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Single Support Framework for EU support to Lebanon (2014-2016)

Single Support Framework

Lebanon 2014-2016

Introduction

Lebanon is a fragile state characterised by weak institutions that are prey to entrenched confessional divisions. This makes the adoption and implementation of key government policies, including the national defence strategy and the budget difficult. Furthermore, the political system is designed to cement multi-confessional co-existence through checks and balances which provides for short-term stability.

Lebanon is most affected by the Syrian conflict due to its geographical, historical, economic and social proximity and also due to its weak institutions. The Syrian crisis has led to further polarization and weakening in governance, through the resignation of PM Miqati government in March 2013, the postponement of elections originally scheduled for June 2013 and the extension of the present Parliament until November 2014. A new government was formed by PM Tammam Salam and approved by the Parliament on 20 March 2014. In its policy statement, the new government attaches high priority to confirming Lebanon's partnership with the EU.

Lebanon adopted a disassociation policy from the conflict in Syria in the Baabda Declaration of June 2012 endorsed by all main political groups. Since May 2012, the security situation has deteriorated due to the widespread presence of weapons and the growing involvement of opposing Lebanese factions in the fighting in Syria. Incidents include clashes between the traditionally hostile neighbourhoods in Tripoli, cross-border incursions from regular Syrian forces, the shelling of Lebanese cities by Syrian opposition fighters, and eruption of violence in Sidon, Baalbek and Beirut. The borders with Syria are porous and border management remains weak, particularly as the Lebanese Armed Forces (LAF) are overstretched, protecting the borders and providing support for internal security.

The Miqati Government launched in December 2012 its plan "*Response of the Government of Lebanon to the Crisis of Syrian Displaced Families*" as the first official recognition of the urgency of the refugee crisis. Coordination between the Lebanese authorities and the international response led by the UN agencies has increased, although better coordination and contingency planning are still required given the scale of the humanitarian crisis.

The EU programmes are aligned with priorities in the Lebanese Government's response plan to the consequences of the influx of refugees from Syria, and integrated in the various documents such as 1) Regional Response Plans (RRP), 2) the Lebanon Roadmap of Priority Interventions for Stabilization from the Syrian Conflict and 3) the 'Reaching All Children with Education in Lebanon' launched by the Minister of Education to ensure vulnerable school-aged children affected by the Syria crisis access quality formal and non-formal learning opportunities. The EU is also very much supporting the International Support Group for Lebanon (ISG) process and took part in all ISG related meetings.

Major political and economic reforms remain stalled by the lack of political consensus. However, Lebanon has upheld its international obligations with respect to UNSCR 1701 and cooperation with UNIFIL (United Nations Interim Force in Lebanon), to cooperation with the Special Tribunal for Lebanon (STL) as well as upholding international humanitarian principles on protection and assistance to people fleeing violence.

As promotion of foreign direct investment (FDI) and enhanced trade relations are underpinned by the rule of law, the deteriorating security situation is having adverse effects on the economy. Lebanon's economic situation has also deteriorated significantly as a result of the political impasse, exacerbated by the Syrian refugee crisis. The fiscal deficit has been increasing, leading to a reversal in the government's debt downward trend, and the current account deficit has further widened. Economic growth relies only on a few sectors (e.g. banking, real estate, construction, tourism) as well as domestic demand based on diaspora remittances. Some sectors have been particularly impacted by the Syrian crisis as Gulf Cooperation Council (GCC) countries discouraged their nationals from visiting and residing in Lebanon. Although the country exhibits significant financial resilience, the vulnerability of its economy (high public and external indebtedness, low diversification, dependence as a net importer of hydrocarbons, uncertainty about the persistence of foreign inflows) continues to be aggravated by the current circumstances, making the adoption of the budget and the implementation of structural (fiscal) reforms imperative. Wealth disparities and geographical imbalances in development continue to grow. In this context, EU support for a more inclusive and sustainable economic and social development is paramount for the stability and prosperity of the country.

Continued EU engagement in support of human rights and state institutions will help address immediate needs as well as structural deficiencies which undermine the country's governance, and the confidence of citizens and economic actors in the administration. Furthermore, EU support is particularly important as it is expected that Lebanon will host to more than 1.5 million people in need of international assistance fleeing Syria, comprising Palestine refugees, by the end of 2014. The presence of a large number of refugees requires extensive support from the donor community, combining humanitarian and development assistance, given the political as well as economic and social impacts on society. As the areas hosting the largest numbers of refugees are also the poorest regions of the country, many Lebanese from vulnerable neighbourhoods are already suffering from the strain placed by the large presence of refugees on the labour market as well as on local utilities and public services.

The situation of Palestine refugees continues to raise important issues in terms of their legal rights and living conditions, as the arrival of Palestine refugees from Syria places additional pressure on existing camps and structures, and on relations with local communities. Enhancing support to the regions and communities hosting large numbers of refugees will help Lebanon to continue to uphold its humanitarian obligations, while supporting more sustainable development to poorer areas of the country through job creation, support for basic infrastructure, health and education. Moreover, enhanced EU support in the field of agriculture, rural and local development will help those regions worst affected by the Syrian crisis.

The impact of the Syrian crisis will be long-lasting in terms of security and stability of the country as well as economic and social development given also the large presence of Syrian refugees. A key concern is to avoid security incidents exacerbated by the spill-over of the Syrian crisis. On-going work on the security sector reform as well as integrated border management will help to address some of the consequences of the Syrian conflict and establish a more stable security environment in the country. It will also facilitate legal trade and border movements and the management of the refugee crisis in line with international humanitarian principles. Supporting key state institutions including the executive, legislative, judiciary and security agencies, as well as national dialogue instances and peace and reconciliation efforts, alongside economic recovery, employment and social programmes will continue to be a priority for the EU.

The EU is a strategic partner for Lebanon and relations under the European Neighbourhood Policy (ENP) have intensified. The new ENP Action Plan provides a concrete framework for engagement, and identifies priorities where the partnership with the EU can help Lebanon meet its key challenges and maximise its opportunities over the coming years. It tackles some of the systemic challenges that Lebanon faces, addressing both urgent needs as well as structural issues over the medium and long term.

The Single Support Framework (SSF) builds on the priorities identified in the new Action Plan and outlines areas where EU assistance will be directed. The selected sectors of intervention are fields where greater EU involvement is needed to effectively advance the reform agenda and respond to the most pressing challenges. These are also sectors where the EU has the necessary expertise and experience to have a substantial impact. The sectors of intervention fully reflect the priorities as established in the new Action Plan as well as the immediate response needed to face the impact of the Syrian crisis on the country.

1. EU Response

1.1. Strategic objectives of the EU's relationship with the partner country

The neighbourhood policy aims to: (a) provide increased assistance to partners who engage in deepening democracy and respect for the rule of law, human rights and fundamental freedoms; (b) support the development of a sustainable and inclusive economy that reduces social and regional inequalities, creates jobs and improves living standards of the population; and (c) establish a closer partnership with the peoples and civil societies of the partner countries.

