

USAID/Lebanon
Operational Plan

FY 2006

June 12, 2006

Please Note:

The attached RESULTS INFORMATION is from the FY 2006 Operational Plan and was assembled and analyzed by the country or USAID operating unit identified on the cover page.

The Operational Plan is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID review(s) of this document.

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Portions released on or after July 1, 2006

Program Performance Summary FY 2005: Revolutionary yet destabilizing events marked Lebanon this year beginning with the assassination of former Prime Minister Rafiqi which led to mass demonstrations that ended the 30-year Syrian presence in Lebanon. As a result, the country is in a transition phase on its path towards freedom and democracy, a path that is filled with obstacles and challenges. Fifteen bombings, including seven political assassinations and attempts targeting key intellectual and political figures from opposition factions, shook and shocked the country. In addition, the economic situation continues to be unfavorable. Public debt continues to accumulate, having reached \$37.7 billion. This is leading the government to dedicate more than 70% of its public revenues to pay interests on the debt instead of financing public services. Tourism has dropped by 13.4% since last year and the rate of immigration and unemployment increased to 20%. The judicial and security system, which lacks transparency and autonomy, and the inefficient public sector institutions are further contributing to instability and tension. As the Government of Lebanon (GOL) is continuously distracted from environmental protection issues, environmental abuses continue unabated.

The USAID program addresses the security, economic, political, and environmental challenges prevalent in the country by promoting democratic principles and free economies through investing in the people. It is helping the people of Lebanon by improving their standard of living, protecting their environment and health, building their local and judicial institutions, addressing their legal rights as citizens, and responding to their humanitarian needs.

USAID attempts to improve living standards and address economic stagnation by:

- Revitalizing and expanding economic opportunities in rural areas, focusing on three key productive and growth-oriented sectors that comprise 35% of Lebanon's gross domestic product (GDP): agro-industry, Information and Communication Technology, and tourism.
- Promoting World Trade Organization (WTO) accession to encourage trade and investment, globalization, and broad-based policy and legislative reform.
- Strengthening American educational institutions through provision of assistance for scholarships.
- Providing humanitarian and economic assistance to indigenous groups to support their programs.

To address the problems of environmental degradation, water resources scarcity, and lack of proper management of water resources, USAID attempts to improve environmental policies and practices through:

- Promoting appropriate waste management practices that attempt to solve major sanitation problems and create awareness among the people about the need for environmental protection.
- Developing measures for efficient water management and a strategy for tariff restructuring and private sector participation in the water sector to make agriculture more productive and ensure that water pricing is efficient and equitable. The program is providing a unique contribution to the development of this sector that no other donor is tackling.

Addressing political deadlocks and weaknesses, USAID attempts to strengthen democratic institutions through promoting good governance and transparent practices at the municipal and grass roots civil society levels.

As a result of the accelerating political events, GOL commitment to USAID activities dropped from previous years. The interests and attention of major public counterparts shifted from development concerns towards the more vital and pressing stability and security concerns. This situation led to delays in some activities and suspension of others at the policy level. However, despite these major challenges, USAID was able to achieve significant results by adopting a unique approach compared to other donor programs in the country. Assistance has been expanded all over Lebanon. It is channeled directly to the Lebanon's small communities and responds to those needs. It is based on partnerships and fund matching for the purpose of long-term viability and sustainability. It is implemented through a consortium of partnerships that pull together the diversified skills and experience of the private and public sector, academic institutions, and local and international non-governmental organizations. Though not the largest donor, USAID has the most impact on the ground.

This year USAID succeeded in the direct creation of over 5,000 new jobs in rural areas. These were

achieved through the provision of \$6.27million worth of small loans to small enterprise operations in rural areas. For engaging in rural tourism activities, establishing agro-industrial production cooperatives, and introducing crop improvement techniques, 4,690 individuals received loans. Specifically, USAID programs resulted in the increase of total agricultural production in Lebanon by \$3.6 million. The program support helped increase the size of agricultural exports by \$5 million, mainly to the Gulf States, the United States and Europe. In addition, USAID assistance succeeded in reviving rural tourism, a sector that was dormant for decades as result of continuous instabilities. More than 130,000 tourists visited rural areas in targeted growth poles including the south. USAID contributed to significant developments in the ICT sector. It succeeded in establishing Lebanon as a regional ICT center and improved Information Technology (IT) access to a total of 16,500 users in 34 centers throughout rural Lebanon. With USAID support, ICT companies participated in specialized trade shows and generated \$400 million in production, contributing 12% growth in GDP.

