

09-October-2007



# UN Development Programme

## Lebanon - Beirut

Award ID: 00013381 LEB01001

Award Title: Support to the Ministry of Economy and Trade

Start Year: 2001

End Year: 2010

Implementing Partner  
(Executing Agency):

Budget (US\$) as of Last Revision on 09-October-2007		
Donor	Fund	Amount
UNDP	04000 TRAC (Lines 1.1.1 and 1.1.2)	200,000.00
PRIVSECT	30000 Programme Cost Sharing	20,333.00
MOET	30071 Programme cost sharing - GOV1	3,470,700.00
Total Budget ( 2007 and Beyond )		3,691,033.00
Total Expenditure ( 2006 and Prior )		2,282,691.75
Award Total		5,973,724.75
Unprogrammed/Unfunded		0.00

Responsible Party

(Implementing Agent): LEB-Ministry of Economy and Trade

Revision Type: Substantial Revision 2

### Brief Description:

Following the decision of the TPR meeting held on September 27, 2007 to extend the project through 2010; this revision has been undertaken to create 2008-2009 and 2010 budget with a yearly total budget of USD 950,000 funded by the Ministry of Economy and Trade (USD 900,000 per year) and UNDP (USD 50,000 per year).

Agreed by: *Mona Hammam* 10/10/07  
Mona Hammam, Resident Representative

Agreed by: *H.E Sami Haddad* 10/10/07  
H.E Sami Haddad, Minister of Economy and Trade

Agreed by: *Nabil El-Jisr*  
Nabil El-Jisr, CDR President

Agreed by:





**Government of Lebanon**

**United Nations Development Programme (UNDP)**

**Ministry of Economy and Trade (MoET)**

**Revision for the  
"Institutional Assistance for Economic Policy and Trade project"  
Leb00013381**

**Brief Description**

The project underwent two consecutive substantive revisions in March 2004 and 2005 respectively, capitalising on the successes of the initial project at the Ministry of Economy and Trade (MOET), which originated in April 2001. The extension of the project until the end of 2010 is crucial to consolidate achievements and to proceed with the implementation of reforms falling within the remit of MoET under the Government's Reform Agenda medium-term (2007-2011).

The overall objective of this project strengthens the institutional capacities of the Ministry of Economy and Trade (MOET) with respect to economic policy formulation, public sector management and control, private sector development and other related matters falling within the competences of the Ministry.

The project revisions of 2004 and 2005 addressed the ambiguities and inefficiencies in management structures and systems, including reporting lines of workflows. Accordingly, a new and simpler structure and clear reporting lines were introduced. These revisions promoted a more balanced participation of MoET and UNDP project staff in the planning, formulation and implementation of trade and economic policies; supporting corresponding legislation, including drafting of proposed legislation and monitoring the enactment of such legislation and regulations, developing key aggregate trade and economy indicators and rationalising workloads within.

This project document provides an update of the activities underwent throughout the project's life since its inception in 2001, and defines those to be implemented in the coming three years (2008-2010) to improve Lebanon's economy and strengthen public confidence.

## PART I-A SITUATION ANALYSIS

### I- A.1 – Background Information

In April 2001 the “Institutional Assistance for Economic Policy and Trade” project was launched at the Ministry of Economy and Trade, with the objective of building and modernising public sector capacity in all its phases, and managing economic reforms and trade regulations and formulating appropriate trade and economic policies to stimulate growth and increase Lebanon’s competitiveness in the global economy. The achievements of each phase of the project are summarised in Annex I, and reflect concrete and necessarily incremental progress towards overall objectives.

Since March 2005, the restructuring and rationalisation of workflows introduced by the project have contributed to a more balanced participation between UNDP project and MOET civil service staff in the key areas of policy formulation and implementation, legislative reforms, knowledge transfer and capacity strengthening. Aggregate trade and economic indicators have been developed, the MOET’s relationship with the private sector have been strengthened through reforms in the regulatory framework to create conditions conducive to private sector investments, trade promotion, SME development and ICT.

The project will continue to accompany the reform processes undertaken by the five main organizational units of the Ministry.

The project has proven to be pivotal in leveraging donor resources (so far around € 35.00 million from the EC, CHF5 million from EFTA and over \$4 million from USAID) for strategic projects at the Ministry, with projections of at least \$16million in project funding in the next 2-3 years.