These aims are reflected in the new EU-Lebanon Action Plan. One of the EU's strategic priorities is to continue to support the Lebanese authorities and civil society through the promotion of independent, effective and accountable public institutions, established upon robust democratic principles. The EU also seeks to promote a balanced and sustainable development of Lebanon; enhancing social inclusion, sustainable job creation and productivity, reducing inequalities and disparities and ensuring the protection of the natural environment. These priorities seek to respond to the immediate challenges, exacerbated by the impact of the Syrian crisis, as well as laying the groundwork for the country's long-term prosperity.

1.2. Choice of sectors of intervention

Some elements that have been key drivers in many of the recent uprisings in the region are present in Lebanon: inequality and pockets of extreme poverty, sub-regional disparities, youth unemployment exacerbated by the large presence of Syrian refugees, and lack of reform of the system of political representation amidst deep political polarisation. However, other significant elements are absent. Lebanon has a parliamentary democracy and enjoys an advanced level of fundamental freedoms compared to other countries in the region. Lebanon's socio-economic profile is also quite unique with relative affluence, an internationally mobile and educated middle-class, and a high number of diverse communities living side by side.

Lebanese society faces major challenges that need to be comprehensively addressed:

- a) **Support to state institutions**, in particular the judiciary, will remain a priority (ref.: priority A and E of the Action Plan). Improved rule of law will improve citizens' confidence in the public administration, respect for human rights, fight against impunity, as well as the business environment and investment climate. Moreover, strengthening public financial management systems and making fiscal policy more efficient will also reinforce state institutions, foster transparency and boost citizens' confidence in public institutions (ref.: priority D of the Action Plan).
- b) Entrenched political divisions will need to be addressed through **more effective governance**, more efficient institutions but also through efficient mechanisms of national dialogue and longer-term peace and reconciliation efforts. Engaging with civil society will promote alternative spaces for dialogue and inter-Lebanese cooperation. A more coherent political and socioeconomic reform

agenda coupled with dialogue mechanisms will ensure more balanced economic and social development.

- c) The country's volatility makes the **reform of the security sector** necessary to foster a stable and secure environment; border management will be improved to facilitate legal border movements and improve legal trade. The impact of the Syrian crisis requires enhanced support for the security forces as well as improved border management in line with international humanitarian principles (ref.: priority F of the Action Plan).
- d) The **education system and the economic and social model** need to be reformed as they contribute to a mismatch between skills and market needs, particularly of skilled youth. This reform is needed also to prevent large scale emigration of skilled Lebanese and the replacement of the local workforce by refugees or migrant workers (ref.: priorities C and K of the Action Plan).
- e) The Lebanese economy has a **low level of productivity, poor sectorial diversification**, and links between education and labour market needs are weak. This results in: underdeveloped regions, low-competitiveness and brain drain. The large numbers of refugees present in the poorest regions of the country place further strains on the local economy (ref.: priorities K, H and I of the Action Plan).
- f) Structural measures to improve and **reform social safety nets**, and address poverty and social inequality in Lebanon should be devised. This should include measures to develop the generally under-served rural regions of Lebanon and to enhance the rural economy and agricultural systems, particularly as these face extra-demand for public utilities and local resources with the large presence of refugees (ref.: priority I and L of the Action Plan).
- g) The centralisation of decision-making at the national level, coupled with the generally **weak capacity of municipalities** and other local authorities, means that locally delivered services are unresponsive to the needs of citizens and that marginal areas are isolated from the decision-making process. Again, the weak management of the refugee crisis at central level has left the local level under-resourced to cope with the large influx of refugees (ref.: priorities E and J of the Action Plan).
- h) Lebanon needs to improve its **infrastructure** (including energy and telecommunications) as well as basic services (sanitation, solid waste, drinking water) for the population and businesses – especially with the extra pressure due to the refugees' presence. This will also support the environment, which suffers from a lack of sufficient and appropriate environmental legislation and enforcement, and help facing climate change. The exploration of marine and maritime resources should be coupled with the development of adequate legislation as well as efficient and transparent management structures to ensure that these resources benefit the population at large, and are managed with due respect for the environment and climate policy and in line with international best practices (ref.: priority M of the Action Plan).
- i) As the situation continues to deteriorate in Syria, the presence of Syrian refugees in Lebanon will continue to be a major challenge. In order to prevent further social and political instability, the **livelihood assets of the refugees and their host communities** must be improved (ref.: priority C of the Action Plan).
- j) Despite the longstanding presence of **Palestine refugees** in Lebanon, they lack many basic rights and are excluded from many aspects of social and economic life. External support needs to be identified to improve living conditions in Palestine refugee camps and thus contribute to alleviate sources of conflict, mitigating one of the main drivers of instability in Lebanon, particularly as the

presence of Palestine Refugees from Syria is placing additional strain on existing camps and on relations with Lebanese communities (ref.: priority C of the Action Plan).

In the light of these challenges, considering the priority objectives mutually agreed in the ENP Action Plan, and the need to respond to the consequences of the Syrian crisis in Lebanon, the main sectors of interventions of the EU single support framework with Lebanon for 2014-2016 are:

- I) Justice and Security System Reform.**
- II) Reinforcing social cohesion, promoting sustainable economic development and protecting vulnerable groups.**
- III) Promotion of sustainable and transparent management of energy and natural resources.**

The EU has a consolidated experience in these sectors of intervention and has formulated programmes under the 2011-13 National Indicative Programme (NIP). Moreover, the EU has also a comparative advantage in terms of expertise and know-how in the identified areas. The proposed programme is in line with the priorities set out in the May 2011 Joint Communication “*Proposing new responses to a changing Neighbourhood*” and the *Agenda for Change* (October 2011).

Complementarities and coherence will be sought with all other EU instruments, in particular with the Instrument for Stability (IfS), European Instrument for Democracy and Human Rights (EIDHR) and other thematic programmes under Development Cooperation Instrument (DCI), humanitarian aid, regional programmes and facilities and loan operations of the European Investment Bank (EIB). The EU will work with the Lebanese authorities to ensure ownership and reinforce donor coordination, taking into account also the national and international response to the Syrian refugee crisis.

During the period envisaged for this SSF, cooperation in Lebanon will still be implemented through project approach. The absorption capacity of external assistance will remain a challenge.

In addition to these three sectors of intervention, a provision for **technical assistance and twinning** is foreseen to support the ENP Action Plan objectives and priorities.

Good governance, transparency of public administration and the promotion and protection of human rights, priorities identified in the EU-Lebanon Action Plan for 2013-2015, will be mainstreamed throughout the implementation of the actions programmed by this SSF in particular for sectors of intervention I and II. Other cross-cutting issues such as gender, environment and climate change will be dealt during the identification and formulation phases of the programmes resulting from the SSF with the participation of civil society. EU actions will also take into account the impact of the Syrian crisis on the country at all levels, and will seek to ensure a conflict-mitigating approach in enhancing relations between refugees and Lebanese host communities.