As an indication of the successful water tariff restructuring and water pricing models developed for the South Lebanon Water and Wastewater Establishment (SLWWE), USAID started this year replicating them at the Beirut and Mount Lebanon Water Establishment - the largest. Also with the new models, SLWWE was able to reduce the level of unaccounted for water from 50% in 2003 to 46.6% in 2004. Collection rate and cost recovery increased from 68% in 2003 to 74% in 2004 (FY2005 results will appear in January 2006, following the close of Lebanon's 2005 financial year). At another level, USAID developed six investment options for water quality management and pollution remediation at the Litani River Basin and identified seven areas for implementing waste water treatment plants. With designs developed for all systems, USAID will start construction of two in FY 2006.

Utilizing the systems and procedures developed under the municipal development program, municipalities are now able to collect taxes in an efficient, consistent, and legal manner with opportunities for tax evasion and corruption minimized. For the first time in decades, municipalities have begun to identify neglected and unaccounted for revenues such as billboard advertising or unregistered rental contracts. This has resulted in expanded revenues that can be used to provide infrastructure and services to the community. Directly-collected revenue in a sample of 412 municipalities increased by 15% from \$36 million in 2003 to \$41.3 million in 2004 (official revenue data is generally available within six months of the end of the calendar year). In Beirut Municipality, total revenue increased by 47% from \$40.3 million in 2003 to \$59.9 million in 2004. Also, as an indication of positive impact of the program, results of a survey conducted on 500 people in one large Municipality showed that municipal efficiency rose from 18% (prior to 2004) to 36% in 2005.

In brief, USAID activities are all interlinked and built to achieve the goal of improving the lives of the Lebanese people. Municipalities that are adopting transparent and democratic procedures are increasing their revenues and are better prepared to serve their communities by investing more in community development work. In response, people are more encouraged to invest in their communities and hence will tend to migrate less to urban areas. At another level, improved environmental practices and healthier surroundings are significant driving factors for economic prosperity in rural communities.

Women and disadvantaged groups' empowerment is a major concern that USAID is addressing in a unique manner. Through its landmines and war victims assistance program, a total of 172 landmine and war survivors (including 54 women) have become engaged in productive enterprises and are rebuilding their lives. Their annual income increased by more than \$200 per month. Through the women's agriculture production cooperatives, more than 500 rural women have been trained in proper production and marketing of local agricultural products, leading to an average increase in income of \$300 per month.

USAID in Lebanon is advocating the use of ICT across the board in all sectors of assistance. ICT can facilitate economic growth, stimulate investment, create jobs, improve lives and businesses, as well as provide rapid mechanisms for people to share information. In FY 2005, USAID improved ICT access to more than 16,500 users in rural areas. Furthermore, USAID is advocating the use of ICT to promote other sectors of the industry through the development of 16 IT applications, including a website on the olive oil sector and a virtual agricultural market to link farmers and processors. IT software applications are also adopted in the municipal assistance program to ensure transparency and proper local governance. The

Lebanon Water Policy Program also uses IT systems at the Water Establishments to ensure efficiency of operations. Assistance in Lebanon's WTO accession also includes an IT component that targets the issues of Intellectual Property Rights and e-government laws.

The Professional Training Program is another activity that has an impact across all of USAID's programs. It seeks to build the knowledge base and capacities of Lebanese professionals by exposing them to international experiences and practices in specific fields. This year a total of 46 individuals from the private and public sectors participated in training programs and conferences taking place in Lebanon and abroad.

FY 2006 Program
SO: 268-001 Expanded Economic Opportunity

Achieve Equitable Access to Quality Basic Education

Achieve Equitable Access to Quality Basic Education (\$600,000 ESF; \$600,000 ESF Prior Year Unobligated). USAID funding is being used to provide more than 400 high school students, over two years, with scholarship assistance at two American educational institutions. The International College and the American Community School is benefiting from this component.

