members of this Diaspora have successfully started businesses elsewhere, and their skills would be useful in this context.

### ***Market identification and development***

In recent years, development efforts in Lebanon, including those supported by USAID, have focused on production. This focus was necessary because of the need for post-war reconstruction. However, in a functioning market economy, emphasis should be placed not on production, but on identifying markets. Once the market has been identified, tailored production should follow. This approach to business development will require that many Lebanese agencies and organizations that receive funding from USAID, as well as the businesspeople with whom they work, change their approach to activities.

Assistance should be given to help businesses locate and utilize market information. This could be undertaken by providing direct, supporting business associations, or developing private-sector market information and analysis firms (for instance, giving these firms start-up orders for services.) A value-chain approach to business development should also be taught and practiced, whereby potential market opportunities at home and abroad are identified and markets segments are analyzed. This analysis drives product preparation for sale (including labeling and packaging). Assistance could also be given to help support fairs and trade shows, to foster international and local product marketing further.

### ***Making a business of business development***

Many USAID-funded implementers are non-governmental organizations (NGOs), yet they are essentially engaged in business support activities. Where these business development and wholesaling activities are commercial, they should be spun out to business enterprises. Therefore, there should be a plan constructed that facilitates the transfer of business support services from NGOs to private business entities.

## ***II. REVIVING PERIURBAN AND RURAL AREAS***

Because of the country's geography and history, Lebanon has villages and districts that are very isolated. However, the country's small size means that most towns are close enough to the large cities to be considered within commuting distance. This size advantage makes economic development on the periphery of urban areas, so called "periurban" zones, an opportunity. The present over-urbanization in the largest cities, especially Beirut, makes such deconcentration of economic opportunity necessary for political stability and economic growth.

Lebanon's population shift from rural to urban areas mirrors that occurring throughout the world as modern industry develops. In fact, approximately 80 percent of the population resides in urban areas. Although large numbers of Lebanese workers will not return to rural areas just to work the land, many will return if there are other employment opportunities available to them. Thus, by pursuing a strategy that creates jobs in sectors that can prosper in more remote areas (and that can provide also services to those who return), USAID can stimulate the revitalization of several periurban and rural areas within Lebanon.

Lebanon's industry is overly concentrated in Beirut. As a result of war and occupation, people fled to the cities for safety, only to be driven out again by urban violence. This floating population now inhabits the center and suburbs of Beirut and, to a lesser extent, other coastal cities. In a situation where jobs are few and hard to obtain, the population (which, although accurate population statistics are unavailable, is also likely to be quite young) may be stirred to violence. Steady jobs can defuse that potential. Moreover, the concentration of people in metropolitan Beirut has overtaxed the city's services, caused transportation costs to balloon, and drained vitality from the rest of the country. By developing economic opportunities elsewhere, people will have an incentive to move from the metropolis area.

Creating well-paying jobs in periurban and suburban areas will have a multiplier effect by stimulating construction, retail trade and services. Thus both the unemployed pool of skilled labor and the semi-skilled can benefit from economic and social deconcentration. The activities undertaken to implement USAID Lebanon's 2003-2005 strategy began to stimulate this broadening of the geographic location and variety of economic opportunities. These activities—in ICT, tourism, and agribusiness—should be implemented in a way that maximizes the opportunities for Pillar I target groups (educated youth, entrepreneurs, and small and medium businesses) and promotes the revitalization of periurban and rural areas.

#### **A. Information and Communication Technology**

Assessments of the sector indicate that Lebanon's information and communication technology community is on a par with Organization for Economic Co-operation and Development (OECD) countries in terms of capability and awareness. Deconcentration of ICT employment from Beirut and other urban areas should be possible as a result of the adequate infrastructure and the growing importance of service work that can be performed anywhere there are telecommunications lines. Although the absolute numbers of such jobs may not be very great, they can have a substantial multiplier effect in construction, transportation, retail and professional services employment. Skilled professionals are also likely to help make municipal political entities more active in support of local business initiatives.

##### ***ICT employment potential***

Lebanon's small size, skilled labor force, and relatively good communications suggest that decentralized employment, "telecommuting," should be a realistic possibility. Such job development on the periphery of urban areas—which in Lebanon includes most of the country—would also help to anchor an educated middle class in rural communities and, through the local expenditure of their earnings, help create a multiplier effect for other local jobs.

It should be possible to facilitate job creation in the ICT industry itself by promoting software development and engineering. Some Lebanese software engineers are already participating in this decentralized international activity. Higher education focused on training people skilled in these areas would make Lebanon even more attractive for software development.

Another possibility is work in the service sector based on the availability of a good, inexpensive telecommunications infrastructure, such as the off-shoring of call centers for customer relations, particularly with European countries. The small-country advantages from knowledge of multiple languages and various cultures will be helpful in developing such activities. Similarly, ICT employment can be generated through efforts in the tourism sector that rely on technology and the internet for success (i.e. destination information, travel arrangements, events, bookings, etc.).

Software development can generate a relatively small number of very well-paying jobs for skilled individuals. Other ICT-related activities may generate greater numbers of less well-paying jobs with lesser, though still substantial, skill and knowledge requirements.

### ***Cost of bandwidth***

A reduction in the price for telecommunications paid to the national Posts, Telephone and Telegraph monopoly, or development of communications in competition with it, are necessary before much can be done to develop the ICT sector. It is hoped that the recently-adopted National Telecommunications Strategy will address this crucial requisite for expanding employment in ICT.

## **B. Tourism**

Lebanon has enormous potential as a tourist destination. At present, most tourists are from other countries in the Middle East--a rich clientele that spend their money in Beirut, and at the beach and mountain resorts. In a small country with a fragile ecology, mass tourism can negatively impact the economy over the long-term. Thus, an approach that builds on the tenets of sustainable tourism might be more appropriate. Many places in the country are attractive as tourist destinations but have not been properly marketed or developed. Activities that can tap into this tourism potential will help to create attractive employment and investment opportunities outside of Beirut.

Appropriate tourism development can also serve to overcome social fragmentation. Many potential Lebanese tourist attractions are historic sites. As in all national communities, current political groupings interpret their history to justify their own claims to power and resources. A national focus on tourism and its potential will inevitably lead to scrutiny of these competing historical claims. That discussion can build awareness of the community and commonality of all Lebanese, providing another means to help overcome fragmentation. Lebanon has the opportunity to be a model beyond the Middle East by creating a tourism industry that preserves and prides itself on its natural and cultural assets.

### ***Sustainable tourism***

Appropriate tourism development and planning can be a driving force in generating local jobs and income. It can empower local citizens to be entrepreneurs in their communities and launch tourism businesses and organizations that will lead to improved living standards for the entire

community. Revenue from tourism-related taxes can contribute to improving community facilities and services. Tourism requires sound infrastructure that, when properly planned and maintained, benefits residents by:

- Serving as a catalyst for the development of other economic sectors, such as agriculture, manufacturing, and handicraft production;
- Emphasizing the importance of conservation of natural, cultural, archaeological, and historic resources, and generating income to support preservation; and
- Improving the overall environment of a destination that benefits a community's inhabitants as much as its visitors.