As part of the relief-development continuum, measures which can reduce the ‘shock’ factors under which Syrian and Palestine refugee communities suffer will be encouraged. In this regard, LRRD (Linking Relief, Rehabilitation and Development) funding mechanisms, such as the IfS have been useful in the case of Syrian and Palestine refugees. The response will ensure complementarity and continuity of the actions financed by the IfS aiming at responding at the current crisis, in particular for the health sector and Palestine refugees. Effective coordination with ECHO will also be sought to ensure complementarity and to avoid over-lapping with humanitarian activities.

The EU will work with civil society through a specific financial provision. Civil society has a key role to play both in holding the authorities accountable and by directly intervening in critical areas in particular in the field of human rights. The *Structured Dialogue* with Civil Society Organisations (CSOs) and Local Authorities has already been implemented and its results had been drawn upon in the EU response to the Syrian crisis. This dialogue will continue, supported by a “Roadmap” for engaging with Civil Society in

order to promote an environment conducive for CSOs, their meaningful and structured participation in domestic policies and to increase their capacity to perform their roles as independent development actors more effectively, including in participating in the country's response to the refugee crisis.

The priority areas of intervention for regional cooperation are: statistics, industrial cooperation, energy, environment and climate change, education and training, civil society dialogue.

2. Financial overview

The indicative allocation for 2014-2020 is EUR 315,000,000 – EUR 385,000,000. The indicative bilateral allocation for the period 2014-2016 is of EUR 130,000,000 – EUR 159,000,000.

The indicative breakdown by sector is the following:

<i>Justice and Security System Reform</i>	15 %
<i>Reinforcing Social Cohesion, Promoting Sustainable Economic Development and Protecting Vulnerable Groups</i>	40 %
<i>Promotion of Sustainable and Transparent Management of Energy and Natural Resources</i>	20 %
<i>Complementary Support for Capacity Development and Civil Society</i>	25 %

In addition to programmed bilateral allocations, Neighbourhood countries may benefit from supplementary allocations provided under the multi-country umbrella programmes referred to in the Neighbourhood-wide programming documents. Such supplementary allocations will be granted on the basis of progress towards deep and sustainable democracy and implementation of agreed reform objectives contributing to the attainment of that goal.

Lebanon is also eligible for support under a number of other EU instruments, such as the Instrument Contributing to Peace and Stability, Humanitarian Aid, the Partnership Instrument, the European Instrument for Democracy and Human Rights, the Instrument for Nuclear Safety Co-operation, Macro-Financial Assistance¹, Development Co-operation Instrument thematic programmes and external actions under EU internal programmes for e. g. research and innovation, energy, transport, education, youth, culture and media (in particular Erasmus+ and Creative Europe). Where possible, Member State political action and assistance will also be coordinated with EU action, as a way of achieving political leverage and as part of a coherent foreign policy approach. Lebanon may also be targeted for specific diplomatic action under the Common Foreign and Security Policy, depending on the political circumstances.

I) Justice and Security System Reform (15 %)

Interlinked priority objectives of the Action Plan:

A. Reforming the justice system (including the prisons segment) toward greater efficiency, effectiveness, and independence of the judiciary;

¹ Lebanon's eligibility is at present only theoretical, as other conditions for Macro-Financial Assistance, in particular the existence of a reform programme supported by a financing arrangement with the IMF, are not met.

F. Improved security sector management and law enforcement, including cooperation, accountability and oversight mechanisms, and advancing integrated border management.

II) Reinforcing social cohesion, promoting sustainable economic development and protecting vulnerable groups (40%)

Interlinked priority objectives of the Action Plan:

C. Human rights and protection of vulnerable populations, including Palestine refugees, by legislation or other adequate measures and targeted actions;

H. Improvement of business environment, particularly for MSMEs, and development of domestic market conditions in key sectors;

J. Enhancing environmental protection and advancing sustainable regional development through greater decentralisation and empowerment of municipalities and local authorities;

K. Implementation of the National Education Strategy, improving technical and vocational training;

L. Enhancing provision of social protection and health care.

III) Promotion of sustainable and transparent management of energy and natural resources (20%)

Interlinked priority objectives of the Action Plan:

I. Enhancing production and marketing of agricultural products in line with international standards, advancing liberalisation, raising competitiveness, and developing rural economy;

J. Enhancing environmental protection and advancing sustainable regional development through greater decentralisation and empowerment of municipalities and local authorities;

M. Implementation of an energy strategy aimed at extending power supply, launching a structural reform and promoting renewable and low-carbon energy use and energy efficiency;

Provision for technical assistance and twinning in support of Action Plan objectives and priorities (10%)

Interlinked priority objectives of the Action Plan:

B. Election reform aiming to achieve international standards and enhancement of the effectiveness of the Lebanese Parliament;

C. Human rights and protection of vulnerable populations, including Palestine refugees, by legislation or other adequate measures and targeted actions;

D. Enhancement of public finance management and effective allocation of public resources;

E. Improving efficiency, good governance and transparency of public administration;

G. Increasing trade competitiveness and further trade integration in EU and international markets, WTO accession;

H. Improvement of business environment, particularly for MSMEs, and development of domestic market conditions in key sectors.

Financial provision for support to civil society (15%)

Interlinked objectives of the Action Plan:

1 c) Further strengthening of the framework for protection of human rights and fundamental freedoms beyond the priority objectives, in particular by [...] maintaining regular consultations on policy issues with relevant civil society actors;

1 d) Civil peace and reconciliation as an effort to address root causes of potential instability, through support for inclusive and permanent dialogue between Lebanon's communities and their representatives [...].

3.2 c) Promotion of employment through the creation of an enabling environment in terms of skills development, equal opportunities for all and motivational social policy, in particular by [...] continuous social dialogue [...] in order to develop opportunities for partnerships between the private sector and civil society [...].

5.2 b) Support for further development of civil society by fostering an enabling environment and building on Lebanon's existing civil society networks [...].

3. EU support per sector

3.1 Justice and Security System Reform (15%)

3.1.1 The following overall and specific **objectives** will be pursued:

The overall objective is to promote and reinforce the rule of law and security of a democratic and accountable State.

The specific objectives are to:

1. reinforce the independence and the efficiency of the Judiciary;
2. reform the penitentiary administration in line with international standards;
3. improve law enforcement and the competence of security agencies with full respect for citizens' rights and liberties;
4. put in place an effective border management system.

3.1.2. For each of the specific objectives the main expected **results** are:

1. Reinforce the independence and the efficiency of the Judiciary:

- a) The necessary modifications to render the Judiciary independent of the executive power are prepared and legislation is amended.
- b) The capacities of judicial institutions are reinforced.
- c) The Judiciary is modernised.