The following technical assistance projects were initiated over the past years with UNDP support of the UNDP PAU:

1. The Economic Research Unit in collaboration with the French Statistical Institute (INSEE) finalised and published 1998-2002 **National Accounts** by establishing the needed time series for annual reports yearly. This responsibility for producing national accounts has recently been transferred to the Office of the Prime Minister. Throughout the period underwent, the Economic Research Unit (ERU) and in close collaboration with INSSE and the University Saint Joseph (USJ) designed, tested and launched the National Accounts questionnaires, conducted field work and data collection, compilation and analysis, selected and finalised the industrial indicators and sectoral data etc. The objective of the INSEE funded project was mainly to enhance the capacity of the MOET in data collection and economic analysis. To that end, the ERU aimed to provide the MOET, and the Government at large, with reliable and timely economic aggregate figures and data, an in-house economic “Think Tank” and research and modelling capacity, as well as the ability to assess the socio-economic impact of trade liberalisation and Free Trade Agreements (FTA) on the Lebanese economy.

2. The **Sustainability Impact Assessment (SIA) study which was** launched in December 2004 and funded by the United Nations Environmental Programme

(UNEP), in close cooperation with local stakeholders such as the Ministry of Environment (MOE), the Ministry of Social Affairs (MoSA) and the private sector, aimed to assess the social, economic & environmental impact of the Association Agreement with the EU on selected sectors – namely the olive oil sector. A publication has been finalised and published in December 2005 under the technical supervision and support of UNEP. The UNEP Project ended in December 2005.

3. The **SME Support Unit**, established within the Ministry in 2003 to execute, coordinate and follow-up of the EC's "Integrated SME Support programme" (€ 17.00 million), has established 4 Business Development Centers in Lebanon and a €4 million loan guarantee fund under Kafalat to develop SMEs and then cater needs in Lebanon including access to credit. The Unit will continue to monitor and provide technical support to SMEs and help them tap into foreign technical assistance donor funds.. The SME team is working to position the Ministry as a major and instrumental player in the SME sector; initiate dialogue, build-up trust and establish partnership with the private sector; review and modernise the legal regulatory, legislative and policy framework with the aim of developing a conducive and enabling business environment that provides better understanding of the needs and requirements of SMEs and start-ups.

4. The IFC/ FIAS Project was initiated on 24 January, 2006 within the MOET to simplify business registration procedures and identify and streamline administrative barriers to investment. It finalised a mapping of the Business Registration (BR) process for all types & structures of companies in August 2006 and are currently working on reducing the average time, cost and complexity of business registration by 45%. An MOU with Libanpost and concerned Ministries to facilitate the BR process is expected to take effect early September 2007. Furthermore the FIAS study on Streamlining Administrative Barriers to Investment was finalised in January 2007. Findings of the FIAS study and key administrative barriers (building permits and Licensing procedures) relevant to business start-ups, were discussed in Inter-ministerial meetings and workshops in order to craft workable measures that would improve the regulatory environment.

5. The IT Unit has been providing continuous support and monitoring of the e-commerce project funded by the EU which ended in June 2005. A gradual handing over to the IT Unit took place end of 2005 for the support, follow-up and monitoring of the e-commerce project. With the support of the IT unit and legal team, the e-commerce project published the "ecomleb" website, conducted several workshops, events and consultations with different stakeholders, reviewed and drafted a basket of 10 laws related to electronic online contracts (C2B; C2C; B2B), secure e-payment systems, documentary evidence of contract and electronic signature etc. Although the e-Commerce 10 pilot projects and e-Tourism project were supposed to finish in June 2005 with the main e-Commerce project, administrative / procurement delays and the July war in 2006 hindered the launch of these projects. Since shortly after the end of the war, the IT unit has been working on reaching these initiatives. Today the UNDP project is overseeing the final delivery and launch of all the 10 e-Commerce pilot projects and is renegotiating the extension of the "Build Operate and Transfer" (BOT) contract enacted between the Ministry of Tourism and Gray Matter the e-Tourism project developer.

6. The Quality Programme funded by the EU (€ 15 million) in 2005, included the finalisation of the Inception Report, the formation of a Quality Advisory Committee headed by the private sector, the establishment of several working groups (Metrology, conformity assessment etc.), prioritising of sub-sectors and reviewing the legal framework (laws on Plant Quarantine, Animal Quarantine, Conformity Assessment Procedures). The Unit has conducted capacity building of 16 public & private sector Laboratories through the delivery of a series of training and consultancy activities on ISO 17025 (laboratory quality management systems) from December 2006 and up to the end of 2007, with the objective of achieving international accreditation.

7. The USAID technical assistance project at the Ministry of Economy and Trade (MOET) in support of Lebanon's accession to the World Trade Organization was initiated in June 2001 and has been instrumental in providing capacity building and technical support to the WTO negotiating team.