However, tourism that is promoted and developed in a manner that is not sustainable for the communities concerned can create problems of overbuilding, air and water pollution, traffic congestion, and local resentment when development is done by outsiders. Tourism development that is not sustainable will also bring little economic benefit to the community, since development money is likely to be spent to import facilities and labor from outside the community rather than developing it locally, and the community is likely to face substantial costs because of poorly-planned initiatives.

Fortunately, Lebanon's tourism industry has not yet grown to the point where the country is locked into poor choices and supporting numbers of tourists beyond its capacity. Lebanon has the unique opportunity to espouse sustainable tourism now and develop its tourism industry in a manner that will revitalize and improve its communities, including those in rural areas. In fact, through careful promotion of the wide range of activities that it offers, Lebanon has a chance to brand itself as a destination that offers a unique tourism experience that cannot be found elsewhere in the region or in the world.

The key to this type of development is two-fold: 1) broad community participation in planning and monitoring of tourism projects; and 2) the development of professional associations and self-regulating organizations, such as the national association of tour guides.

Certification of guides by their own organization gives an incentive for improved standards and offers clients assurance that they will be competently served. Such associations will also, in pursuing the joint interests of their members, come to demand new and better laws that support business.

### ***Geographical deconcentration of tourism***

Most tourists who currently visit Lebanon stay in Beirut, hotels and resorts along the coastlines, and ski resorts during the winter. Most tourists make only day trips into rural areas. Unfortunately, day trips realize limited economic gain to the rural areas, and because little outreach is made, some areas do not receive the potential income that they could from tourism.

In contrast to the ineffectual government "hub-and-spoke" model, a hub-based approach to tourism can result in more balanced economic gains throughout Lebanon. This approach identifies certain villages to be the "hub" in a particular region, while other activities and villages are the spokes. The hub should be a village where there is at least basic tourism infrastructure or

that has the most potential in the area for tourism infrastructure, including accommodation and restaurants. These hubs will be the “home base” and will encourage tourists to stay overnight in the rural areas and then explore other activities and nearby villages during the day. Creating and successfully marketing several hub-and-spoke circuits can increase further development.

This model of tourism development, which fits well with Lebanon’s great variety and dispersion of potential tourist destinations, suggests that many relatively small development projects are preferable to a few larger ones. Many small-scale projects will also contribute to the objective of retaining an economically-active population in rural and periurban areas.

### ***Niche markets***

Lebanon can offer diverse experiences and attractions that are appealing to a broad spectrum of tourists. The differentiation and targeting of tourists based on their specific demographic characteristics and specialized needs and interests—their specific tourist profile—is a useful and cost-effective marketing method. Niche marketing is used more frequently by tourism destinations to identify high-potential target groups and create tailored tourism experiences that speak specifically to the identified markets. Tourism professionals can use these profiles to target tourists and promote existing attractions, as well as identify and develop new attractions based on the interests and needs of specific groups. The actions for training in this field consist of two components:

- Destination management for tourism professionals; and
- Guide training and certification for interpretation professionals and managers of accommodations.

These activities can be realized by developing a national strategy for marketing Lebanon as a tourist destination. The best way to create such a vision is through the cooperation of local communities and associations. Eventually, a national association of tourist-related businesses should be formed to provide services to all entities involved in the tourism business cluster.

### ***Security***

Outside of the Middle East, Lebanon still carries the reputation of a country torn by civil war, although it has been almost a generation since the war ended. A campaign to market Lebanon as an attractive place for tourists will help to change that lingering perception. Moreover, the very diversity of the country should be emphasized in order to make clear that the country is welcoming and cosmopolitan and so, by extension, safe. On the other hand, care should be taken to ensure that all national stakeholders understand the benefits of tourism to the country and to their own groups, since self-interest of those involved is the best guarantee of tourists’ safety. National associations and self-regulating organizations of individuals and enterprises in the tourism business can help to create this atmosphere.

### C. Agriculture and agribusiness

Agriculture's share of the gross domestic product (GDP) of Lebanon has steadily declined in the past century, dropping from 10 percent in the mid-1970s to 6 percent in 2001.<sup>2</sup> The proportion of the labor force employed in agriculture has fallen similarly, from 18.9 percent in 1970 to 6.7 percent in 2001.<sup>3</sup> These shares of agriculture in GDP and employment are far closer to those of developed market economies than they are to those of less-developed or transitional economies. The experience of the OECD countries, where agriculture contributes no more than 5 percent and most often 2.5-3 percent of GDP, indicates that the economic importance of the agriculture sector in Lebanon is likely to decline further. But this one-time shift away from agriculture that takes place in every country as part of economic modernization, seems close to being completed in Lebanon.

Given the limited availability of land and inadequate water management and irrigation systems, Lebanon should seek to produce specialty agricultural products and to substitute domestic production for imports in limited areas, but a general policy of import substitution or self-sufficient production of basic foodstuffs is not economically justified.

The political and social effects of the relative decline of agriculture as part of modernization are always severe and unevenly felt. Thus, agriculture in Lebanon, as in other modern market economies and transitional countries, is at least as much a social and political concern as it is an economic one. As a result of its recent history, and despite the overall fall in agricultural employment, Lebanon now is reported to have a considerable number of subsistence farms, many of them begun within the last decade. While efforts should be made to revitalize and develop commercial agriculture, and to draw as many of the subsistence producers into market-oriented agriculture, international experience with similar situations suggests it is unlikely that most subsistence producers will become commercial farmers. Subsistence farming, commercial agriculture, and agribusiness, although located in the same areas, should be programmatically distinguished.

#### *Supporting subsistence farmers*

Subsistence farming, production of agricultural products primarily for the consumption of the farmer's own family, often with off-farm sale of excess produce in order to bring in a small amount of cash, is a family survival strategy when market relations do not exist or, more usually, when they have been severely disrupted. The number of subsistence farmers tends to increase during times of civil disorder, both because regular marketing chains, whether to landlords or to other wholesalers, have broken down, and because city dwellers often return to their ancestral villages when earning opportunities are no longer available in the cities.

Although reliable statistical information on rural land tenure in Lebanon seems not to be available, it is the consensus of experts that there is a considerable amount of subsistence farming of this sort, primarily because the civil war and occupation disrupted traditional

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<sup>2</sup> « Schéma Directeur d'Aménagement du Territoire Libanais » (SDATL), *Rapport Préliminaire, Phase 1*, CDR 2003) ; Ministry of Economy of Lebanon, *National Accounts 1997-2002*.