Improve Private Sector Competitiveness

Improve Private Sector Competitiveness (\$4,400,000 ESF; \$6,500,000 ESF Prior Year Unobligated). USAID funds are supporting innovative ideas that promote the tourism and ICT sectors with the purpose of reducing rural migration by creating job opportunities within their communities. To attract more tourists, USAID is funding the implementation of a National Road Map initiative, improving the quality of 25 cottage inns in rural areas, training 75 professionals in the tourism workforce, supporting the establishment of 15 new bed and breakfast inns, and helping 50 owners of guest houses access credit facilities. To strengthen the ICT sector, the program is promoting ICT exports, establishing three computer centers in rural areas, increasing the competitiveness of rural businesses through ICT, creating 12 wireless internet service provider (WISP) businesses, assisting 30 non-governmental organizations (NGOs), training 250 individuals, and facilitating the subscription of 1,000 individuals to WISP businesses. Principal Implementers: Stanford Research Institute (SRI) International, American Near East Refugee Aid, International Executive Service Corps, and ECODIT.

Increase Agricultural Sector Productivity

Increase Agricultural Sector Productivity (\$16,800,000 ESF; \$10,553,544 ESF Prior Year Unobligated). USAID is creating jobs and increasing incomes in rural areas by developing competitive farming systems and value-added products, and by facilitating access to niche markets. Three agro-processing pilot plants and two women-owned/managed food production centers are expected to increase export of niche Lebanese products by \$1.6 million. USAID is also establishing six rural business development centers, assisting 36 small and medium enterprises to double their income, creating 1,200 new jobs, and providing credit for more than 300 agri-businesses. USAID plans to increase sales of agricultural products by 66% in the olive, olive oil, pine nut, forage, and honey production sectors. The program is targeting 1,000 farmers per year, establishing 10 breeding and feed service centers, benefiting more than 2,000 farmers from organic agri-business development, and marketing \$600,000 of organic produce. Twenty-five olive mills are being rehabilitated, and 100 fishermen in southern Lebanon are improving their profitability. USAID is also supporting food producers and food industry syndicates to access international markets and thus increase agricultural exports by an estimated \$2.5 million. Principal Implementers: Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance, Cooperative Housing Foundation, Mercy Corps, SRI International, and World Vision.

Increase Capacity of Higher Education to Contribute to Development

Increase Capacity of Higher Education to Contribute to Development (\$5,400,000 ESF; \$3,400,000 ESF Prior Year Unobligated). USAID funds are providing more than 1,700 university students with scholarship assistance over two years to attend two American educational institutions. In addition to the scholarship recipients, American University of Beirut and Lebanese American University are also benefiting from this program.

Protect and Increase the Assets and Livelihoods of the Poor

Protect and Increase the Assets and Livelihoods of the Poor (\$400,000 ESF; \$500,000 DA Prior Year Unobligated; \$166,456 ESF Prior Year Unobligated). USAID is supporting 25 local NGOs in their humanitarian assistance and development programs aimed at improving the lives of more than 6,000 people. Under the landmine/war victims' assistance program, USAID is including one additional income-generating activity (dairy production) and adding 80 new beneficiaries to the Jezzine Resource Development Cooperative. Principal Implementer: To Be Determined.

FY 2007 Program

SO: 268-001 Expanded Economic Opportunity

Achieve Equitable Access to Quality Basic Education

This objective will close in FY 2006. FY 2007 funds and activities from this objective are notified under Strategic Objective 268-XXX as part of the new strategy for FY 2007-2009.

FY 2006 Program

SO: 268-002 Strengthened Foundations for Governance

Improve Quality of Workforce through Vocational/Technical Education

Improve Quality of Workforce Through Vocational/Technical Education (\$100,000 ESF). As a crosscutting theme affecting all USAID objectives, the Professional Training Program (PTP) aims at building the knowledge base and capacities of Lebanese professionals by exposing them to international experiences in specific fields. PTP serves male and female professionals from both the private and public sectors and is a valuable vehicle to strengthening bridges between the Lebanese and American cultures. PTP is continuing to provide appropriate and efficient training to relevant participants from all sectors of Lebanese society. Fifteen trainees are being sent to the United States and 10 trainees are being sent to the Middle East North Africa region, and three training programs are being organized in Lebanon in 2006. Principal Implementer: America-Mideast Educational and Training Services (AMIDEAST)/Lebanon.