Other activities undertaken by the various units have also contributed to the realisation of the project's overall objectives, mainly:

#### **A. Trade and Legal Reform:**

1- At the WTO accession level, the 4th and 5th Working Party meeting were held in Geneva in March 2006 and May 2007 respectively, in which new rounds of Q&As were submitted and discussed. The trade Unit finalized all necessary working documents and is currently updating and answering new questions after the 5th WP meeting in close collaboration and consultation with the relevant Ministries and the private sector. Two WTO National Committee meetings were also held in 2006 and 2007 to brief and update all stakeholders, including relevant ministries, the private sector, NGOs etc, on the progress of Lebanon vis-à-vis the accession process. Currently the team is working on finalizing bilateral negotiations and updating the draft working party report which will serve as the base document for concluding the WTO Multilateral negotiations and approving Lebanon's accession into the WTO.

2- A Trade and Investment Framework Agreement (TIFA) was negotiated and signed with the USA on Nov. 30, 2006.

3- The Third Joint Committee meeting between Lebanon and Cuba was held in Havana in July 2006 in which 3 cooperation agreements were signed.

4- A basket of legal reform review and modernisation is being undertaken by the Trade team as part of WTO conformity and requirements for accession as well as other Government initiated legislative reforms: All WTO draft laws have been approved by Council of Ministers and are currently at Parliament either being discussed in Committees or awaiting final ratification by the General Assembly. The UNDP MOET legal team attends all 5- parliamentary meetings to discuss these laws.

5- A new competition law for Lebanon is in the process of being finalized for submission to the Council of Ministers by end of September 2007. By means of this new legislation, new structures will be laid out, such as a Competition Authority, to increase the openness and transparency of the Lebanese economy thereby increasing competition and liberal market advantages. To that extent, extensive consultations and working sessions were held with potential stakeholders which led to a new revised and better defined draft competition law.

6- A draft law on Geographical Indications was finalised and sent to Council of Minister in March 2007.

7- A brochure on the EFTA agreement was finalised published and circulated early 2006.

8- A new Consumer Protection law for Lebanon has been passed and approved by the parliament in January 2005 and became effective in May 2005.. Implementing decrees are being addressed at this stage.

9- Moreover, other IPR draft laws that are either in the process of being finalised and/or finalised and being sent to the Parliament: law on distinctive signs, law on industrial designs, law on Geographical Indications & law on unfair competition. Following Lebanon's accession to new conventions/ agreements relating to intellectual property, the copyright law and the patent law will be amended accordingly.

**B. Training & capacity building** is in process for project staffs in their relevant field of expertise such as WTO accession process, IT, SME development & business incubators, economic analysis and research, IPR etc.

**C. ICT Reform:** A dynamic, user-friendly, and comprehensive **MOET website** has been reviewed, finalised and launched in May 2005. The new website is now on-line and aims at enhancing the delivery of MOET services to the public as a first step towards implementing e-government in Lebanon. The website undergoes periodic updates and redesign by the UNDP IT staff.

E. Administrative Reform:

1. The establishment of a **hotline** and call centre within the Ministry responding to public inquiries, complains, and requests that was established at the Ministry starting October 2004 remains to be of crucial importance to the proper and timely functioning of the Consumer Protection directorate.and to the implementation of the newly enforced consumer protection law.

2. The continuous **modernisation and automation** of the various MOET processes and procedures. This includes the upgrading and servicing of computer hardware, software, and networking used in the different departments of the Ministry. Implementation of the work-plan is well in progress and covers the following:

- Interconnecting through our intranet the Ministry's regional offices to the HQ in Beirut, hence facilitating and speeding communication and handling of citizens inquires, requests and complains.
- Implementing a document management system covering all administrative paper work flow. The system is well underway covering all internal paper circulation in preparation for future paperless operation across government entities.
- Continuous support to the intellectual property and consumer protection departments mainstreaming document workflow and management system. The application integrates all controllers' field activities and stream line administrative tasks from complaint to result as well as expedites citizens' servicing and a web enabled search engine along with regional offices. The IT Unit is currently working closely with the consumer protection department towards future plans to implement a GIS / GPRS system adding more accuracy and promptness to field operations.
- Assist in establishing a library for the Ministry hosting professional economic and technical publications. The IT unit implemented the electronic coding, labelling on all

the books, reports and papers in addition to adding a small description of library items is fed into the system along with a scanned Introduction of each.

- Ongoing IT training and capacity building of the Ministry's staff as well as the UNDP project team.
- Providing the Ministry with assistance and advice on the ICT sector in Lebanon as well as on the overall e-government strategy of the country.
- Continuous support and monitoring of the e-commerce project funded by the EU. The e-commerce project has ended in June 2005, and the project ensured a smooth handing over between the EU team and the Ministry. With the support of the IT unit the e-commerce project launched the "ecomleb" website, conducted several workshops, events and consultations with different stakeholders, reviewed and drafted a basket of 10 laws related to electronic online contracts (C2B; C2C; B2B), secure e-payment systems, documentary evidence of contract and electronic signature etc.