2. Reform the penitentiary administration in line with international standards

- d) Administrative steps towards the transfer of prison management from Ministry of Interior (MoI) to Ministry of Justice (MoJ) are accomplished;
- e) The conduct of prison and detention centre staff is in line with international standards.

3. Improve law enforcement and the competence of security agencies in the full respect of citizens' rights and liberties.

- f) Cooperation and information sharing between security agencies and the Judiciary is systemised, institutionalised and effective;
- g) The professionalism of security agencies and the cooperation amongst them improved;
- h) Oversight and accountability of the overall security system are promoted.

4. Put in place an effective border management system:

- i) An integrated border management strategy is formulated and implemented;
- j) Capacities of border management staff are reinforced, including in dealing with refugee population flows in line with international standards.

3.1.3. For each result, the main **indicators** are:

See attachment 1

3.1.4. **Donor coordination and policy dialogue:**

The EU is the principal donor in justice and therefore takes a leading role in donor coordination. In the absence of a strong central authority, policy dialogue and donor coordination remains a challenge. Efforts should be carried out to improve coordination mechanisms. International donors active on security issues in Lebanon have set up a regular mechanism for information sharing and coordination purposes albeit without the involvement of the Lebanese counterparts. This mechanism has three sub-groups, on borders, on internal security and rule of law, and on assistance to the Lebanese Armed Forces.

3.1.5. The Government's **financial and policy commitments:**

Lebanon has a relatively developed judiciary and security sector in terms of formal legal framework and institutions, but years of conflict and external control weakened the judiciary and caused deep domestic disagreements over the nature and aims of security. The lack of sector policy guidelines and means largely prevents justice and security providers from fulfilling people's needs and expectations. The improvement in the provision of justice and security services is mostly sustained by external support.

In the absence of clear policy objectives, internal planning by the judiciary or by different security agencies remains minimal. Apart from some infrastructure work at the Court of Beirut, the modernisation of the judiciary is long overdue. In the security sector, a national defence strategy (including the existence of weapons outside of the control of the State) is being discussed with very little progress in the framework of the National Dialogue, established since 2008. Lebanese authorities have repeatedly committed to develop a national border strategy, but the lack of consensus over its aims has prevented progress. Nevertheless, the stability of the country remains an important aim for all security agencies, which are taking measures to improve their performance and capacity to respond to public needs.

3.1.6. When needed, the appropriate type of **environmental assessment** (SEA or EIA) will be carried out:

The work to be carried out in the Justice and Security domain does not foresee actions that could require a prior environmental assessment. On the other hand, better performing law enforcement authorities (including a more independent and efficient judiciary) will definitely contribute to the protection of the environment by ensuring the implementation of environmental regulations.

3.1.7. The overall **risk assessment** of the sector intervention:

The major risks are linked to the impact of the Syrian crisis on the work of security agencies. The willingness of justice and security system's stakeholders to embark on a reform path and the impact of a political stalemate or increased tensions are further risks. Nonetheless, failure to strengthen the judiciary and the security services could carry greater costs.

3.2 Reinforcing social cohesion, promoting sustainable economic development and protecting vulnerable groups (40%)

3.2.1 The following overall and specific **objectives** will be pursued:

The overall objective is to contribute to a more balanced economic and social development in Lebanon while mitigating the consequences of the Syrian conflict, building resilience focusing on the most vulnerable at national level, increase people's ability to participate in and benefit from wealth and job creation.

The specific objectives are to:

1. Promote an enabling environment for business and SMEs development, investment and innovation and spur entrepreneurship;
2. Adapt the skills provided by the public education system to the needs of labour market;
3. Increase the participation of Lebanon's population in the formal labour market, improve working conditions and respect for labour rights, with special attention to women and youth;
4. Enhance social protection;
5. Address the needs of the most vulnerable areas and populations in Lebanon;
6. Improve legal rights and living conditions of refugees in Lebanon, including Palestine refugees.

3.2.2. For each of the specific objectives the main expected **results** are:

1. Promote an enabling environment for business and SMEs development, investment and innovation and spur entrepreneurship:
 - a) Improved, simplified legislative and regulatory framework for operation of business in particular of Micro, Small and Medium Enterprises [MSMEs] (application of Think Small First principle, regulatory impact assessment and other guidelines of the Small Business Act for Europe) and results from the assessment on the implementation of the "Small Business Act" for Europe in the Mediterranean Middle East and North Africa 2014;
 - b) Improved structured dialogue between business associations/private sector organisations and relevant ministries, revival of a constructive social dialogue (tripartite and bipartite), and enhanced and effective coordination among the ministries aiming at promoting private sector development on one hand and generating quality jobs for the target population on the other;
 - c) Increased and sustained access to finance for Lebanese MSMEs;

- d) Improved business support services;
 - e) Increased competitiveness of Lebanese private sector to access regional and international markets.
2. Adapt the skills provided by the public education system to the needs of labour market:
- f) The public education system is needs-orientated and a strategy is defined for vocational training strengthening the links with private sector;
 - g) General education and vocational training and education systems are more efficient in allowing closer match of skills and job opportunities from a lifelong learning perspective;
 - h) Social partners participate increasingly in employment training policies and coordination mechanisms; school to work transition programmes are scaled up.
3. Increase the participation of Lebanon's population in the formal labour market, improve working conditions and respect for labour rights, with special attention to women and youth:
- i) Labour market participation rates are increasing in particular those of women and the youth.
4. Enhance social protection:
- j) The capacities of the National Social Security Fund (NSSF) are strengthened and social security coverage is increasingly extended to all Lebanese;
 - k) Tripartite dialogue, in particular in the field of social protection, is improved.
5. Address the needs of the most vulnerable areas and populations in Lebanon:
- l) Rehabilitated and extended basic infrastructure;
 - m) Economic recovery and creation of decent jobs;
 - n) Education and health services;
 - o) A national resilience approach is developed to withstand, adapt and recover from the crisis;
 - p) The capacity of the public Lebanese institutions to deal with crisis situation and to coordinate the response is improved.
6. Legal rights and living conditions of refugees, in particular of Palestine refugees in Lebanon have improved, in particular because:
- q) Employment opportunities and access to property, health and education are improved;
 - r) Infrastructure in the camps is rehabilitated and upgraded;
 - s) Dialogue between Lebanese authorities and Palestine refugees is improved including dialogue on legal status and human rights issues and governance mechanisms in the camps.

3.2.3. For each result, the main **indicators** are:

See attachment 1

3.2.4. **Donor coordination and policy dialogue:**

For education and Vocational Training, the major donors have established a donor coordination group on education which has a rotating presidency. Meetings take place on a quarterly basis. Furthermore, there is close coordination of donors during formulation stages of programmes (shared meetings, shared formulation reports and documents).

In the field of social protection, a number of donors and agencies such as the World Bank, the ILO or the EU (through the launching of intra-Lebanese fora and the formulation of the programme “promotion of social justice in Lebanon”) have been active and implemented activities. Nevertheless, donor coordination and a mechanism for genuine policy dialogue remains to be developed.

