



**Government of Lebanon**

**United Nations Development Programme (UNDP)**

**Investment Development Authority of Lebanon (IDAL)**

**Sustaining and Enhancing the Institutional Capacity of IDAL**

The growth of Foreign Direct Investment (FDI) and the positive impact such investments can have on economic growth and regional development have lead countries to actively seek to attract inward investment to secure new capital, new jobs, new technologies, and new skills, and to improve their infrastructure, and competitiveness. Investment promotion agencies have played an important role in channeling investments to a country. The Investment Development Authority of Lebanon (IDAL) was established in 1994 to spearhead Lebanon's investment promotion efforts and to promote Lebanon as key investment destination.

The UNDP Project at IDAL was set-up in 2003 to provide IDAL with strategic and advisory support in performing its functions. Over the years, the role of the UNDP Project has taken a more operational focus to fill the shortage in IDAL staff and technical capacity. Today, some of IDAL's key functions including investment facilitation, marketing and promotion and investor targeting are undertaken by UNDP staff.

In 2011, a new project was set-up to provide IDAL with the institutional set-up needed to improve the delivery of its key functions and develop the capacity for a long-term sustainable structure. The project was successful in meeting more than 90% of its set targets while actively working in parallel on capacity building, building the infrastructural base for improved investors' service delivery. This 2<sup>nd</sup> phase of the project will build on the achievements and will mainly focus on supporting IDAL in implementing the developed medium-term plans related to promoting investments to growth promising sectors and fostering linkages with multinationals. The team will also continue supporting IDAL in policy making and planning activities.

More specifically, the project will include one outcome: "Technical Support Provided to IDAL for the Implementation of Sectoral investment Strategies." The three outputs are :

1. Support to strengthen IDAL's policy making, planning and monitoring capacities maintained
2. Support to IDAL in promoting investment to growth promising sectors provided
3. IDAL's capacity to streamline investor servicing supported
4. Support to IDAL in promoting the export of Lebanese products provided



United Nations Development Programme

Country: LEBANON

Project Document

**Project Title:** Sustaining and Enhancing the Institutional Capacity of IDAL

**UNDAF Outcome(s):** **Outcome 1.2:** Effective and accountable governance of state institutions and public administrations is improved

**Expected CP Outcome(s):** Accountability of state institutions, and inclusive participation, Strengthened

**Expected Output(s):**

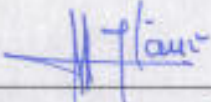
1. Support to strengthen IDAL's policy making, planning and monitoring capacities maintained
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**Executing Agency:** Investment Development Authority of Lebanon

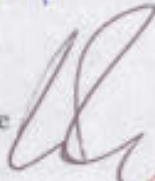
**Implementing Partner:** UNDP

Programme Period:	2014-2016	Estimated 2014 budget*:	381,105 USD
Atlas Award ID:	00060896	Total resources required	1,222,544 USD
Atlas Project ID:	00076879	Total allocated resources:	1,222,544USD
Start date:	1 January 2014	• Government	1,222,544 USD
End Date	31 December 2016	o Net for activities Gov.	1,141,498 USD
PAC Meeting Date	20/12/2013	o UNDP GMS 5% Gov.	58,216 USD
Management Arrangements	Support to NIM	o ISS Gov.	22,830 USD

Agreed by the Government: Mr. Nabil Itani  
Chairman of IDAL

Signature:  Date: \_\_\_\_\_

Agreed by UNDP:  
UNDP Resident Representative

Signature:  Date: \_\_\_\_\_

Agreed by CDR: Eng. Nabil El-Jisr  
President

Signature:  Date: 27 FEB 2014



\*IDAL has only approved the Annual Work Plan (AWP) and budget for 2014 and the AWP's and budgets for 2015-2016 will be subject to IDAL's annual approval