In its first phase, the project concentrated on providing assistance to the Ministry of Economy and Trade in fulfilling its responsibilities and thus has contributed substantively and substantially to the successes and achievements outlined above. It should be noted that the UNDP project played an important role during the war in ensuring stabilisation supplies and prices for the humanitarian effort; it was also instrumental in the elaboration of economic reforms presented to the Paris III conference.

#### I- A.2 – Rationale

The Ministry of Economy and Trade is still facing numerous challenges in light of the Government's overall Trade and socio-economic development objectives. In this context the MoET scope of intervention is to:

- a. Modernise a large number of economic and trade related laws and to establish effective competition and regulatory institutions;
- b. Implement the EU Association Agreement and to finalise Lebanon's accession to the WTO;
- c. Build economic research capabilities enabling it to provide critical input to economic decision making including the creation of a monthly indicator of economic growth in Lebanon; and
- d. Provide technical and financial support to the commercial private sector as a mean to both improving competitiveness and increasing the productive capacities of Lebanese businesses especially small and medium sized enterprises.
- e. Establish a training unit responsible for providing Government employees with training and capacity building to fulfil post WTO Accession obligations as well as other trade Agreement commitments.
- f. Implement those aspects of the Government's medium-term reform programme falling within the MOET's remit.

The Ministry of Economy and Trade's current institutional set up, absence of Director General (for 2 years so far) and other senior key personnel as well as the shortage of technical capacity to offer high level policy analysis and formulation poses several constraints that limit MoET's ability to function as effectively as it should be. **As a result, it is of utmost importance that the "Institutional Assistance for Economic Policy and Trade" project be extended until the end of 2010 to carry**

out its mission as was outlined in the 'initial' project document signed in 2001, and to implement the objectives set forth in this document.

## **PART I-B STRATEGY**

### **I- B.1 – Objectives**

**The objectives and activities of this project will capitalize on the achievements of the initial project phase.** The **overall objective** of this project is to strengthen the institutional capacities of the Ministry of Economy and Trade (MOET) with respect to economic policy formulation, public sector management and control, private sector development and other related matters falling within the competences of the Ministry. The **sub-objectives** are:

**Objective 1:** To provide the Ministry of Economy and Trade with support and timely advice on issues related to the Ministry's mandate.

**Objective 2:** To provide technical and personnel support to administration, departments and other projects under the mandate of MoET.

**Objective 3:** To support institutional building and re-organisation of the Ministry including:

- Support & capacity building of the introduced institutional structure and functions of the Ministry. This includes strengthening and enhancement of newly established functions/units under the MOET, such as the SME Support Unit, Quality Unit, Economic Research Unit etc.
- Training and strengthening the human capacities within the Ministry. This includes transferring and mainstreaming the knowledge, skills and experience acquired in the UNDP project to build the capacity of the MoET staff.
- Modernisation of ICT systems and procedures including: enhancing information exchange, improving efficiency and accountability and building the institutional memory of MoET.

**Objective 4:** To strengthen the Ministry of Economy and Trade's capacities in the provision of key aggregate economic figures and strategic thinking on key economic and trade issues

**Objective 5:** To continue the legislative support through expediting the identification, drafting and adoption of modern legislation and regulations.

**Objective 6:** To continue assisting the Ministry of Economy and Trade in negotiating and implementing multilateral and bilateral trade agreements.

**Objective 7:** To conduct policy support including review, analysis and formulation of relevant policies

**Objective 8:** To collect and disseminate economic data and information related to the MoET different functions.

**Objective 9:** To coordinate, monitor, manage technical assistance and mobilise resources to ensure the project's sustainability.

**Objective 10:** To support other projects/initiatives that are being implemented at the Ministry and that are not under the direct mandate of the UNDP project, such as the Quality Unit, IPR Department, the Consumer Protection Directorate etc.

### **I-B.2 - Expected Results**

Among others, the expected output includes the following results:

- a. A mechanism for effective aid and programme coordination ensuring coherence among existing and on-going initiatives.