<sup>3</sup> « L'entrée des jeunes libanais dans la vie active et l'émigration », *Université Saint-Joseph*, 2002.

marketing channels. For many, however, subsistence agriculture is still the only way of surviving in an economy with high unemployment and an inadequate social safety net.

Subsistence farming in Lebanon is a highly localized issue. There is much international experience about ways to help improve the economic condition of subsistence farmers, but it will need to be applied bearing in mind the situation of each specific locale. It should also be noted that in modern commercial agriculture, most money is not made in working the land. In developed market economies, the farmer typically receives a small percentage of the retail price of a food item. While some subsistence farmers may make the transition to commercial agriculture, not all of them will become commercially viable businesspeople. For a percentage of those that cannot succeed in creating their own commercial venture, USAID may want to consider supporting innovative job-placement programs that could help those farmers to find alternate jobs in their communities, either in providing services to agriculture or in some other line of work.

The goal in providing limited support to subsistence agriculture is not to create expansive economic opportunities for those that want to farm, but rather to provide USAID with a way of combating poverty and preventing those who are most isolated from turning violently against the existing social system.

### ***Developing commercial agriculture***

In order to develop commercially successful ventures, farmers will need information about markets, techniques and farm management, as well as access to good-quality inputs, production credit, and assistance in finding ways to market their produce. Once there are clear opportunities, and the risks of pursuing them are understood, many farmers will certainly become agricultural entrepreneurs. NGOs involved in community development, in conjunction with the Lebanese government through the public-private “Kafalat,” currently provide some subsidized credit to small farmers, and these efforts should be supported.

Support for agricultural research and extension is one important way to help provide farmers with the information and support they need to access new markets, increase their yields, and increase their income. Lebanon’s higher educational institutions are a natural base for such an extension system. They should work together with private businesses, which have a natural interest in selling their products, and agricultural input and marketing cooperatives.

A second means by which to motivate small farmers to produce for market is contract farming. For example, Lebanese wineries, which export 70-80 percent of their production to European markets, are increasingly contracting with small producers for grapes. Along with production inputs, wineries reportedly are even providing the varietal grapevines, which guarantee that they will get the types of grapes they need.

A third alternative is marketing cooperatives. The word “cooperative” is familiar in the Lebanese countryside, and there are a considerable number of cooperatives in Lebanon. According to its director, the Union of Cooperatives in Lebanon encompasses 1200 Cooperatives, including 350 agricultural cooperatives, 30 beekeeping cooperatives, 30 fisheries cooperatives, 10 dairy farming cooperatives, 30 agricultural processing cooperatives, as well as

20 consumer cooperatives, and 350 housing, credit, and savings cooperatives. About half of these cooperatives are presently active. However, it is sensible to develop these cooperatives into more active grassroots organization that more actively represent their members and, in particular, provide assistance with marketing.

### ***Agribusiness***

Lebanon does not have the economies of scale to be a major producer of international processed food markets, and the country will continue to import much of its food. However, Lebanese agricultural products can be and are competitive in some areas. The presence of modern supermarkets and large hotels give producers an opportunity to sell their products as Lebanese specialties. But to do this successfully producers must meet quality standards and delivery cycles reliably. The best Lebanese agribusinesses are already doing so. Similarly, with USAID support, olive oil producers have successfully begun marketing olive oils from different regions of the country and have developed particular tastes attractive to members of the Lebanese diaspora. It is through producers' assistance with market information, knowledge of agricultural grades and standards, and help introducing modern food safety analyses and quality control systems that USAID might build on these successes.

## ***III. EMPOWERING CITIZENS TO SECURE ECONOMIC OPPORTUNITY & DEMOCRATIC GOVERNMENT***

The previous two pillars addressed the importance of increasing economic growth and opportunity through support for the middle class and expanding the industries and regions in which they can work. However, it is also necessary to support those structures that promote empowerment and positive institutional change, so as to increase private sector growth and support citizens' needs. To this end, there is a need to support groups, organizations, and communities that advocate for causes—economic, social, or political—beneficial to the Lebanese people.

### **A. Developing grassroots entities to advocate for policy reform and institutional change**

Single-issue groups cutting across confessional, regional and other cleavages in Lebanese society, and based largely on common economic interests, can serve to unify society and drive democratic change. Many of those groups are likely to have an economic basis, and economic motives are some of the most powerful ones for private action by groups in influencing government. Additionally, as the national political and economic system changes, it will become easier and more appropriate to work with the national government. These activities should also be closely coordinated with other donors.

### ***Educating citizens***

Although the formal school system is good, it appears that many Lebanese have a restricted knowledge of their rights and responsibilities as citizens. Awareness of the laws, regulations and their rights needs to be increased through public education. Access to information about public expenditures and policy at all levels of the government needs to be improved. Internet initiatives such as the “electronic village” project USAID has been supporting can also be of use in this regard.

Although several Lebanese universities have programs in public affairs, public policy and municipal and regional planning, these programs appear to be theory-based, and graduates do not always find positions in public service. A more detailed review of these courses would be appropriate, in addition to the means by which students might undertake internships or other leadership programs through their universities.

Although the Ministry of Economy maintains some statistical series, and university faculty conduct research and write about policy topics, but there appears to be surprisingly little basic statistical information needed for public policy formulation or effective dialogue with donors. This is obviously, in part, a reflection of the realities of power in Lebanon: accurate census data, for instance, could threaten the confessional balance. Yet without such data, it is difficult to make reasoned policy choices.

Thus, there should be support for more comprehensive data collection not only by the government, but also by independent research groups. This basic economic and social information should be publicly available and would serve as the basis for policy analysis. A small inter-donor secretariat able to contract with Lebanese researchers for specific issues would be one mechanism by which to support more comprehensive and accurate data collection. Business and professional associations should also be encouraged to develop this capacity both as a service to their members and as part of the general public debate on policy. Private market research associations could also provide some of this needed information, either as a public service or on a fee-for-service basis.

### ***Developing civil society***

Single-issue business and professional associations as well as other voluntary organizations such as rural cooperatives that can advocate for issues that relate to public policy and economic growth should be supported. Self-regulating professional organizations (SROs) should also be encouraged. SROs can monitor the professional qualifications of members; regulate the profession; develop technical regulations, quality grades and standards; and enforce professional ethics. In the Lebanese context, of course, it is vital that SROs be nonpartisan and open to all who meet recognized professional qualifications.

Development projects, such as infrastructure construction, should be done on a regional basis uniting several varied communities. Similarly, marketing cooperatives should be regional in scope in order to take in a variety of members and cross-cut existing social and confessional divisions. Nationwide associations should be encouraged for the same reason, and also because they can more effectively advocate their interests to the national government.

Every effort should be made to improve dialogue among political, social, and economic actors. In particular, direct communication between municipalities should be fostered through regional seminars in order to lessen the role of the national authorities in disseminating information and formulating policies.