Promote And Support Anti-Corruption Reforms

Promote And Support Anti-Corruption Reforms (\$900,000 ESF). Through the Transparency and Accountability Grant program, USAID is continuing to strengthen civil society. USAID is funding activities that empower local civic associations to play a constructive role in advocating change and enhancing transparency, accountability, and good governance in Lebanon. Funds are supporting a minimum of 25 grants in FY 2006. Principal Implementer: AMIDEAST/Lebanon.

Promote Effective and Democratic Governance of the Security Sector

Promote Effective and Democratic Governance of the Security Sector (\$1,000,000 ESF Prior Year Unobligated). To bolster the Government of Lebanon's (GOL) ability to investigate, counter, and deter an ongoing campaign of destabilization, which takes the form of bombings and assassinations, USAID funds are being transferred to the U.S. Department of State under the Section 632(a) mechanism to support Federal Bureau of Investigation training in crime scene management and post-blast investigations for security and law enforcement personnel. Two new Lebanese "evidence response teams" are being formed. The program will also be helping the GOL acquire state-of-the-art equipment for reliable forensic analysis, fingerprinting, DNA, and chemical analysis. This activity is still under development and indicators and results have not yet been developed. Principal Implementer: To Be Determined.

Support Democratic Local Government & Decentralization

Support Democratic Local Government and Decentralization (\$6,000,000 ESF; \$3,000,000 ESF Prior Year Unobligated). USAID is continuing to build on the progress made in the previous year to further institutionalize municipal standards and procedures, increase transparency and accountability in operations, expand the municipal revenue base, strengthen the role of local government in economic development, and facilitate greater citizen participation in decision making. Two hundred municipalities are issuing automated annual financial statements. Tax revenues are expected to increase by at least 10% from FY 2005. Protocols are being developed to allow electronic sharing of data with the Government Accounting Office. Four thousand municipal employees are receiving training. Twenty-two municipal unions are improving their administrative and financial capabilities, of which five will be using standardized budgeting procedures. Surveys are being conducted in seven municipalities to measure citizen satisfaction. Revenue is anticipated to increase by 10% compared to the previous year by installing the Municipal Geographic Information Systems in 10 large municipalities. The twinning of cities is continuing, and policy dialogue trips are being organized between Lebanese municipal officials and their U.S. counterparts to facilitate joint projects between them. Five municipal laws, decrees, and orders are being issued/amended to enhance the role of municipalities. Principal Implementer: State University of New York/Albany-Center for Legislative Development.

USAID plans to use proposed funding for implementation of activities to address key rule of law problems: legitimacy, order, and security. Activities may include: supporting the judicial system in order to make it independent from political interference; enhancing the system of court administration to render it more transparent, accessible, and efficient; building a culture of respect for the rule of law through awareness and civic education; and initiating professional education targeted at judges.

A U.S. House Democracy Assistance Committee team will visit Lebanon in March 2006 to assess the possibility of a cooperative assistance program between the U.S. House of Representatives and the Lebanese Parliament. USAID will provide technical assistance to the GOL-appointed election commission to review all proposed electoral laws.

FY 2007 Program

SO: 268-002 Strengthened Foundations for Governance

Strengthen Civil Society

This objective will close in FY 2006. Funds and activities from this objective are notified under Strategic Objective 268-YYY as part of the new strategy for FY 2007-2009.