- b. Resource mobilisation ensuring the project's continuity & sustainability.
- c. A mechanism to improve liaison and reduce duplication between the Ministries of Economy and Trade, the office of the Prime Minister, the Ministry of Finance, CDR and IDAL.
- d. An Economic Research Unit providing critical economic input and aggregate economic indicators for effective decision making.
- e. A reorganised and reformed structure for the Ministry of Economy and Trade that is in tune with its operating environment.
- f. A modernised Consumer Protection Department providing modern, efficient, effective and relevant consumer protection services.
- g. A trade policy team with a clear mandate and role, adequately staffed and resourced and engaged effectively in WTO, EU Association Agreement, GAFTA, EFTA and other trade related activities.
- h. The development of the negotiation position/strategy of the Government with respect to multilateral and bilateral trade agreements.
- i. A modernised trade legislative framework including a new competition framework.
- j. An integrated and comprehensive regulatory and legislative framework supporting SMEs.
- k. An appropriate legislative and incentive structure to promote the ICT sector in Lebanon.
- l. An e-commerce regulatory framework that will contribute to the business uptake of e-commerce in Lebanon.
- m. A Quality infrastructure and management mechanism set up to improve products competitiveness and to increase Lebanese exports and market penetration.
- n. Strengthened MoET administration, key departments and projects supported by UNDP staff.
- o. Reorganised project ensuring an effective institutional building, continuity and sustainability.

### **I- B.3 – Institutional set-up**

To achieve the above-mentioned objectives, the workload has been distributed among **five components** as follows:

- a. An **Economic Policy Component** charged with providing advise to the Minister and the Director General on economic policy issues particularly in the areas of economic policy and reforms, business sector competitiveness, consumer protection, private-public partnership and real sector policy;
- b. An International **Trade Policy Component** responsible for consolidating MOET's ad hoc efforts and initiatives to promote and increase the efficiency of trade in Lebanon and to respond to global trade requirements including expediting and facilitating the process of accession to WTO; implementing the Association Agreement with the EU; enhancing bilateral and regional agreements and cooperation, and the establishment of trade information infrastructures, support services and networks.
- c. An **SME Component** charged with developing a conducive and enabling business environment that provides better understanding of the needs and requirements of existing SMEs and start-ups as well as access to credit for SMEs and start-ups.
- d. An **IT component** responsible for modernising the work procedures within the Ministry and improve document management solutions covering Inter and Intra

Ministry document flow with particular focus on the areas of Intellectual Property Registration, Technical Prices Office and consumer protection.

e. **An institutional support component** that provides support to the Ministry's departments, especially key projects/initiatives being implemented, including the:

- Quality project which aims to strengthen the Ministry's capacity in the development of a quality infrastructure and to enhance competitiveness of Lebanese products in the national and international markets.
- E-commerce legislations & regulatory framework and all the basket of laws developed under the e-commerce project.
- Consumer protection and Intellectual property departments

**In addition to working in their assigned components, individuals working through the above-mentioned set up will also support other departments/units of the Ministry of Economy and Trade** through the provision of technical advice, resource mobilisation, capacity building activities, facilitation of consultants' services, transfer of knowledge, etc.

More information on the set – up of these components can be found in the management section.

#### **I- B.4 – Success factors:**

Crucial elements for the success of the project include:

- a. The support of the business sector and the close cooperation with private sector organisations that have a bearing on trade: the Chambers of Commerce, the Association of Lebanese industrialists and the traders associations.
- b. The development and implementation of effective communication strategies and public awareness campaigns on competition regulation, quality infrastructure, SME development, consumer protection, and trade.
- c. The upgrading of the skills of the existing and newly recruited MOET staff. In this regard, to ensure the sustainability of project activities, training has been included as an integral part of this project. On-the-job-training, train-the-trainer programs, or seminars within Lebanon will have to be complemented by participation of Lebanese officials in seminars, study tours, training modules and internships abroad.
- d. Good working relationship between the UNDP management/team, the Director General and the MoET staffs.
- e. A clear, transparent and fair integration/exit strategy for UNDP staff members working directly & under the administration.
- f. The staffing of MOET's numerous vacant positions starting with a DG.
- h. Restructuring of MOET's departments and units to fulfil Lebanon obligations and commitments as well as to absorb the capacity building initiatives that have been achieved through Donor projects implemented at MOET over the past 7 years particularly in the IPR and Trade Departments.

## Project Results and Resources Framework

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### Intended Outcome as stated in the Country Results Framework:

#### Outcome Indicator:

#### Applicable Strategic Area of Support (from SRF) and TTF Service Line (if applicable):

**Project Overall Goal:** The objective of this project is to strengthen the institutional capacities of the Ministry of Economy and Trade (MOET) with respect to economic policy formulation, public sector management and control, private sector development and other related matters falling within the competences of the Ministry.