Alternative dispute resolution (ADR), such as mutually agreed binding arbitration, is commonly used as a way to resolve business and even intergovernmental disputes in many countries and in

cases where the parties involved are not all subject to the same national jurisdiction. Businesses, citizens and municipalities should be allowed and encouraged to use this method in Lebanon, where the civil courts are distrusted. In order to keep the use of ADR from further fragmenting Lebanese society, the choice of alternative dispute resolution or recourse to the national courts should be voluntary, as agreed between the parties who might later need adjudication of their dispute.

## **B. Empowering local communities**

Lebanon has a unitary system of government, not a federal one. However, the previous successes in building single-issue coalitions and driving change at the level of groups of municipalities, coupled with the structural gridlock of the national government, suggest that significant attention must be paid to municipal governments as a way to drive political change and support economic development in Lebanon.

### ***Strengthening local government***

The national authorities determine internal administrative divisions in Lebanon, and the national Ministry of Internal and Municipal Affairs is legally obligated to oversee the activities of the administrations of these divisions. Formal municipalities, the unit of administration closest to the population, exist only where they have been established. A new municipality can be formed when a previously unincorporated area can demonstrate that it has a minimum of 500 residents and the ability to generate revenues equivalent to at least 10,000 Lebanese pounds. Elections for municipal councils were held in most of the country in 1998 and in the south in 2004. In recent years the number of municipalities has grown rapidly, from approximately 700 at the end of the civil war to 935 today.<sup>4</sup>

The municipalities have considerable responsibility for service to their residents, including public health, education, and water and sewer utilities. They also have limited tax collection powers. However, all revenues are remitted to the central government, which places them into an account for return to the municipalities. This mechanism leads to substantial delays in disbursement and uncertainty about what sums might be available to the municipalities.

The individual municipalities, especially in periurban and rural areas, are often very weak, lacking administrative resources or skilled personnel. Smaller and more rural municipalities are also likely to be relatively homogeneous. The weakness of municipal institutions likely increases the control of a small group of elites in each area, since they can use their personal resources to manage the administration of the community in ways that serve their interests. Increasing the amount of information available to citizens about their rights and how their municipalities are run is fundamental to lessening the influence of these elites so that municipal institutions can better-serve the broader population.

However, because rural and periurban municipalities are likely to be relatively homogeneous, solely strengthening the formal, public, and transparent institutions of a single municipality is not enough. Doing so in isolation is likely to contribute to strengthening the power of the elites of the confessional grouping that dominates the particular locale in a sort of patron-client

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<sup>4</sup> Lebanon is divided into a total of 2126 census tracts covering the whole country.

relationship. A better strategy might be to focus on the empowerment of the unions of municipalities. The unions encompass a broader area and may encompass more confessional diversity, offering a means by which to work with local governments while mitigating potential reinforcement of the current system.

If the municipal unions do not provide sufficient confessional and other diversity, then efforts at municipal strengthening should be designed to do so. The country's overall small size is an advantage. People can easily travel within the country for training, field visits, and similar efforts that will strengthen communication between local communities without going through the national government. One possibility would be to select one of the country's governorates in which to concentrate assistance and to improve the administrative capacity and transparency of operations of all municipalities in it.<sup>5</sup>

### ***Community participation in provision and operation of physical infrastructure***

Lebanon is relatively densely populated and urbanized. War, occupation and the post-war concentration of investment in the Beirut metropolitan area leaves much of the country with inadequate municipal utilities, particularly solid waste and wastewater treatment plants. More rural areas need not only sewage facilities, but also community and regional irrigation facilities, and the whole country is in need of careful water management and Mediterranean coastal preservation. These physical infrastructure and environmental needs, as well as the need to preserve and develop tourism on a regional basis, offers an opportunity to build community-based organizations that cut across existing group boundaries, including confessional divisions. It is important, however, that these projects are undertaken in conjunction with other donor activities in the area of infrastructure.

### ***Community mobilization and community-based organizations***

Planning, construction and operation of physical infrastructure should involve the local and regional community to be effective, and residents have a clear and direct interest in these activities. The infrastructure provides a way to begin to mobilize communities to participate in their own politics.

In addition to providing support for organizational development and help for establishing community-based strategic planning, USAID should assist in ensuring that citizens know the laws and regulations that affect municipalities and citizen activities. Community-based organizations should be encouraged to monitor the activities of local and regional government closely and to insist on transparency of decision-making and implementation. It may also be appropriate to have local voluntary organizations take over the operation of some community social service facilities or to privatize them with appropriate guarantees about continuing community access.

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<sup>5</sup> Compare Nawaf Salam's comment that "*mohafazas* (and perhaps this was the original wisdom of the Taif Agreement when it adopted the *mohafaza* as an electoral district) are naturally mixed districts in terms of their sectarian composition, which compels the candidates to take into account the various social and interest groups constituting the *mohafaza*." "Reforming the Electoral System: A Comparative Perspective," pp 1-22 in Salam, ed., *Options for Lebanon* (London and New York: I.B. Tauris, 2004), p. 9.

### ***Community internet access***

The use of ICT to provide information to communities should be pursued. In areas where there is no public internet access, one way to do this is to establish Community Access Centers – a terminal connected to the Internet. This effort should be pursued with private entrepreneurs, by putting equipment in existing restaurants or stores, but should also be done at the request of the community involved. This provision should build upon the previous USAID-funded efforts to place internet centers in a number of villages throughout Lebanon.

### **C. Utilizing international opportunities to stimulate positive change**

Many members of the Lebanese government and civil society groups currently have a great incentive to support democratic change--the perceived benefits from greater participation in the international community in a globalized world. USAID can play a significant role in brokering or supporting opportunities for international trade such as continuing efforts for WTO accession, preferential trade relations under the European Union Euro-Med Partnership, and perhaps a bilateral trade treaty or other privileges with the United States.

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## **6. POSSIBLE PROJECT APPROACHES UNDER THIS STRATEGY**

The industry reports attached as appendices to this document include numerous suggestions to address the main tenets of this strategy. Below are a few examples of approaches proposed by the VEGA team.

### **MUNICIPAL GOVERNANCE**

- Institute a public information mechanism that facilitates information exchange between the central government, municipalities, and the general public.
- Develop a municipal information center to provide all essential information and training for elected and appointed officials.
- Conduct education sessions at the Unions of Municipalities across the country to ensure that all officials are fully aware of their responsibilities and authorities. The sessions should include planning and benchmarking exercises
- Support municipal management programs at public and private universities in Lebanon.
- Continue the current municipal assistance program, but facilitate a transfer of activities and responsibilities to the central government.

### **SUPPORTING CIVIL SOCIETY**

- Support single-issue business and professional associations and other voluntary organizations that focus on specific issues related to public policy and economic growth.
- Encourage self-regulating professional organizations (SROs). SROs can monitor the professional qualification of members; regulate the profession; develop technical regulations, quality grades and standards, and similar mechanisms; and enforce professional ethics.
- Improve dialogue among political, social, and economic actors. In particular, direct communication between civil society actors across the country should be fostered by activities such as regional seminars, in order to lessen the role of the national authorities in filtering and disseminating information.