FY 2006 Program

SO: 268-005 Improved Environmental Policies and Practices

Improve Sustainable Management Of Natural Resources & Biodiversity

Improve Sustainable Management of Natural Resources and Biodiversity (\$900,000 ESF). Funds are being used to expand activities under the Lebanon Water Policy Program for an additional year with specific focus on two targeted water establishments: South Lebanon Water Establishment (SLWE) and Beirut and Mount Lebanon Water Establishment (BMLWE). The program is starting to implement the different tariff scenarios developed for South Lebanon by selecting a pilot area for the installation of water consumption meters. This activity is accompanied by extensive training of water establishment staff on tariff monitoring and bill collection. USAID is introducing awareness campaigns on the new concept of water meters. The program is continuing to assist the SLWE staff on a daily basis to ensure proper use of the newly installed Financial and Accounting System (FAS). Also, the program plans to develop a new FAS for the BMLWE. By the end of the program, the goal is to have reformed two water establishments to become independent financial entities, able to attract the private sector, and create a clear vision of Public Private Partnerships (PPP) among decision makers to support the adoption of the proposed tariff strategy and tariff structures. This will lead to an increase in the collection rate and cost recovery from 68% in 2003 to 87% in 2006 and a drop in the amounts of unaccounted water from 52% in 2003 to 45% in 2006. Principal Implementers: To Be Determined.

Reduce, Prevent & Mitigate Pollution

Reduce, Prevent and Mitigate Pollution (\$4,100,000 ESF; \$3,500,000 ESF Prior Year Unobligated). USAID is continuing the existing waste management program in Lebanon's rural communities by conducting an assessment of a proposed Operation and Management Plan (O&M). Wastewater treatment plants that were previously constructed and facing operational difficulties are benefiting from the O&M and helping to ensure their sustainability. Seven municipalities will be able to properly operate their wastewater treatment facilities, creating seven long-term jobs. Two wastewater treatment plants are being built at the upper Litani River Basin to benefit 32,000 people and treat 7,000 cubic meters of water per day. These plants are among the seven wastewater treatment systems designed for treating 22,000 cubic meters of domestic wastewater at the upper Litani River Basin that serves approximately 101,000 people, 29% of the upper Litani population. The plants are also contributing to the improved quality of around 5,800 hectares of land in the area.

USAID is undertaking activities to strengthen the management capabilities of the two targeted municipalities and raise general awareness on proper waste disposal methods. Operation and maintenance programs are being initiated, targeting 50 municipal staff and community leaders. Principal Implementer: Camp, Dresser, and McKee.

FY 2007 Program

SO: 268-005 Improved Environmental Policies and Practices

Improve Sustainable Management Of Natural Resources & Biodiversity

This objective will close in FY 2006. Funds and activities from this objective are notified under Strategic Objective 268-ZZZ as part of the new strategy for FY 2007-2009.

FY 2006 Program

SO: 268-XXX Strengthening Democracy through Economic Freedom

Achieve Equitable Access to Quality Basic Education

This objective is new in FY 2007 and builds on the activities under SO 268-001 that will close in FY 2006.

FY 2007 Program

SO: 268-XXX Strengthening Democracy through Economic Freedom

Achieve Equitable Access to Quality Basic Education

Achieve Equitable Access to Quality Basic Education (\$300,000 ESF). Funds will be used to provide more than 200 high school students with scholarship assistance at American educational institutions. Principal Implementer: To Be Determined (TBD).

Improve Private Sector Competitiveness

Improve Private Sector Competitiveness (\$4,500,000 ESF). USAID plans to reinforce the economic and social foundations of democracy through a number of activities targeting selected private sectors, namely ICT, tourism, and physical infrastructure construction. Funds will be used to develop sustainable tourism activities to improve the living standards of rural communities and reinforce geographical expansion of tourism through niche markets. The ICT sector yields numerous opportunities for development, including potential for employment, reducing the cost of bandwidth, software development, and telecommunications infrastructure. Principal Implementer: TBD.

Increase Agricultural Sector Productivity

Increase Agricultural Sector Productivity (\$6,900,000 ESF). USAID plans to create jobs and increase incomes by assisting agri-businesses with the production and marketing of specialty agricultural products locally and for export. New USAID programs under this component will take into consideration previous experience and build on past successes and lessons learned and will continue to focus on agri-business small and medium enterprise development, niche food processing, and support for subsistence producers as part of a social safety net. Principal Implementer: TBD.