#### Project Title and Number: Revision to the “Institutional Assistance for the Economic Policy and Trade”

Expected Results	Targets	Indicative activities	Inputs
Technical assistance coordinated, monitored, mobilized and managed	2007-2010	<p>1.1 Training implemented, this includes:</p> <ul style="list-style-type: none"> <li>i. E-commerce training</li> <li>ii. ICT human resource training</li> <li>iii. Consumer protection workflow training</li> <li>iv. technical assistant for the EFTA programmes</li> </ul> <p>1.2 Workshops conducted:</p> <ul style="list-style-type: none"> <li>i. ISO implementation at the MoET</li> <li>ii. Competition awareness project</li> <li>iii. IP information centre at the MoET</li> </ul> <p>1.3 Management of technical assistant:</p> <ul style="list-style-type: none"> <li>i. Assist Ministry of culture in setting up the system of collective management</li> </ul>	<ul style="list-style-type: none"> <li>▪ All divisions/Units</li> <li>▪ Project Manager/Adviser to the Minister</li> <li>▪ Trainers</li> <li>▪ International Experts</li> </ul>
Provision of management support and policy advice to the Minister/MoET	2007-2010	<p>1.1 New Ministry structure recommended and implemented</p> <p>1.2 Support specialized units dealing with the major themes related to the ministry's work, such as the SME unit, the quality unit, the EU unit, the economic unit, the WTO and trade unit and the IPR unit.</p>	<ul style="list-style-type: none"> <li>▪ All Units</li> <li>▪ Project Manager/Adviser to the Minister</li> </ul>

		<p>1.3 Increase consumer protection efficiency and functions within the ministry</p> <p>1.4 Transfer of knowledge through job rotations, mixed UNDP/MoET Units, etc.</p> <p>1.5 On the job training to MoET Staffs</p>	
<p>Provision of economic and trade analysis and reports to the MoET and disseminate information to stakeholders, and the public</p>	<p>2007-2010</p>	<p>1.1 Economic and trade indicators compiled</p> <p>1.2 Internal Bulletin</p> <p>1.3 Meetings with experts</p> <p>1.4 Various progress reports for the programmes made public</p> <p>1.5 Creation of a new economic growth indicator</p>	<ul style="list-style-type: none"> <li>▪ Project Manager/Adviser to the Minister</li> <li>▪ Economic Research Unit</li> </ul>
<p>Improvement of the environment through which SMEs and start-ups operate</p>	<p>2007-2010</p>	<p>1.1 Providing Support to the BDCs established in 2006</p> <p>1.2 Following up on the MoU signed with Kafalat in 2005</p> <p>1.3 Implementing the recommendations of the Business and market review finalised in 2006.</p> <p>1.4 SME Euro Med Enterprise Charter stakeholder's conference to be held in Beirut during the last quarter of 2007 or first quarter of 2008</p> <p>1.5 Streamlining Procedures for doing business and improving Investment Climate</p>	<ul style="list-style-type: none"> <li>▪ SME Unit</li> <li>▪ Head of the SME Unit</li> <li>▪ Project Manager/Adviser to the Minister</li> <li>▪ International experts</li> <li>▪ Local and international short term experts</li> <li>▪ IFC/ FIAS experts</li> </ul>

Improved competitiveness of Lebanese products in national and international markets and acquire international accreditation	2007-2010	<p>1.1 Open Session with International Experts</p> <p>1.2 Work on supporting national laboratories. Equipment procured &amp; reports finalised</p> <p>1.3 Quality system mechanism set-up</p> <p>1.4 Colibac staff trained &amp; accreditation Unit setup</p> <p>1.5 Quality Programme progress reports &amp; newsletter published</p> <p>1.6 Awareness seminars held, assessors &amp; inspectors trained.</p>	<ul style="list-style-type: none"> <li>▪ Quality Unit</li> <li>▪ Head of the Quality Unit</li> <li>▪ Project Manager/Adviser to the Minister</li> <li>▪ International experts</li> <li>▪ Local and international short term experts</li> </ul>
Implementation and drafting of legislation within the MOET's mandate	2007-2010	<p>1.1 Enactment of draft laws including: international trade; competition; food safety; trademarks; GIs etc</p> <p>1.2 Revising, monitoring and commenting on Laws from different ministries related to trade</p> <p>1.3 Series of meeting for the WTO national committee held</p>	<ul style="list-style-type: none"> <li>▪ All Units</li> <li>▪ Project Manager/Adviser to the Minister</li> </ul>
Successful and progressing negotiations in multilateral and bilateral trade agreements	2007-2008	<p>1.1 WTO Bilateral Negotiations and accession process finalized</p> <p>1.2 EFTA -financed projects implemented</p> <p>1.3 EU- Lebanon ENP Action Plan implemented</p> <p>1.4 Other Trade Agreements Negotiated</p>	<ul style="list-style-type: none"> <li>▪ Trade Unit</li> <li>▪ Project Manager/Adviser to the Minister in coordination with DG/MoET staff.</li> </ul>