- Support projects targeting Alternative Dispute Resolution (ADR), such as mutually agreed binding arbitration.
- Support the study of youth worker demographics, compensation, entry into the field, retention/turnover rates, etc., in the form of collection of raw data and report preparation. The study will provide teachers, school administrators, students, and community partners with a process for designing, implementing and evaluating youth development projects. It will demonstrate how to effectively meet many educational reform objectives, such as standards-based learning, character education and school-to-career initiatives.

## **INFORMATION AND COMMUNICATION TECHNOLOGY**

- Use ICT to provide information to communities. In areas where there is no or limited public internet access, build on previous activities and expand the number of community access centers. This effort should be pursued with private entrepreneurs, but should also be undertaken at the request of the community involved.
- Develop and implement actions to promote software development and engineering so as to facilitate job creation in the ICT industry.
- Support service sector development that will generate employment within the ICT supply chain.

## **AGRICULTURE**

- Support the establishment of a marketing information center that will serve as an incubator offering sales and marketing services, including:
  - Using a market-led approach to define what share of the market is prepared to pay a premium and how this can be integrated into the marketing system
  - Providing technical/expert assistance to individual businesses and cooperatives
  - Map agricultural production levels and handling capacity.
  - Set up a task force to conduct a detailed analysis of the problems confronting the post-production supply chain.
  - Providing marketing specialists to guide businesspeople through the agricultural value chain and facilitate the testing of new ideas, development of business plans, and the mobilization of donor, government, and private support.
  - Facilitate the provision of formal legislative/regulatory assessments for individual export markets.
- Hold a national conference on a new export competitiveness strategy so as to develop the initiation of a new national export strategy. (redundant)
  - Hold conference preparation by conducting detailed dialogue with private and public sector, conducting an expert forum on agriculture-related legal issues involving policy officials, legal authorities, and international experts. Additionally, conduct a series of presentation on agro-economic issues to both the political and senior public service officials.
- Support the continued establishment of sales and marketing cooperatives.

## **SME DEVELOPMENT**

- Establish a center for development and implementation of quality management systems (QMS) in Lebanon that will become the umbrella organization for entities that provide certification services, training institutions offering courses in QMS, relevant sector

associations, and non-governmental organizations, in addition to selected SMEs that have introduced or plan to introduce QMS. The analytical department of the center will identify the issues to be addressed in order to improve the overall business environment for developing and implementing the quality standards.

- Establish business development centers/business support organizations/incubators where businesses are given help in analyzing their needs; training staff in market-oriented approaches and customer service; and developing their sales and marketing functions. Entrepreneurship training for the potential business owner is essential to create the economic vitality to attract displaced populations to their villages and municipalities of origin. Success in achieving this will also increase municipal tax revenues that will enable municipalities to increase the delivery of services to the rural population. Lebanese Diaspora might be targeted to provide expertise to support these centers.
- Support better coordination and cooperation among the universities, as well as the development of university-related research and industrial parks on the model of efforts such as the university-founded research parks in the US.

## **TOURISM**

- Assist in developing a national tourism strategy.
- Facilitate broad community participation in planning and monitoring of tourism projects.
- Support the development of professional associations and self regulating organizations, such as national association of tour guides.
- Support small-scale sustainable tourism projects that will contribute to the objective of retaining an economically active population in rural and periurban areas.
- Support tourism-related training activities in
  - Destination management for tourism professionals
  - Guide training and certification for interpretation professionals and managers of accommodations.

## **SMALL GRANTS**

To respond more effectively to the challenges presented in the proposed “Country Strategy” we suggest USAID introduces:

- In addition to its TAG small grants program targeting social institutions, new grants that will enhance USAID flexibility and rapid response to:
  - The needs of emerging Lebanese democratic associations
  - Innovative ideas and activities from entrepreneurs and SMEs
  - Programs or initiatives in support of—but not directly related to—the primary strategic objectives.
- Grants that expand institutional capacity of SMEs or NGOs, to form linkages with existing grants, and to increase the value of large assistance programs.
- Grants to individual entrepreneurs, businesses, and NGOs. These grants could be grouped into two categories:
  - Mini grants/seed grants: A proposed range for these grants would be from \$500-\$3,000, and
  - Medium sized grants: A proposed range for these grants would be from \$3,000 to \$25,000.

- Grants could be given in accordance with a matching grants program, potentially with cooperation and funds from Global Development Alliance (GDA) programming.

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## **7. ENABLING CONDITIONS FOR SUCCESS OF THE STRATEGY**

This strategy can only succeed if certain enabling conditions are present. One of the most important conditions for its success is close cooperation with the private sector and the international business community in Lebanon. Failure to coordinate activities with the donor community would likely lead to a situation in which recipients would be unable to utilize the full breadth of resources offered under this strategy and benefit from the capacity it seeks to build.

Additionally, at least tacit support from the central government for the approach and activities proposed here is necessary. Since this strategy explicitly aims at making the central government more democratic, open and effective, it is to be expected that some government figures and factions that benefit from the present situation will oppose it. Ensuring this condition is a matter for diplomacy and coalition-building. Close coordination with donors who focus their efforts on assistance to the national government, particularly the World Bank group and the European Union, may also be of assistance here.

Given the difficult regional circumstances, there are also a number of factors that may impede the success of the strategy. The structural adjustment that must occur as the national government comes to grips with its debt must be skillfully managed in order to avoid severe economic shocks that could cause economic and political collapse. Again, the international community, including all the donors active in Lebanon, should work closely with the national government on this issue. Should regional conflicts be re-ignited, the ability to carry out this strategy would also be severely diminished and minimal security needed for this strategy to be successfully implemented would be compromised. A resumption of domestic armed conflict or an increase in political violence, which remain possibilities so long as private armies remain intact in Lebanon, would also render this strategy impractical.

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## **8. IMPLICATIONS FOR USAID MISSION STRUCTURE AND MANAGEMENT**

This strategy seeks to utilize previous successes, and the credibility gained from those successes, to achieve more general aims of democratization through economic growth in Lebanon. Thus, it is important that existing activities be completed properly and in a timely fashion, and that there should be a smooth transition from activities under the previous strategy to this one. It is also important that projects be kept flexible and able to respond quickly to changing circumstances. In practice, this means that contracts and grants should be designed with a good deal of flexibility, perhaps including “design-and-implement” activities. To be successful, however, this flexibility requires close, careful monitoring by USAID.

The success of this strategy also requires closer coordination of USAID activities, and the need for a good number of small-scale activities. The ability to respond quickly to changing circumstances will increase the need for coordination of implementers by the USAID Mission. The need for more coordination will require either a larger staff in the USAID mission or some

other mechanism, such as the letting of an umbrella contract or grant by which a single implementer will have responsibility for coordination of activities under this strategic objective. Some of the required management and coordination capacity might also be found through the use of Washington-based contracting and grant vehicles.