Increase Capacity of Higher Education to Contribute to Development

Increase Capacity of Higher Education to Contribute to Development (\$3,700,000 ESF). USAID funding will provide more than 850 university students with scholarship assistance at American educational institutions. Without USAID's assistance, these students would not be able to have access to American-style education. Principal Implementer: TBD.

Protect and Increase the Assets and Livelihoods of the Poor

Protect and Increase the Assets and Livelihoods of the Poor (\$100,000 ESF). The amount of \$100,000 might be used to provide small grants to support local non-governmental organizations in their humanitarian and development projects. Principal Implementer: TBD.

FY 2006 Program

SO: 268-YYY Enhancing Rule of Law and Political Will

Strengthen Civil Society

This objective is new in FY 2007 and builds on the activities under SO 268-002 that will close in FY 2006.

FY 2007 Program

SO: 268-YYY Enhancing Rule of Law and Political Will

Improve Quality of Workforce through Vocational/Technical Education

Improve Quality of Workforce through Vocational/Technical Education (\$100,000 ESF). Funds will be used to continue providing appropriate, efficient, and effective training to relevant professionals from all sectors of the Lebanese society. The Professional Training Program aims to build the knowledge base and capacities of Lebanese professionals from both private and public sectors by exposing them to international experiences and practices in their specific fields. It is expected that 15 trainees will be sent to training destinations in the United States, 10 will be sent to the Middle East North Africa region, and three training programs will be organized in Lebanon in 2007. Additional components and activities may be initiated. Principal Implementer: America-Mideast Educational and Training Services (AMIDEAST)/Lebanon.

Promote And Support Anti-Corruption Reforms

Promote and Support Anti-Corruption Reforms (\$2,200,000 ESF). USAID plans to continue working on strengthening civil society through the Transparency and Accountability Grant (TAG). TAG empowers local civic associations to play a constructive role in advocating change and enhancing transparency, accountability, and good governance in Lebanon. With the additional funding, TAG will support 15 projects. Principal Implementer: AMIDEAST/Lebanon.

Assistance will also be provided to service providing government institutions in the executive branch, like the Ministry of Finance, and to watchdog agencies, like the Civil Service Board, the Court of Audit, and the Central Inspection Board, that have a major role to play in exercising oversight of public institutions. Principal Implementer: To Be Determined (TBD).

Strengthen Civil Society

Strengthen Civil Society (\$1,000,000 ESF). USAID plans to increase its support to civil society organizations, particularly those that foster reform and debate on non-confessional, technical, economic, and social issues. Principal Implementer: TBD.

Strengthen Democratic Political Parties

Strengthen Democratic Political Parties (\$200,000 ESF). USAID plans to build on programs currently funded by the U.S. Department of State's Bureau of Democracy, Human Rights, and Labor and Middle East Partnership Initiative to support the development of a competitive and representative political framework and build capacity of political parties to effectively participate in this framework. USAID will also provide support to the independent electoral commission to represent a more competitive political life and a more reliable electoral process. Principal Implementer: TBD.

Strengthen the Justice Sector

Strengthen the Justice Sector (\$3,000,000 ESF). USAID plans to use proposed funding for implementation of activities to address key rule of law problems: legitimacy, order, and security. Legitimacy will be addressed through the following activities: support of the judicial system in order to make it independent from political interference; enhancement of the system of court administration to render it more transparent, accessible, and efficient; building a culture of respect for the rule of law through awareness and civic education; and initiating professional education targeted at judges. Principal Implementer: TBD.

Strengthen the Legislative Function/Legal Framework

Strengthen Legislative Function/Legal Framework (\$1,000,000 ESF). USAID plans to increase support to the legislature to enhance the ability of Parliament to exercise effective oversight of public administration and to legislate in areas critical to economic and political reform. Principal Implementer: TBD.

Support Democratic Local Government & Decentralization

Support Democratic Local Government and Decentralization (\$2,500,000 ESF). Though the municipal program will end in FY 2007, with a one-year optional extension, ongoing support will be provided to further the process of institutionalization and standardization of procedures for the municipalities. It is anticipated that an additional 200 municipalities will issue automated annual financial statements bringing the cumulative total to 700, 75% of total municipalities in Lebanon, and 1,000 municipal staff and officials will be trained. Municipal revenue expansion will remain a primary focus of efforts as a means to ultimately enable municipalities to provide better services to citizens. The Municipal Geographic Information System, a key component of this effort, will be installed in an additional 10 municipalities for a cumulative total of 20. Revenue is anticipated to increase approximately 10% compared to the previous year for a cumulative increase of 30% compared to the baseline of 2003. Communication with citizens and the quality of municipal services provided will continue to be enhanced.