In the field of rural development through land use planning, there has been no formal coordination among donors. The EU has funded a number of projects in this area and remains the major donor in local development and cooperation with municipalities.

3.2.5. The Government’s **financial and policy commitments:**

A comprehensive policy to shape a sustainable and more inclusive economic model, which engages key stakeholder institutions in its implementation, is still to be developed. Initiatives of the Ministry of Social Affairs and of the Ministry of Labour have had limited results so far. Dialogue between social partners to enhance social protection remains a challenge given the political sensitivities and an economic system which is resilient to change.

Vocational training and education (VTE) has featured very low on the education policy agenda and does not feature among the *Education Sector Development Plan 2010-2015* (ESDP) ten priority programmes. A VTE strategy remains outstanding to the much needed sector reform.

In December 2012, the Lebanese Government issued its crisis response plan. The UN interventions in Lebanon related to the Syrian crisis are planned through the Syria regional response plan which is issued jointly with the Government of Lebanon. On the request of the Government, the World Bank, in collaboration with the UN, the IMF and the EU, completed a rapid Economic and Social Impact Assessment in September 2013, of the costs and needs arising from the Syrian conflict for Lebanon until 2015.

3.2.6. When needed, the appropriate type of **environmental assessment** (SEA or EIA) will be carried out:

The reviewed vocational training programmes and the programmes of the National Employment Office will include awareness-raising about environmental issues. In the field of rural development through land use planning, a full EIA will be conducted for each local development plan.

3.2.7. The overall **risk assessment** of the sector intervention:

The main risk is represented by the unstable security and political situation of the country, in which the delicate balances between the different political forces could create a prolonged governance crisis or renewed internal security incidents. As for any sound reform such as social protection or in the field of education, consensus among the different forces must be sought to move the agenda forward, according to the political situation this might be difficult to obtain.

If the spill over of the Syrian conflict has direct security consequences in the areas where Syrian refugees are hosted or tensions between Lebanese and Syrian displaced populations emerge, the implementation of development plans could be at risk.

3.3 Promotion of sustainable and transparent management of energy and natural resources (20%)

The overall objective of this sector of intervention is to secure the sustainability of the use of energy and natural resources.

3.3.1 The specific objectives are to:

- 1) Secure sustainable energy supply and manage energy demand and diversify energy sources while promoting green energy in particular;
- 2) Preserve the environment and mainstream environmental management and protection of natural resources;
- 3) Develop a competitive agriculture sector and promote a sustainable rural economy.

3.3.2. For each of the specific objectives the main expected **results** are:

1. Secure sustainable energy supply and manage energy demand and diversify energy sources while promoting green energy in particular:

- a) Law 462/2002 and relevant bylaws are enforced and allow for the restructuring of the sector (in particular the reform of the electricity tariff scheme).;
- b) Energy infrastructure is maintained and upgraded (soft);
- c) Energy efficiency aims are mainstreamed into the policies and programmes of the main energy consuming sectors (industry, transport, residential and tertiary);
- d) Low carbon energy (including renewable energy) plans are developed and under implementation; Assistance to foster regional cooperation in the field of oil and natural gas, including on carbon/fossil fuel taxation and emissions reduction in the energy sector has been successfully utilised.

2. Preserve the environment and mainstream environmental management and protection of natural resources:

- e) Capacities, and the re-organisation of environmental monitoring authorities (including inter-ministerial consultation) have been supported;
- f) Environmental protection and safeguard measures are mainstreamed into national sector policies and programs, in particular the adoption of the water code.;
- g) The climate change and biodiversity agenda of Lebanon has made progress.

3. Develop a competitive agriculture sector and promote a sustainable rural economy:

- h) The regulatory/policy framework is updated;
- i) Agricultural infrastructure is upgraded;
- j) Quality/safety control over all agriculture products and inputs is in place;
- k) Agricultural value chains which focus on better quality, production, marketing and export are developed;
- l) Sustainable use of natural resources (e.g. water, soils conservation, green energies) is evident;
- m) Lebanon's integration within the European/regional agricultural market has improved.

3.3.3. For each result, the main **indicators** are:

See attachment 1

3.3.4. Donor coordination and policy dialogue:

A donor coordination group has been put in place (e.g. water, environment). For the agriculture sector the EU and the USA, the principal donors, ensure complementarity at the operational level. Nevertheless, for this sector of intervention, genuine policy dialogue with the national authorities and an effective donor coordination mechanism led by the Government remains to be put in place.

3.3.5. The Government's financial and policy commitments are:

An Electricity Sector Policy paper was adopted in 2010 and a National Energy Efficiency Action Plan in 2011. The Government has also adopted a number of legal and administrative acts to launch the exploration and exploitation of maritime resources. A National Water Strategy has been adopted in March 2012. In 2010, the Lebanese Ministry of Agriculture issued an updated Strategic Plan for the period 2010-2014. The Ministry of Environment is producing on a regular basis National Communications to the UNFCCC (United Nations Framework Convention on Climate Change).

3.3.6. When needed, the appropriate type of environmental assessment (SEA or EIA) will be carried out:

SEAs at sector level shall be required as early as possible in the programming process to identify relevant recommendations to take into account into future actions design. At project level, an EIA shall be foreseen for activities related to oil and gas exploration and cooperation, in order to ensure coherence with the stated objective for the sector and with the full participation of civil society. This pro-active approach shall prevent any negative impact, allow for considering a broad range of potential alternatives and put emphasis on meeting environmental objectives and maintaining natural systems.

3.3.7. The overall risk assessment of the sector intervention:

The main risk is linked to the deterioration of the security and political situation in Lebanon during the SSF implementation period. Another risk consists of changes of Government during the course of implementation of this framework that could affect the sector-related priorities. A committed and regular policy dialogue with Lebanese authorities could mitigate such risk, and avoid any strong reorientation of the implementation of EU support.

4. Measures in favour of civil society

A specific financial provision to support to civil society (15% of the financial resources of this Framework) and an EU Roadmap of Engagement with Civil Society is foreseen for the active engagement with civil society. This provision is additional to resources from thematic programmes and from programmes identified under the three intervention sectors.

Through this provision civil society can receive support for

- a) their involvement supporting Lebanese host communities and mitigating the consequences of the Syrian conflict in Lebanon;
- b) developing the non-state actors' "watchdog" function in monitoring state reform implementation;
- c) seizing windows of opportunity for interventions in the fields of human rights, gender equality, youth and children rights;
- d) providing support to MSMEs;
- e) peace building and reconciliation activities;

- f) their involvement in environmental monitoring and advocacy.

5. Provision of technical assistance and twinning

In addition to the three sectors of intervention, a provision for technical assistance and twinning is foreseen in support of ENP Action Plan objectives, in areas

- where the EU is already engaged and which will need continued assistance to support the reform process (1) or
- which need specific contributions for the approximation towards the '*acquis communautaire*' (2).