USAID has chosen to work primarily with civil society, the private sector and local government agencies in Lebanon. Other donors work more closely with the national government. For this strategy to succeed, the USAID Mission will need to cooperate and coordinate very closely with those other donors, not only to manage relations with the national government, but also to avoid overlap and donor competition. It does not appear that there is regular, institutionalized high-level donor coordination in place in Lebanon. The World Bank or the United Nations should be encouraged to participate in such a mechanism, and USAID should take the lead in developing and supporting one if necessary.

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## 9. CONCLUSIONS

The proposed framework for the new Strategic Objective—Strengthening Democracy through Economic Opportunity—has been developed to support the goals of the USAID/Lebanon Mission and the USAID Strategic Framework for Asia and the Near East. It also attempts to address the political and economic realities in Lebanon and in the region, and it has been designed to build on the previous successes of USAID activities in Lebanon in three industry sectors—ICT, tourism, and agribusiness—as well as ongoing success in promoting the effectiveness of municipal governments.

The three pillars of the strategy for the new SO—Reinforcing the Economic Foundations of Democracy; Reviving Periurban and Rural Areas; and Empowering Citizens to Secure Economic Opportunity & Democratic Government—aim to address the crucial relationship between equitable economic growth, good governance, an empowered citizenry, and peace and stability.

Pillar one—Reinforcing the Economic Foundations of Democracy—promotes strengthening the middle class in Lebanon through supporting entrepreneurs, youth, and small and medium size businesses. Broadly, the strategy supports activities that counter the threat of extremism by suggesting programs that reduce the number of individuals who are disenfranchised and underprivileged. It promotes jobs creation and the importance of supporting youth in their search for viable and productive employment in a globalizing economy.

Pillar two—Reviving Periurban and Rural Areas—endorses the idea of creating well- paid jobs by developing successful industry sectors and sub-sectors in periurban and suburban areas. This jobs creation will have a multiplier effect by stimulating construction, retail trade and services. Thus, both the unemployed pool of skilled labor and the semi-skilled can benefit from economic and social deconcentration.

Pillar three—Empowering Citizens to Secure Economic Opportunity & Democratic Government—supports those structures that advance empowerment and positive institutional change so as to increase private sector growth and support citizens’ needs. To this end, there is a need to support groups, organizations, and communities that advocate for causes—economic,

social, or political—beneficial to the Lebanese people. Proposed activities encourage effective and transparent government capable of providing services, supporting business, and effectively representing citizens. Concurrently, the framework promotes opportunities for greater citizen empowerment so as to increase involvement in economic, governmental, and social affairs, especially at the municipal level.

There are a number of enabling factors that should be in place to so as to ensure the success of activities under this new strategy: regular and efficient coordination between donor agencies, at least tacit support from the Lebanese government, and a measure of regional and domestic stability. Regardless of potential obstacles to the success of this strategy, however, the time is ripe for USAID to focus on support for good governance and democracy through economic growth. The withdrawal of the foreign occupation forces that had enforced corruption and economic stagnation in Lebanon now makes change possible. Because of USAID's good work in recent years, it has a unique opportunity to catalyze democratic transformation through economic opportunity in Lebanon.

## APPENDIX A: LIST OF CONTACTS INTERVIEWED

INTERVIEWEE	TITLE	ORGANIZATION NAME	DATE
Abou Aoun Pierre	Co-owner	Expeditions International	12-Nov
Abou Chedid, Dr. Elie	Coordinator, Hospitality	AUST University	12-Nov
Abboud, Jean	President	Association of Travel and Tourist Agents, Lebanon	7-Nov
Abdallah, Pascal	Principal	Cyclamen Ecotours	9-Nov
Ali Daher, Hussein	Member	Agricultural cooperative of Blida	12-Nov
Ali Kasem, Kamel	Member	Agricultural cooperative of Blida	12-Nov
Alouf, Nizar	Member	Syndicate of Hotels	4-Nov
Amin, Ismail	Director	Agriculture Services Center in Hasbaya	14-Nov
Antoun, Dr. Randa	Professor of Political Science and Public Administration	American University of Beirut (AUB)	9-Nov
Assaf, Georges J.	Attorney at Law	Public Interest Advocacy Center	25-Nov
Atalla, Myrna	Program Officer	NDI Lebanon	9-Nov
Atallah, Sami	Economic Researcher	Lebanese Center for Policy Studies	9-Nov
Baalbeki, Dr. Ahmed	Agronomist, sociologist	The Lebanese University, ret.	27-Oct
Barakat, Liliane Buccianti	Director of the Department of Tourism and Cultural Management	Universite Saint-Joseph	27-Oct
Batlouni, Mahmoud	Project Director	SUNY	27-Oct
Bazzi, Khalil	Chairman	Agricultural cooperative of Bint Jbeil	12-Nov
Bechara, Issam	Regional Director	CNEWA/Pontifical Mission	28-Oct
Billings, James	Director, Lebanon Office	SRI International	28-Oct
Birocchi, Federico	Deuxieme Secretaire	Delegation of the European Commission to Lebanon	22-Nov
Bu Ghanem, Monir	Program Officer	AFDC	8-Nov
Chaarani, Samir	Associate	Development and Municipal Studies Center	31-Oct
Chahin, Khaled	Municipal Council Member	Municipal Council of Akkar	30-Oct
Chemaly, Nabil	Financial Analyst	DAI Lebanon Water Policy Program	4-Nov
Daghir, Nuhad	Dean	School of Agriculture, AUB	9-Nov

Dessus, Sebastien C.	Senior Economist	World Bank Lebanon	22-Nov
Dwonch, Andrew	Country Director	Mercy Corps	
El Fadel, Motassem	WESS General Director	DAI Lebanon Water Policy Program (WESS)	24-Nov
El-Jisr, Karim	Senior Program Specialist	ECODIT Liban	1-Nov
El Nazer, Hassan	Director of Northern Region	YMCA	30-Oct
Fawaz, Haytham	President	Syndicate of Tour Guides	7-Nov
Frej, Lena	Chief Accountant/Program Management Specialist	USAID Lebanon	1-Nov
Geagea, George	Representative	GAI	7-Nov
Ghaida, Salem	Farmer	Hasbaya	14-Nov
Hager, Wolfgang	Economist, Senior Consultant	Ministry of the Environment	11-Nov
Hajal, Khalil	Director General of Municipalities	Lebanese Ministry of Interior	9-Nov
Hajj-Dib, Talal	Program Director	CHF International	8-Nov
Hall, Joseph	Senior Advisor	NDI Lebanon	9-Nov
Hardane, Youssef	Farmer	Rachaya el Foukhar	14-Nov
Hashem, Hashem	Owner own company, founder of PCA	Intellisoft Lebanon	1-Nov
Hassouna, Fadlallah	Representative	Development for People and Nature Association (DPNA)	12-Nov
Hodges, Trudy	M&E Coordinator	SUNY	27-Oct
Holridge, David	Regional Director	Mercy Corps	21-Nov
Hoyaek, Antoine	President	Federation Generale des syndicats de producteurs Agricoles au Liban	28-Oct
Hussein, Charbel	Agricultural Engineer	World Vision	2-Nov
Hussein, Paul	Founder/Owner	Roxana E-services	2-Nov
Jaber, Bassam	Program Director	DAI Lebanon Water Policy Program	4-Nov
Kalab, Gino	Mayor	Jbeil	5-Nov
Kaour, Wafik	Chairman	Agricultural cooperative of Blida	12-Nov
Karam, Karam	Municipal Specialist	Lebanese Center for Policy Studies	10-Nov
Kayyal, Hussam	Program Director, Corporate Citizenship	Cisco Systems	4-Nov
Khoury, Dr. Raymond	Director, Technical Cooperation Unit	Office of the Minister of State for Administrative Reform	11-Nov
Maalouf, Gaith	Chairman, Agriculture Engineer	Agriculture Cooperative of Rachaya el Foukhar Village	14-Nov