Trade information infrastructure and trade promotion capacities strengthened	2007-2010	1.1 Conformity assessment database set-up 1.2 Trade information database developed	<ul style="list-style-type: none"> <li>▪ Trade Unit</li> <li>▪ Project Manager/Adviser to the Minister in coordination with MoET staff.</li> <li>▪ Quality Unit</li> <li>▪ Economic Research Unit</li> </ul>
e-Commerce laws and regulatory decrees operational and functional and exemplary Per Sector Pilot projects implemented	2007-2010	1.1 E-commerce basket of laws ratified 1.2 Awareness raising campaigns launched 1.3 Per sector performance indicators	<ul style="list-style-type: none"> <li>▪ IT Unit</li> </ul>
Initiation and support of ICT sector economic development in Lebanon	2007-2010	1.1 Signed bilateral, regional and international memorandum of understanding (MOU) 1.2 ICT partnership based on MoU	<ul style="list-style-type: none"> <li>▪ IT Unit</li> </ul>
Resource mobilisation	2007-2010	1.1 Proposals and project documents for various projects developed, negotiated and mobilized from local and international donors 1.2 international short term experts mobilised	<ul style="list-style-type: none"> <li>▪ All units</li> <li>▪ Project Manager/Adviser to Minister in coordination with MoET staff.</li> <li>▪ Economic Research Unit</li> </ul>

### **PART III - MANAGEMENT ARRANGEMENTS**

The Minister of Economy and Trade will maintain overall responsibility for the project through the role the National Project Coordinator delegating to the Project Manager/Adviser to the Minister the specific functions pertaining to project implementation and day to day management, as and when required.

Under the direct supervision of the Minister/National Project Coordinator and in close collaboration with UNDP, the Project Manager will be responsible for the day to day implementation of the project, in addition to providing advisory functions to the Minister and the Ministry.

The current structure of the project, namely the five Components (International Trade, Economic Policy, SME, IT and Institutional support) reflect the foreseen structure of the Ministry of Economy and Trade.

As further outline in the organigram of this document, the project will include the following positions:

#### **Project Manager/Adviser to the Minister of Economy and Trade**

##### **International Trade Component**

✓	Head of Trade Unit	(Lama Oueijan)
✓	Legal Trade Specialist	Linda Kassem
✓	Senior Trade Specialist	Aiman Mackie
✓	Trade Specialist	Mahasin Rahhal
✓	Senior Legal and IPR Specialist	Ghada Safar

##### **Economic Policy Component**

✓	Head of Economic Unit	Marwan Mikhael
✓	Senior Economist	(Vacant-Advertised)
✓	Senior Economist	Mira Merhi
✓	Junior Economist	Hana Anouti
✓	Research Officer (1)	Diala Nasr

##### **SME Component**

✓	Senior SME Specialist/ Coordinator of Unit	Makram Malaab
✓	Business Environment Specialist	Adele Saab
✓	Legal Specialist	Linda Kassem
✓	Project Officer	Vacant

##### **IT Component**

✓	Head of ICT Unit	Radwan Habli
✓	Network and Operations Administrator/IT Specialist	Kassem Bassam
✓	IT Specialist	Nada Sweidan
✓	IT Specialist	Anas Al-Amine
✓	IT Specialist/ Coordinator of Unit	Sharbel Dabaghy

Senior Security Specialist	Issam Mikdashi
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▪ **Institutional Support Component/Support Staff**

✓	Legal Specialist (Support to Quality Programme)	Rita Feghali
✓	(Support to Quality Programme)	Samuel Sawah
✓	Legal and IPR consultant (DG Office)	Ghada Safar
✓	IT Component (All staff of IT Component)	Radwan Habli, Nada Sweidan, Issam Mikdashi, Sharbel Dabaghy, Kassem Bassam, Anas Al-Amine
✓	Support to Consumer Protection	Golda Zgeib
✓	Assistant to the Project Manager	Sana Abu Khalil
✓	Driver	Ghassan Hariri
✓	Technical Officer (1) Support to IPR	Hanan Abi Ghanem
✓	Technical Officer (2) Support to IPR	Dania Abdallah
✓	Technical Officer (3) Support to IPR	Mayssa Hajjar
✓	Research Officer Support to IPR	Wissam Amil
✓	Senior Administrative Assistant (DG Office)	Hiba Baghdadi
✓	Minister's Office Manager	Ghada Eid