This provision can also support Lebanon's participation in agencies and programmes of the EU as far as this is in line with the Action Plan.

This provision is foreseen to finance technical assistance and twinning in fields such as, but not limited to:

- a) Administrative reform;
- b) Improving efficiency, good governance and transparency of public administration;
- c) Improving public finance management.
- d) raising efficiency of the Parliament and promoting electoral reform,
- e) improving citizenship participation in policy making through better access and availability of improved statistical information and increasing transparency of decision making processes;
- f) implementing human rights-based national programmes and policies to protect vulnerable populations, eradicate torture, fight against discrimination.
- g) Improved Business Environment
- h) Support further integration with EU market and WTO accession.

Furthermore, this complementary provision for capacity development and institution building activities will also support the implementation of priority commitments deriving from EU agreements and a possible future dialogue on mobility that are not already covered under the three sectors of focus.

Attachments

1. Sector of intervention framework and performance indicators (see template in annex).
2. Indicative timetable for commitment of funds (see template in annex).

Attachment 1. Sector of intervention framework

The results, indicators, including baselines and targets and the means of verification in the present annex might change or be completed to take into account the evolution intervening during the identification and formulation phase.

(Where not already specified) Baselines and targets will be included in the Action documents at the latest.

Sector 1: Justice and Security System Reform

Specific objective 1: To reinforce the independence and the efficiency of the Judiciary

<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
a) The necessary modifications to render the Judiciary independent of the executive power are prepared and legislation is amended	<p>a) State of modification to make the judiciary independent of the executive.</p> <p><u>Milestones:</u></p> <p>a1) Administrative dependence of the High Judicial Council and the Judicial Inspection on the Ministry of Justice eliminated and budget of those institutions increased;</p> <p>a2) number of decrees to boost transparent mechanisms for tenure, appointment and removal of judiciary representatives introduced</p> <p>Target: 2017</p>	<p>- Official Journal/ Published implementing decrees and internal regulations</p>
b) The capacities of Judicial institutions are reinforced	<p>b) State of efficiency of the judiciary.</p> <p><u>Milestones:</u></p> <p>b1) increased number of judicial actors trained</p> <p>b2) Average number of cases processed by courts per annum increased;</p> <p>Target: 2017</p>	<p>- Training programmes, attendance sheets; performance in final exams;</p> <p>- MoJ statistics</p>
c) The Judiciary is modernised	<p>c) Level of modernisation of judiciary,</p> <p><u>Milestone:</u></p> <p>c1) automation process completed and IT used for the main courts of</p>	<p>- ISF/MoJ Inventories</p> <p>- Reports from Technical Assistance</p>

	the country; Target: 2018	
Specific objective 2: To reform the penitentiary administration in line with international standards		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
d) Administrative steps towards the transfer of prison management from MoIM to MoJ are accomplished	d) Implementation of transfer of prison management from MoIM to MoJ. <u>Milestones:</u> d1) formal subordination of prison management to judicial authority d2) Creation of a department for prison administration within the MoJ d3) Number of detainees in pre-trial detention decreased Target: 2016	- Official Journal/ Published implementing decrees and internal regulations - MoJ statistics
e) The conduct of prison and detention centre staff is in line with international standards	e) Legal framework for prison and detention centre staff. <u>Milestones:</u> e1) Legislation as well as prison regulations amended to be fully in line with UNCAT; e2) torture defined as a criminal act; e3) law and implementing decrees adopted to create a national mechanism of torture prevention Target: 2017	- Reports by human rights organisations - Official Journal/ Implementing decrees and internal regulations

Specific objective 3: To improve law enforcement capabilities and the organisational competence of security agencies in the full respect of citizens' rights and liberties		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
f) cooperation and information sharing between security agencies and the Judiciary is systemised, institutionalised and effective	<p>f1) Procedures for interagency cooperation exist and joint operations take place</p> <p>f2) the new 'Practical guide for criminal investigations' is uniformly applied.</p> <p>Target: 2017</p>	<p>- MoI and MoJ statistics; detention facilities records;</p> <p>- Reports of human rights NGOs, relevant UN Agencies, government studies.</p>
g) The professionalism of security agencies is improved and cooperation amongst them improved	<p>g1) Existence of internal strategic plans and needs assessment (in terms of procedures, equipment and training mechanisms) that are reviewed at least once a year.</p> <p>g2) Frequency of crime statistics improved</p> <p>Baseline: current statistics and evaluations of the services provided by security forces</p> <p>Target: 2018</p>	<p>- Statistics from Security agencies and MoI.</p> <p>- Reports of technical assistance programmes and CSOs reports on compliance with human rights</p> <p>- Strategic planning documents</p> <p>- Published procedures for interagency cooperation</p> <p>- Security service statistics</p>
h) Oversight and accountability of the overall security system are promoted	<p>h1) Institutional mechanisms are developed for the oversight and accountability of the security system</p> <p>h2) Internal codes of conduct are adopted by the security agencies and acted upon in conjunction with line ministries, ensuring the respect for human rights is mainstreamed into law enforcement practice</p> <p>h3) Increased citizens' level of trust in the security institutions and levels of satisfaction in the</p>	<p>- Public opinion satisfaction surveys;</p> <p>- Reports of human rights NGOs, relevant UN Agencies, government</p>

	<p>provision of security services</p> <p>Target: to be determined</p>	
<p>Specific objective 4: To put in place an effective border management system</p>		
<p>i) An integrated border management strategy is formulated and implemented</p>	<p>i1) A national IBM strategy is adopted and agency-specific action plans implemented, including interagency cooperation mechanisms and procedures</p> <p>Target: to be determined</p> <p>i2) Average Processing times for the legitimate movement of passengers and clearance of goods</p>	<ul style="list-style-type: none"> - Reports by the office of the National Coordinator - IBM Strategy document - TA reports - crime statistics
<p>j) Capacities of border management staff are reinforced in particular in dealing with refugee population flows in line with international standards.</p>	<p>j) Implementation status of the strategy for guaranteeing legitimate cross-border population flows with the adequate technological support (incl. networking and information sharing systems)</p> <p>Milestones</p> <p>j1) Strategy developed</p> <p>j2) Strategy implemented</p>	<ul style="list-style-type: none"> - equipment & inventory lists - reports on smuggling and illegal trafficking - UN/NGOs reports and civil society reports on compliance with human rights standards and anti-trafficking norms