Maaz, Habib	IT Specialist	Unilog	4-Nov
Martinos, Fadi	President	Municipal Federation of Jbeil	5-Nov
Mehdi, Sawson	Director	UNEP Coastal Resources Management Program	4-Nov
Menser, Bruce (joined by Denino, Philip; Wanna, Kamil; and Matar, Tony)	National Director (International Program Officer, Grant Manager, Grants and Relief Coordinator)	World Vision	1-Nov
Moawad, Nabil	Executive Director	Rene Moawad Foundation	6-Nov
Mrad, Jamal	Chairman	Agricultural cooperative of Aitaroun Village	12-Nov
Nahas, Dr. Charbel	Economist, Consultant	Council for Development and Reconstruction (CDR)	11-Nov
Nasser, Nada	Program Coordinator	CHF International	8-Nov
Naufal, Janine	Secretary General	Syndicate of Tour Guides	4-Nov
Nimak, Dr. Musa	Irrigation Specialist, professor	American University of Beirut (AUB)	7-Nov
Osta, Wafa	Tourism Specialist	SRI International	4-Nov
Politis, Christopher	Monitoring and Evaluation Officer	Mercy Corps Lebanon	12-Nov
Safa, Dr. Yousannah	Director	Lebanon Center for Policy Studies	10-Nov
Sakr, Zouha	Senior Lawyer/Deputy Chief of Party	Booz Allen Hamilton, USAID WTO project	12-Nov
Salem, Paul	Director	Fares Foundation	15-Nov
Samaha Tanas, Julie	Marketing Specialist	INMA/SRI	4-Nov
Sardouk, Nada	Director	Ministry of Tourism	8-Nov
Sayah, Ghassan	CEO	YMCA Lebanon	27-Oct
Sfeir, Patricia	Coops Representative	YMCA Lebanon	12-Nov
Sidani, Marwan	Program Coordinator	AUB Office of the Dean of Agriculture	9-Nov
Smaha, Khattar	Director	Union of Cooperatives	25-Oct
Sobh, Ibrahim	Chairman	Agriculture Cooperative of Mimes Village	14-Nov
Soule, Bruce	P.E. and Office Director	Camp, Dresser, McKee	9-Nov
Torbey, Dr. Joseph	Director of Cooperatives	Ministry of Agriculture	23-Oct
Yamoot, Salam	IT Specialist	Cisco Systems	4-Nov
Zakhia, Abdallah	Attorney, Municipal law	Private Company	5-Nov

## APPENDIX B: MUNICIPAL FOCUS GROUP MEETING PARTICIPANTS

FOCUS GROUP INVITEE	TITLE - ORGANIZATION
<b>Caza Cluster 1—Jbeil, Metn, Kesrouan—November 14, 2005</b>	
Mr. Nasr Abi Nasr	Head of Jbeil Industrials Group
Mr. Ibrahim Sayah	Publisher of specialized magazine
Mr. Charles Khalifeh	Head of Environment & Development Committee, Ehmej
Mrs. Samira Zgheib	President - Women's Agribusiness Cooperative
Ms. Monique Selim Saadeh	President - Mayrouba Women's Cooperative
Mr. Chaker Noun	Representative - Baldati.com (NGO)
Mr. Gaby Semaan	Head of Tarshish Agricultural Cooperative Head of Union Apple Farms in Lebanon
Mr. Akef Khoury	MP - Jaj Municipality
Mr. Doumit Sawma	MP - Meshmesh Municipality
Mr. Nazih Abi Semaan	MP - Ehmej Municipality
Mr. Habib Sheyban	President - Mar Moussa Municipality
Mr. Antoine Faras Zgheib	MP - Hrajel Municipality
Mr. Zouheir Abi Nadar	President - Mtein Municipality
Mr. Fadi Martinos	President - Jbeil Union of Municipalities
<b>Caza Cluster 2—Tripoli and Bab Tebbani—November 15, 2005</b>	
Mr. Abdallah Ghandour	Candidate for President - Chamber of Commerce
Dr. Mohammed Shamseen	Activist in Health & Social Affairs - Tripoli
Mr. Samir Shaarani	Former Mayor Representative - Municipal Focus (NGO)
Dr. Nawaf Kabbara	President - Handicapped Association
Ms. Suzanne Jabbour	Civil Society Activist – Fista (NGO)
Dr. Samira Baghdadi	Social Activist Municipal Member - Safadi Foundation
Mr. Amer Haddad	Environmental Care Committee/Association (NGO)
Mr. Mustapha Adib/Mahmoud Baroudi	Center for Middle East Studies - CESMO (Mikati Foundation)
Mr. Rachid Jamali	President - Tripoli Municipality President - Fayha Union of Municipalities