## List of Abbreviations and Acronyms

(IDAL) Investment Development Authority of Lebanon– Executing Agency

(UNDP) United Nations Development Program– Implementing Agency

(PCM) Presidency of the Council of Ministers

(PMO) Prime Minister Office

(CoM) Council of Ministers

(FDI) Foreign Direct Investment

(OSS) One Stop Shop

(NFP) National Focal Point

(NEX) National Executing Agency

(RDP) Request for Direct Payment

(SR) Service Request Form



## Section I. Situational Analysis

### 1. Background and Economic Overview

The Lebanese economy witnessed unprecedented growth levels over the period spanning from 2007 to 2009, years with GDP growth rate registering a figure of 9.3% in 2008 and 8% in 2009. Starting 2010, the Lebanese economy started to contract as a result of the overall slowdown resulting from the global financial crisis and the political turmoil in the region. In 2011 and 2012 the economy contracted to reach GDP growth lower than emerging market levels. The same trend goes for foreign direct investments. While in 2009, FDI accounted for nearly 15% of GDP, since 2011, FDI inflows to Lebanon have been on a downward trend, impacted by decreasing investments to the region in general and to overall political instability in general. Competition for foreign investments have been fierce among regional countries, with Turkey and Dubai aggressively providing investors with a range of services amidst a booming investment environment and stable macro –economic conditions. The Jordanian government is offering investors a safe investment environment to operate in and Egypt is still playing on its cost competitive product offering. All in all, regional countries are aggressively promoting their locations as investment haven.

The Investment Development Authority of Lebanon (IDAL) has played an important role in channeling investments to Lebanon by providing investors with various incentives and services to facilitate their investments in growth generating sectors. During the period spanning from 2011 to 2013, IDAL implemented a series of programs aimed at promoting investments both local and foreign and amending existing legislations geared for that same purpose. IDAL was able to process more than 100 investment applications from both local and foreign investors, a net increase from previous year's level but much is yet to be done to continue attracting foreign companies and turn Lebanon into an outsourcing hub for high value added products.

### 2. Overview of the Investment Development Authority of Lebanon (IDAL)

The Investment Development Authority of Lebanon (IDAL) was established in 1994 to spearhead Lebanon's investment promotion efforts and to promote Lebanon as key investment destination. In 2001, IDAL's mission was reinforced by the enactment of Investment Law 360 and its subsequent implementation decrees, regulating investment activity in Lebanon and empowering IDAL with required investment promotion activities. The law focused on promoting six sectors and offered incentives in that regard.