Sector 2: Reinforcing social cohesion, promoting sustainable economic development and protecting vulnerable groups		
Specific objective 1: Promote an enabling environment for business and SMEs development, investment and innovation and spur entrepreneurship		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
<p>a) Improved, simplified legislative and regulatory framework for business operation in particular of MSMEs;</p> <p>b) Improved structured dialogue between business associations/private sector organisations and relevant ministries, revival of a constructive social dialogue (tripartite and bipartite), and enhanced and effective coordination among the ministries aiming at promoting private sector development on one hand and generating quality jobs for the target population on the other;</p> <p>c) Increased and sustained access to finance for Lebanese MSMEs;</p> <p>d) Improved business support services</p> <p>e) Increased competitiveness of Lebanese private sector to access regional and international markets</p>	<p>a) Implementation status of regulatory framework for business development</p> <p><u>Milestones:</u></p> <p>a1) Revised set of legislation and regulations reducing compliance burden on MSMEs;</p> <p>a2) Number of meetings between private sector representative organisations /business associations and relevant ministries within a structure dialogue;</p> <p>b) Indicator to be determined</p> <p>c) Number or percentage of MSMES with access to finance</p> <p>d) Increased number of registered companies across the country</p> <p>e1) Number of SMEs having quality assurance systems in place</p> <p>e2) Number of certified products,</p> <p>Baseline 2013 or 2014 (Depending on availability).</p> <p>Target: 2016</p>	<p>- Official gazette</p> <p>- Official reports (from various Ministries and institutions: Labour, Industry)</p>
Specific objective 2: Adapt the skills provided by the public education system to the needs of labour market		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
<p>f) The public education system is needs-oriented and a strategy is defined for vocational training Strengthening the links with private sector</p> <p>g) General education and vocational training and education systems are</p>	<p>f) A dedicated strategy for VTE complemented by an action plan with clear roles of authorities and social partners and calendar are developed and endorsed.</p> <p>Baseline: 2014; Target: 2016</p>	<p>- Official gazette</p> <p>- Official reports (from various Ministries and institutions: Labour, Industry, Education, Higher Education and Scientific Research, Social Development, DOS,</p>

<p>more efficient in allowing closer matching of skills and job opportunities from a lifelong learning perspective;</p> <p>h) Social partners participate increasingly in employment training policies and coordination mechanisms; school to work transition programmes are scaled up;</p>	<p><u>Milestones:</u> f) Revised technical and vocational training action plan developed and adopted;</p> <p>Baseline 2014. Target 2016</p> <p>g) Consultation of chambers of Commerce and Industry and/or Employers associations and/or trade unions increased in employment training policies, coordination mechanisms and elaboration of training programmes.</p> <p>Baseline 2013 or 2014 (Depending on availability). Target 2016</p> <p>h) Status of tripartite national committee (authorities, employers and trade unions)</p> <p>Milestone 1 committee is constituted, Milestone 2 committee meets at least twice a year</p>	<p>Chambers of Commerce and Industry, ETVET council, Social Security Corporation, training providers).</p> <p>- Labour Market Information System - Policies and interventions documents.</p> <p>- Minutes of the tripartite national committee</p> <p>- list of attendance of the tripartite committee</p> <p>List of stakeholders/key actors involved in education and VET¹</p>
<p>Specific objective 3: Increase the participation of Lebanon’s population in the formal labour market with special attention to women and youth;</p>		
<p><u>Expected Results</u></p>	<p><u>Indicators</u></p>	<p><u>Means of verification</u></p>
<p>i) Labour market participation rates are increasing in particular those of women and the youth;</p>	<p>i1) Number of new jobs created, notably outside the capital</p> <p>i2) Employment rate of women</p> <p>i3) Percentage of economically inactive population decreases</p> <p>Baseline 2013 or 2014 (Depending on availability).</p> <p>Target:2016</p>	<p>- Employment official national statistics (CAS)</p> <p>- Other sources of statistics (CCI, International organisations etc.)</p>
<p>Specific objective 4: Enhance social protection</p>		
<p><u>Expected Results</u></p>	<p><u>Indicators</u></p>	<p><u>Means of verification</u></p>
<p>j) The capacities of the National Social Security Fund (NSSF) are reinforced in order to extend</p>	<p>j) NSSF staff trained on extension of social security coverage related norms,</p>	<p>- Reports by TA working on the</p>

social coverage to all Lebanese	instruments and skills. Baseline 2014. Target_2016	project.
k) Tripartite dialogue, in particular in the field of social protection, is improved	<p>k) Status of tripartite dialogue between government, employers' representatives and employees</p> <p><u>Milestones:</u></p> <p>k1) Written agreements between employers and employees representatives on positions taken.</p> <p>k2) Agreements reached compatible with the international conventions and EU acquis.</p> <p>k3) Approval of Lebanese government of decisions taken.</p> <p>Baseline: last tripartite dialogue held in 2012 which led to limited salary adjustments and not social reforms</p> <p>Target year: 2016</p>	<p>- Relevant agreements have been received by the EU.</p> <p>- Official journal</p> <p>-ECOSOC reports</p>
Specific objective 5: Address the needs of the most vulnerable areas and populations in Lebanon		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
l) Rehabilitation and extension of basic infrastructure	<p>l1) Number of households having access to drinking water,</p> <p>l2) Number of households having access to sanitation or solid waste management</p>	<p>- Reports of MoIM and Municipalities</p> <p>- UNHCR and humanitarian partners.</p>
m) Support to economic recovery and creation of decent jobs	m) Employment rate in communities benefitting from intervention.	<p>- Reports from MoET; MoF, MoL and municipalities</p> <p>- Reports from social partners and civil society organisations.</p>
n) Provision of education and health services is	n1) Number of children and young	- Reports from MoEHE

strengthened.	<p>people enrolled in formal education</p> <p>n2) Number of unique users² at Primary Health Care (PHC) facilities supported,</p> <p>n3) maternal mortality rate per year</p> <p>n4) neonatal mortality rate per year</p>	<p>- Reports from MoPH and WHO</p> <p>- Reports from civil society organisations</p>
o) A national resilience approach is developed to withstand, adapt and recover from crisis	o) An indicator will be designed	
p) The capacity of the public Lebanese institutions to deal with crisis situation and to coordinate the response is improved	p) An indicator will be designed	
Specific objective 6: Improve legal rights and living conditions of refugees in Lebanon, in particular of Palestine refugees		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
q) Employment opportunities and access to property, health and education are improved	<p>q1) Number of jobs formally accessed by Palestine refugee population.</p> <p>q2) Numbers of Palestine refugees attending higher education</p>	<p>- Reports from the CEP</p> <p>- UNRWA statistics</p> <p>- LPDC statistics</p> <p>- Reports of Human Rights NGOs and relevant UN agencies</p> <p>- Statistics from major Lebanese universities and/or TA assistance related to projects</p>
r) Infrastructure in the camps is rehabilitated and upgraded	r1) Number of shelters rehabilitated	<p>- UNRWA/NGO implementation reports</p> <p>- UNRWA assessments</p>
s) Dialogue between Lebanese authorities and Palestine refugees is improved including governance mechanisms in	s) Lebanese government official governance structure for interaction with Palestine refugees on civilian matters is operational	- Official journal, publication of relevant legal texts