Mr. Talal Dankar	President - Kalamoun Municipality
Mr. Abdel Ghani Kabbara	Candidate for President - Chamber of Commerce
Mrs. Hoda El Khatib Shalak	Representative - Organisation pour l'Action Civile (OPAC)
Mr. Abdel Kader Alameddine	President - Mina Municipality
<b>Caza Cluster 3—Akkar and Minieh-Dinnieh—November 16, 2005</b>	
Mr. Munif Abu Rish/Paul Salem	Community Development Team Leader/Fares Foundation
Mr. Hassan Nazer	Development Activist – Akkar
Mr. Omar el Bitar	President - Aidamoun Municipality
Mr. Samer Khazaal	President - Borj Municipality
Mr. Samih Aabdelhay	President - Fnaydek Municipality
Mr. Amine Katerji	President – Tal Aabass El Gharbi
Mr. Ibrahim El Dahr	Union Leader – Akkar Traders Union
Mr. Mohammad Saadieh	President - Dinnieh Municipal Union
Mr. Hussein Al-Samad	President - Dinnieh Development Council (NGO)
Mr. Ahmed Youssef Hamdi	President - Dinnieh Cultural Forum (NGO)
Mr. Hussein Awada	President - Rural Development Association (NGO)
Mr. Ousama Trad	President - Tarane Municipality
Mr. Mikhael Bitar	President - Kfar Habon Municipality
Mr. Khaled Diab	President - Mrah Es Srayj Municipality
Mr. Mostapha Akl	Representative - Minieh Municipal Union
<b>Caza Cluster 4—Koura, Zgharta, Bcharre, Batroun—November 17, 2005</b>	
Mr. Emile Badran	President - Assia Municipality
Mr. Joseph Khairallah	President - Douma Municipality
Mrs. Thuraya Dib	Representative – Women’s Agricultural Processing Cooperative
Mr. William Jabbour	President - Ardeh Municipality
Mr. Nabil Moawad	Executive Director - Rene Moawad Foundation
Mr. George el Khoury	President - Zgharta Traders Association
Mr. Ghassan el Kareh	Zgharta Industrialist Association
Mrs. Marianne Franjeh	Zgharta Horsh Association

Mr. Shatilla Karam	President - Qnat Municipality
Mr. Nawful el Chedrawi	Representative - Bcharre Union of Municipalities
Dr. Ibrahim Joe Khadar	President - Karabach Municipality
Mr. Antoine Gerges el Haouch	President - Mejdlaya Municipality Representative – Zgharta Union of Municipalities
Mr. Elie Khoury	Vice-President - Koura Union of Municipalities
Mr. Charbel Chiha	Social Activist – Beyn
<b>Caza Cluster 5—Baabda, Aley, and Chouf—November 18, 2005</b>	
Mr. Hicham el Aawar	President - Qornayel Baabda Municipality
Mr. Victor Bou Selwan	President - Rechmaya Municipality
Mr. Antoine Shartouni	President - Shartoun Municipality
Miss Noha Al Ghoussayni	President - Souwayjani Union
Mr. Raja Batlouny	President - Jbaa Municipality
Mr. Sami Noun/ Tony Merhej	President - Majdel Meoush Municipality
Mr. Roger Ashi	President - Mokhtara Municipality President - Upper Chouf Union
Mr Raphael Tabet	Member - Deir El Kamar Municipality
Mr. Jihad Noun	President - Majdel Meoush Agricultural Cooperative
Ms. Hayla Audi	Responsible - Chouf Women's Union
Mr. Mohamad Mansour	President - Chhim Municipality
Mr. Mounir Abi Ghanem	Representative - AFDC Eco-tourism & Environment (NGO)
Mr. Walid Atallah	Representative - UN Displaced program
Dr. Ghassan Salman	President - Ramlieh Agricultural Cooperative
Mr. Nadim Hilal	Representative - High Metn Agricultural Cooperative
Mr. Elias G el Khoury	President - Kfarniss Municipality
Mr. Nasser Zaydan	President - Mristi Chouf Municipality Representative - Farah Association
<b>Caza Cluster 6—West Bekaa, Rachaya, Zahle—November 19, 2005</b>	
Mr. Georges Nassrallah	Area Manager - World Vision
Mr. Mashour Yassine	Head of Qaraaoun Agricultural Cooperative
Mr. Asaad Najm	President - Aytanit Municipality Representative - el Bouhairah Union
Mr. Charles Youness	President - Qelya Municipality

Mr. Ahmad El Ahmad	Representative - El Sahel Union
Mr. Hikmat Moghamesh	President - Kaoukaba Abou Arab Municipality
Mr. Bassam Saykali	President - Kfar Mechki Municipality
Mr. Mansour Fares	President - Ain Harsha Municipality
Mr. Jean Skaff	President - Ayta el Fokhar Municipality
Mr. Ziad Al Oryan	President - Rachaya Municipality
Mr. Wehbeh Abou Faour	President - Rachaya Technical School President - Beekeeping Cooperative
Mr. Nawaf Hijaz	President - Agricultural Cooperative Beit Kifa
Mr. Fadi Francis	Director - Dar El Sadaka
Mr. Atef Idriss	CEO - Mena Food Safety (MEFOSA) Member - Syndicate of Lebanese Food Industries President – Lebanese Association for Marketing and Advertising
Mr. Assad Zghaib	President – Zahle Municipality
Mr. Sami El Maalouf	Director - Cow & Dairy Product Cooperative Bekaa Member - National Union for Cooperative Credit
<b>Caza Cluster 7—Tyre, Jezzine, and Saïda—November 20, 2005</b>	
Mr. Hussein Khalifeh	President - Sayda. Sarafand Municipality
Mr. Pierre Dawoud	President - Ad-Doussieh Flower Cooperative
Mr. Hanna Hakim	Member - Maghdoucheh Cooperative
Mr. Youssef Matta el Hayek	President - Maghdoucheh Cooperative
Ms. Daad Ismail	President - Deir Kanoun Ras El Ain Women
Dr. Youssef el Khalil	President - Sour Association (representative)
Mr. Afif Najdi	President - Srifa Municipality
Mr. Hassan Hammound	President - Borj Rahhal Municipality
Mr. Abdel Mohsen El Hussein	Representative - Tyr Municipalities Union
Mr. Abdullah Gergi Saad	President - Bkassine Municipality
Mr. Mounir Rbeih	President - Benwati Municipality
Dr. Joseph Nawfal	President - Snaya Municipality
Mr. Antoine Joseph Aouad	President - Midan Municipality
Mr. Jamil Merhi El Moukanzah	President - Jezzine (and surrounding area) Agricultural Cooperative
<b>Caza Cluster 8—Bint Jbial, Hasbaya, Marjaayoun, Nabateyeh—November 20, 2005</b>	

Mr. Hanna Sweidan	Area Manager - World Vision
Mr. Fouad Hamra	President - Jdaidet Marjeyoun Municipality President - Agricultural Cooperative
Mr. Monah Saade	Community Leader - Ibles Saqi
Mr. Bassam El Hasbani	President - Koleyaa Municipality
Mr. Kamel Abou Ghaida	President – Hasbaiya Municipality
Mr. Ramez Dalli	Community Leader - Chebaa
Mr. Ghassan Chmeis	Community Leader - Hasbaya
Mr. Hassib Mahmoud	President – Chouaia Municipality
Mr. Oumar El Zouhayri	President – Chebaa Municipality
Mr. Ali Bazzi	Social Leader
Mr. Ali Naji	President - Beit Yahoun Municipality
Mr. Samih Fayad Hallal	President - Habboush Municipality & member of Union
Mr. Mounir A. Komayha	President - Kfarsyr Municipality
Mr. Abdallah Bitar	President - Traders Association
Mr. Walid Nassour	Representative - Bouri El Moulouk Cooperative