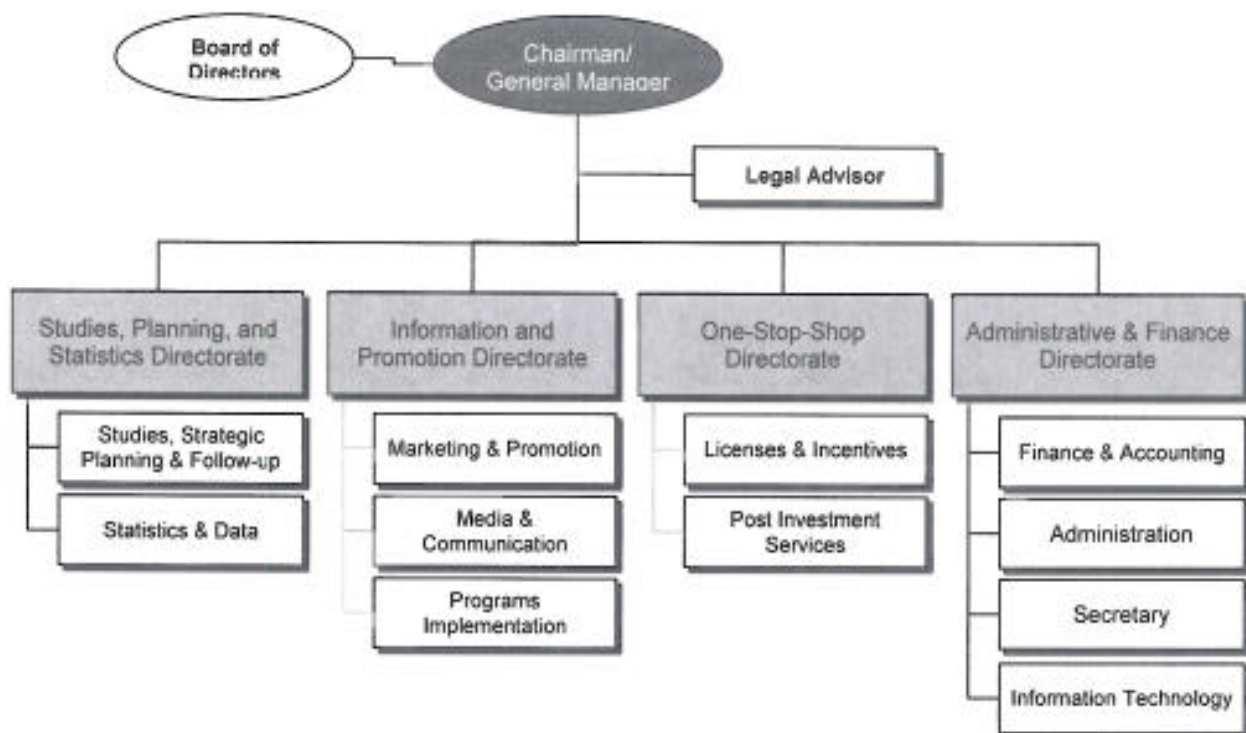
IDAL provides investors with comprehensive services throughout their operations in Lebanon starting with the provision of economic, commercial and legal information vital for taking decisions in investing in the country, through the provision of various types of incentives (fiscal, operational, labor related, etc..) and the facilitation of procedures required to set-up and operate a project. At the same time, the agency mediates contacts between entrepreneurs and potential investors (business matchmaking services) to support in the expansion of their projects. IDAL is also involved in the promotion of export oriented products mainly agriculture and agro food.

IDAL's functions can thus be summarized as follow: (1) Policy development and research, (2) Investment promotion, (3) Promotion of export oriented products and (4) Investor servicing and facilitation. These functions are mapped into 4 directorates which make up IDAL's organization structure (Figure 1)



IDAL is managed by a Chairman & Managing Director (who is the Project National Coordinator) and a Board of Directors composed of 6 members. IDAL's organization is currently staffed with 27 people from the Civil Service Directorate, and 8 staff from the UNDP. 10 of the civil service staff hold a university degree and are distributed in the Administrative & Finance (6 staff), Information and Promotion (3 staff) and One-Stop-Shop (OSS) (1 staff) Directorates. The remaining staffs are support to the institution. The Studies, Planning and Statistics Directorate and the OSS Directorate share an interim acting director.

Figure 1: IDAL Existing Organization Structure



Since its inception and particularly subsequent to the issuance of the Investment Law 360 in 2001, IDAL witnessed the completion of more than 45 projects, mobilizing around 1.5 Billion USD by 2012 and generating around 5000 jobs spread across the various economic sectors and regions of Lebanon. Underlying this success was IDAL's commitment to provide a package of incentives to attract FDI to promising sectors. However over the years, IDAL's product offering has failed to match international trends in products development, exacerbated by a mix of internal and external factors that have slowed its pace in delivering on its mandate and on supporting investments in new promising sectors.

### 3. Assessment of the UNDP Project Performance



The UNDP Project at the Investment Development Authority of Lebanon (IDAL) was set-up in 2003 to provide IDAL's organization with the strategic and advisory support needed to perform its functions. The UNDP team was not meant to replace IDAL's staff in their-to-day operations although the organization was already facing at that time reduction in its fleet. In 2010, a major restructuring of the UNDP team took place, with 8 staff recruited (6 new and 2 from the previous project) brought on board to implement new IDAL's 3 year strategic plan. The project managed to implement the majority of its stated targets and objectives despite the overall economic and political climate which was not conducive for investments.

### **3- Year Achievements (2011-2013)**

During the 2011-2013 period, the UNDP team supported IDAL in building the infrastructure needed to operate at par with regional and international investment promotion agencies. We can safely assert that between 80 to 90% of the stated targets and strategies were implemented.