² number of individuals using the services as opposed to number of consultations where the same patient would be counted each time they had a consultation

the camps		
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Sector 3: Promotion of sustainable and transparent management of energy and natural resources		
Specific objective 1: Secure sustainable energy supply and manage energy demand and diversify energy sources while promoting green energy in particular		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
a) Law 462/2002 and relevant bylaws are enforced and allow for the restructuring of the sector (in particular the reform of the electricity tariff scheme).;	<p>a) Implementation status of legal framework for energy sector</p> <p><u>Milestones:</u></p> <p>a1) Adoption of Law 462/2002 and relevant bylaws by Parliament (baseline: 2014; target year: 2015)</p> <p>a2) Establishment of a National Energy Regulator (baseline: 2014; target year: 2016)</p> <p>a3) Corporatization of “Electricité Du Liban” (EdL) (baseline: 2014; target year: 2016)</p> <p>a4) Set up of Independent Power Producers (IPPs) (baseline: 2014; target year: 2016)</p>	<p>- Official Journal</p> <p>- Legal statutes of entities following EdL corporatization</p> <p>- Commercial contracts between IPP’s and EdL/other operator</p>
b) Energy infrastructure is maintained and upgraded	<p>b) Energy losses on infrastructure (technical and non-technical)</p> <p>(baseline: 40% in 2014 ; proposed target: 36% in 2016)</p> <p><i>To be confirmed by LB authorities</i></p>	<p>- Annual report and statistics from Ministry of Energy and Water</p> <p>- Budgetary expenditures in the sector</p>
c) Mainstream of energy efficiency into main consuming sector’s policies and programmes (industry, transport, residential and tertiary)	<p>c) Percentage of accomplished National Energy Efficiency and Renewable Energy Action projects</p> <p>Baseline: 10% in 2014</p> <p>Target: 100% in 2016)</p> <p><i>To be confirmed by LB authorities</i></p>	<p>- Annual report and statistics from Ministry of Energy and Water</p> <p>- LCEC’s reports</p> <p>- NEEREA reports</p>
d) Low carbon energy (including renewable energy) plans are developed and under implementation	<p>d) Share of overall energy consumed from renewable energy sources.</p> <p>(estimated baseline: 1% in 2014 ;</p>	<p>- Annual report and statistics from Ministry of Energy and Water</p> <p>- Lebanese Center for Energy</p>

	proposed target: 3% in 2016) <i>To be confirmed by LB authorities</i>	Conservation's reports - NEEREA reports
Specific objective 2: Preserve the environment and mainstream environmental management and protection of natural resources		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
e) The capacities, and the re-organisation of environmental monitoring authorities (including inter-ministerial consultation) have been supported;	e) Number of environmental projects/programmes monitored by members of the National Environmental Council Baseline: 2014 Target year: 2016	- Budget expenditures in the sector. - Minutes of interministerial consultations and follow up of these minutes; -SEIS system - Programmes/projects reports.
f) Environmental protection and safeguard measures are mainstreamed into national sector policies and programs, in particular the adoption of the water code.;	f) Implementation status of legal framework for SEAs/EIAs <u>Milestones:</u> f1) Adoption of bylaws for binding carrying out of SEA/EIAs. f2) degree of compliance with SEA/EIA recommendations. f3) Number of sector strategies (e.g., energy, transport, agriculture) in which environmental concerns have been adequately mainstreamed	- Annual sector reports by Line Ministries - Verification reports from Ministry of Environment
g) The climate change and biodiversity agenda of Lebanon has made progress.	g) Number of programmes and measures taken with the aim of fostering biodiversity, addressing climate change and fostering low emission climate resilience development. Baseline: 2014 Target year: 2016	- Adopted organisational charts and manual of procedures. - Budget expenditures in the sector - Programmes/projects reports - National communications to the UNCFCC
Specific objective 3: Develop a competitive agriculture sector and promote a sustainable rural economy.		

<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
h) The regulatory/policy framework is updated;	h) Implementation status of regulatory/policy framework <u>Milestones:</u> h1) Number of relevant law and decrees promulgated. (baseline: 2014; target year: 2016) h2) Approval of a multiannual policy (baseline: 2014; target year: 2016)	- Official Journal reporting all new legislation adopted - Implementing decrees and internal regulations - Multiannual policy framework
i) Agricultural infrastructure is upgraded;	i) Level of Public investments in agricultural infrastructure.	- Reports from the MoA. - Budgetary expenditures in the sector - Audit reports
j) Quality/safety control over all agriculture products and inputs is in place;	j) Implementation status of food safety legal framework <u>Milestones:</u> j1) Food safety authority established; j2) SPS aligned with World Organisation for Animal Health, Codex Alimentarius, International Plant Protection Convention, and EU standards. (baseline: 2014; target year: 2016)	- Official Journal formalizing the legal status of such authority; - Public resources allocated to this administration; - Safety standards decrees
k) Agricultural value chains which focus on better quality, production, environmental sustainability marketing and export are developed;	k) Food traceability system designed, implemented and operating (baseline: 2014; target year: 2016)	- Certification procedures issued - MoA reports on regulation of wholesale markets - Reports from the consumers association of Lebanon
l) Sustainable use of natural resources (e.g. water, soils conservation, green energies) is evident;	l) Number of natural resources preservation and promotion initiatives (share of water resources used by the agricultural sector decreases, number of water efficiency measures adopted by the agricultural sector, indicators of soil health improve, number of farmers adopting soil-preservation practices) Baseline: 2014	- Reports from LARI and/or the MoE - Specific reports on preservation/promotion initiatives.

	Target year: 2016	
m) Lebanon's integration within the European/regional agricultural market has improved.	<p>m) Status of negotiation between EU and Lebanon on trade liberalization</p> <p><u>Milestones:</u></p> <p>m1) Negotiations launched on further liberalization of trade;</p> <p>m2) Preparation of an agreement on protection of geographical indications for agricultural products and foodstuffs.</p>	<p>- Trade negotiation report (EU/MoT)</p> <p>- Draft agreement</p>

Attachment 2. Indicative timetable for commitments

	Indicative allocation	2014*	2015*	2016*
SECTOR OF INTERVENTION – Justice and Security System Reform	15%			
Support to the Judiciary and Penitentiary reform	X			X
Reinforcement of capacities of security agencies and Integrated Border Management	X	X		
SECTOR OF INTERVENTION – Reinforcing Social Cohesion, <u>promoting sustainable economic development and protecting vulnerable groups</u>	40%			
Enhancing Social Protection	X			X
Reorienting education towards Labour market needs	X			X
Address the needs of the most vulnerable areas and populations in Lebanon	X	X		
Improve legal rights and living conditions of refugees in Lebanon including Palestine refugees	X		X	
SECTOR OF INTERVENTION – Promotion of sustainable and transparent management of energy and natural resources	20%	<u>X</u>		
Improving energy sector management	X			
Environmental protection	X			
Development of agriculture competitiveness	X			
Provision for technical assistance and twinning	10%		X	
Provision for support to civil society	15%		X	
Total Commitments	100%			

3. *Breakdown by year is useful for planning, but not required