Within the aim of promoting decentralization and strengthening the role of municipal unions in

implementing regional plans, USAID plans to extend support to the 22 active municipal unions to further ensure that standardized procedures are institutionalized and that municipalities efficiently coordinate in regional planning. To ensure regional planning, an additional five municipal unions will be using standardized budgeting procedures by the end of 2007. Fifteen municipalities will be electronically audited by the control agencies, thus, allowing the control agencies to practice their audit objectives to ensure transparency and accountability.

In support of improved administrative, financial, and legislative practices, exchange programs will continue to be organized for experts from the United States to Lebanon and for municipal officials and parliamentarians to visit the United States. Principal Implementer: State University of New York.

FY 2006 Program

SO: 268-ZZZ Improved Environmental Policies and Practices

Improve Sustainable Management Of Natural Resources & Biodiversity

This objective is new in FY 2007 and builds on the activities under SO 268-005 that will close in FY 2006.

FY 2007 Program

SO: 268-ZZZ Improved Environmental Policies and Practices

Improve Sustainable Management Of Natural Resources & Biodiversity

Improve Sustainable Management of Natural Resources and Biodiversity (\$2,000,000 ESF). USAID plans to expand work under the water policy program aimed at strengthening regional water management units and improving water use efficiency by increasing cost recovery and decreasing the rate of unaccounted for water. USAID plans to achieve this goal by providing the needed financial and administrative tools to one additional water establishment, the Bekaa Water Establishment, and by establishing a reformed and unified financial and accounting system at the Beirut and Mount Lebanon Water Establishment. Principal Implementer: To Be Determined (TBD).

Reduce, Prevent & Mitigate Pollution

Reduce, Prevent and Mitigate Pollution (\$8,000,000 ESF). USAID plans to use proposed funding to initiate activities aimed at alleviating pollution on the Litani watershed by focusing on the upper Litani basin. As the Litani River is the major outlet in the Bekaa Valley for domestic, industrial, and agriculture waste water, USAID intends to contribute to the reduction in the level of wastewater directly discharged into the river by addressing the sources of pollution. With initial funding, two additional wastewater treatment plants may be built and an assessment of the industrial waste discharged in the river and means to treat this waste may be conducted. In addition, USAID intends to initiate an agricultural extension program that aims at improving farming practices related to the extensive use of pesticides that are causing high concentrations of phosphorous in the underground waters and in the Litani River. Principal Implementer: TBD.

Results Framework

268-001 Expanded Economic Opportunity

Program Title: Economic Development

- 1.1: Improved Enabling Environment for Trade and Investment
- 1.2: Improved Competitiveness and Growth in Targeted Sectors (Agriculture, ICT and Tourism)
- 1.3: Increased Rural and Industry Cluster Opportunities
- 1.4: Enhanced Access to Credit
- 1.5: Increased Safety and Assistance in Landmines-Affected Areas

268-002 Strengthened Foundations for Governance

Program Title: Promoting Democracy and Good Governance

- 2.1: Improved Municipal Governance
- 2.2: Expanded Role of Civil Society Advocacy

268-005 Improved Environmental Policies and Practices

Program Title: Improved Environmental Policies and Practices

- 3.1: Increased Use of Appropriate Environmental Management Practices
- 3.2: Improved Participatory Approaches in Water Management
- 3.3: Increased Effectiveness of Water Authorities, Laws and Policies

268-XXX Strengthening Democracy through Economic Freedom

Program Title: Strengthening Democracy through Economic Freedom

268-YYY Enhancing Rule of Law and Political Will

Program Title: Enhancing Rule of Law and Political Will

268-ZZZ Improved Environmental Policies and Practices

Program Title: Improved Environmental Policies and Practices