### **Output 1: Provide IDAL with the capacity to conduct a policy making, planning, monitoring and reporting role**

#### **3-Year Targets & Achievements:**

- Target: Investment promotion strategy approved by IDAL's board and implementation initiated
  - a. Investment promotion strategy developed for 4 sectors (not approved by board): SWOT analysis and regional competitive analysis conducted
  - b. Implementation of the strategy to promote investment to the ICT sector on-going
- Target: Performance monitoring system in place and activated: Excel database created with KPIs
- Target: At least 20% of communication strategy implemented
  - a. 3-Year Marketing & Communication and developed and partially implemented
  - b. Annual and bi-annual communication plans developed
  - c. Targeting plan by stakeholders type developed but not implemented
  - d. Assessment and positioning of IDAL's reach and impact conducted
  - e. 3- Year Digital strategy developed and partially implemented
  - f. Plan to promote investments in the ICT sector developed
  - g. Database of potential target stakeholders created and updated
  - h. Newsletter engine created and monthly newsletter generated
  - i. New visual identify for IDAL developed and implemented. Visual identity for all sectors also developed
  - j. New promotional materials developed and printed
  - k. Training on formulating a vision and mission statement for IDAL conducted for IDAL's staff
- Target: Export policy programs developed and approved
  - a. Export promotion programs developed for 3 sectors: ICT, Agro Food and Agriculture
  - b. Implementation plans for export promotion programs developed and implementation initiated
  - c. 3-year program to promote the export of agro food goods developed and corresponding annual plans drafted but not approved by management. Mechanism to sponsor fair developed and agenda of fairs to sponsor developed
  - d. 3-year program to promote the export of agriculture goods "Agri Plus" developed and corresponding action plan drafted. Plan approved by CoM

- c. Business Linkage Program to support the export of ICT services and promote outsourcing developed and implementation initiated
  - f. Annual and quarterly progress reports on the “Agri Plus” program developed
- Target: Decision taken by CoM on the role of IDAL in economic zones
  - a. Proposal on the role of IDAL in digital media zone developed
  - b. Proposal on the role of government in incubators developed (benchmark document on incubators operating model also developed)
- Target: 3-year strategic plan for IDAL developed and updated
- Target: Policy making role strengthened:
  - a. Amendments to Investments Law No.360 drafted and raised to the Presidency of the Council of Ministers
  - b. Preliminary draft on the implementing decree of Article 6 point 11 of Investment Law No.360 regarding IDAL’s participation in incubators developed

*% of the targets achieved: At least 80% of set targets achieved*

## **Output 2: Supporting IDAL in developing the knowledge base to promote investments in growth promising sectors**

### **3-Year Targets & Achievements**

- Target: 100% of investment related information available & updated on IDAL’s website
  - c. More than 95% of economic, social, legal and commercial information of relevance to investors developed and uploaded on IDAL’s website. Corresponding database developed
  - d. IDAL’s annual reports for the years 2010,2011,2012 developed
  - e. New promotional materials developed: (1) Guide on operational licenses for all sectors (OSS Guide), (2) Guide on Setting- up a business, (3) Investment Guide for Lebanon, (4) Investment Incentives Guide
  - f. Sales pitch presentations on the investment climate in Lebanon developed
  - g. Socio-economic profiling of the North and South of Lebanon drafted
- Target: SWOT analysis conducted for at least 7 sectors
  - a. SWOT analysis and study on 9 economic sectors and sub-sectors developed (Agriculture, Agro Food, Media, Chemicals, Furniture & Wood, Media and Digital Media, ICT, Technology, Olive Oil)
  - b. Fact sheets developed and disseminated
- Target: Investment opportunities identified in at least 4 sectors: A document highlighting opportunities in 4 sectors was developed: ICT, High Tech, Media and Agro Food
- Target: New structure of IDAL’s website implemented and activated
  - a. New website architecture developed and launched (launch event organized).
  - b. Benchmark document and extensive analysis of other countries’ website conducted to develop new website architecture
  - c. Social media campaign implemented
  - d. Database to keep track of website data developed and updated
- Target: Plan for targeting Lebanese expatriates approved and partially implemented
  - a. Research paper prepared on Lebanese expatriates
  - b. Presentation on measures to support the diaspora developed
  - c. Database with preliminary list of expatriate networks developed
- Target: Suppliers database developed for 4 sectors: Extensive database for 5 sectors: ICT, Agro Food, Agriculture, Pharmaceutical and Industry developed