#### PART IV - ATTACHMENTS

- a. Organigram
- b. Project work plan
- c. Indicative budget-2008-2010

#### Annex 1. Major Achievements: April 2001 – August 2007

Since its inception, the project has proved to be crucial for the Ministry's development, and has achieved a wide range of objectives. These achievements were elaborated upon in the initial project document. The following are a list of some of the key achievements until the March 2004 Project Review:

- a. The creation of an Economic Research Unit that achieved among others the following:
  - Publishing of the 1997 National Accounts
  - Working on the 1998-2002 National Accounts



- Preparing a series of policy papers and publications (e.g. Internal Bulletin, Country reports, Brochures, two websites)
- Thematic activities: Coordination and partnerships with other donors/sectors e.g. launching project on competition law, World Bank/IMF, EU, Private Sector liaison (ALI, Chamber of Commerce, etc.)
- Promotion Campaigns: February festival, CNN, Euronews, CNBC
- Delegations and bilateral trade policy dialogue with other countries
- EUMEDIS project
- Participating in the preparation of the Stockholm Donor's Conference Document
- Participating in the preparation of the Paris III document
- Coordinating the work of the LRF

b. The enhancement and modernization of the MoET IT capabilities: IT maintenance and development within the Ministry including renovating the work procedures at the Ministry departments and introducing a full workflow and document management solutions (to be used as benchmarks for other government models). This also includes enhanced Intellectual property registration, automation of Financial Audit operations (Insurance Committee), etc.

c. Provision of support to the implementation of the Association Agreement. This includes liaising with the European Union, negotiating the Lebanon/EC ENP Action Plan, convening meetings and following up on the Interim agreement, agriculture development project, SME and start-up project, quality project, etc;

d. Preparation for the development of an SME unit, including:

- The finalization of the first draft of the SME and Start-up EU project document
- Development of a public-private strategy and implementation of a pilot project "Leadership Through Volunteerism"
- Coordination with other stakeholders working within the SME sector e.g. EU officials, Lebanese Ministries, ELCIM, Kafalat, etc.
- The Establishment of 4 Business Development Centers
- The establishment of a loan guarantee fund in 2006 with Kafalat and the disbursement of up to \$14.2 million of loans by June 2007.

e. Preparation for the implementation of several communication campaigns on consumer protection and intellectual property. This included the development of communication proposals and coordination with other possible partners such as: Amideast, Brand Protection Group, WIPO, EC, private sector organizations, etc.

f. Provision of support to the implementation of a quality project financed by the EU. This included the creation of a quality unit within MoET, facilitation missions, roundtables, work groups, equipping over 17 labs, ISO certification of labs, etc.

g. Launching of a Food Safety Campaign with UNIDO

- h. Support to the implementation of an E-commerce project
- i. The provision of technical assistance for the modernizing of Insurance Control Commission and consolidating the insurance sector in general
- j. The formation of a trade team
- k. The organization of seminars related to trade in Agriculture and Services
- l. The finalization of relevant WTO accession documents such as: offers on goods and services, ACC 4, ACC 9, Questions and Answers; as well as attendance in all relevant conferences, seminars, meetings, both locally and Internationally, including among others the WTO Ministerial Conferences and 5 Working Party meetings so far.
- m. The drafting of laws necessary to fulfil the requirements to accession of the WTO and the implementation of the Association Agreement namely:
- A first draft on the Law on International Trade has been finalized and is being reviewed
  - A first draft on Competition Law is finalised and ready to be sent to COM
  - A first draft on Trademark Law is being finalized
  - A draft law on the anti-dumping, countervailing and safeguard was ratified by Parliament (the implementing decrees to be sent to COM by end of 2007.)
- n. The drafting of laws within MoET's mandate including:
- Law on the Promotion of Investment enacted in 2001
  - COLIBAC law ratified in February 2004
  - Exclusive agency law approved by parliament in February 2004
  - Law on Animal Quarantine sent to Council of Ministers in the 4<sup>th</sup> quarter of 2003
  - Law on Plant Quarantine ratified by Parliament in November 2006
  - Law on Consumer Protection sent to Council of Ministers in October 2003 (ratified Feb. 2005)
- o. The coordination with the Trade Information Centre and the Technical Prices Office at the Ministry and the customs administration in order to set up an online system for the sharing of information captured by ASYCUDA with the different directorates of the Ministry.
- p. Provision of support and advice to the Minister, the Director General, and the Ministry of Economy and Trade, on a wide range of issues within the Ministry's mandate.
- q. Support to the Ministry in the development of an organizational structure.

r. Resource Mobilisation with International and private sector donors.