*% of the targets achieved: 95% of targets achieved*

**Output 3: Supporting IDAL in upgrading IDAL's investment facilitation infrastructure**  
**3-Year Targets and Achievements**

- Investment Tracking System (ITS) to monitor IDAL's investment projects developed and implemented (ITS Part I)
- Investment Tracking System to monitor IDAL's inquires projects developed and implemented (ITS Part II)
- ToR to develop ITS Part III to track projects post IDAL's approval drafted
- Preliminary aftercare program drafted
- New manuals and application forms for investors developed
- New methodology to assess projects' feasibility studies developed
- Several workshops with public stakeholders involved in licensing held
- More than 100 investment projects reviewed

*% of the targets achieved: 85%*

**Lessons Learned:**

The ability of the team and IDAL to implement most of its stated targets, and to generate investments was particularly challenging given the political environment which was not very conducive to doing business and the overall slowdown in economic activity and thus demand. IDAL received a request from a large multinational looking to open a shared service center in Lebanon at a time when the government had just resigned. IDAL was able to put together a full fledged proposal on Lebanon's competitive advantages and offering to investors, organized roundtables with public and private sector stakeholders to answer investors request and held meetings with high level officials to enhance the sales pitch proposal on Lebanon. The promptness of the team in answering investors' requests was instrumental in gaining confidence of the investors. These efforts led to the short-listing of Lebanon among 5 other locations as potential investment destination for investors. The ability to attract investors is also reflected on daily basis. However the constant communication channels that IDAL maintains with its stakeholders, the numerous workshops and awareness campaign it organizes to maintain a positive image on Lebanon has greatly supported the institution in sustaining a steady inflow of investors.





## Section II. Strategy

### 1. IDAL's 3- Year Strategy (2014-2016); Active Targeting of Sectoral Investment Strategies

IDAL's upcoming strategy will be linked to the overall political climate and regional dynamics as well as the positioning of regional competitors. The political and economic outlook for the immediate and near term future is not without challenges. The impact of the Syrian crisis on Lebanon's trade balance and growth is likely to sustain itself throughout 2014. On the local front, the upcoming Presidential and Parliamentary elections are likely to create some internal intensions and will not likely lead to any increase in capital investments needed for local development. These 2 milestones will also delay the ability of the institution to fill the gap in its existing organization structure. Should regional tensions ease during 2014, 2015 and 2016 could be promising years for investment in Lebanon. Lebanon has the needed fundamentals to continue attracting investments, including a talented labor force, a strategic location at the cross road of East and West, a safe and resilient banking system and a high quality of life, which form the pillars of Lebanon's .

Regionally, Lebanon's immediate competitors are Jordan Egypt and Turkey. While Turkey was aggressively promoting itself internationally as an attractive investment destination and managed to attract foreign investments of 12 Billion \$ in 2012, the situation could change in 2014 as a result of the escalating violence. Lebanon should capitalize on the downturn in Turkey to attract some of the high value added investments in ICT and Technology. Jordan on the other hand has seen over the last 2 years a tech boom, with increasing government investments in the start-up and entrepreneurial ecosystem and an increase in the number of scalable start-ups. To compete on that front, Lebanon will need to boost its support to the ICT sector, in terms of supporting the growth of the venture capital industry, ensuring flexible labor laws and providing incentives to the sector. Egypt on the other hand is competing on its low cost labor force in labor intensive industries and call centers but also in the Media sector benefiting from an adequate legal environment and media zones. Lebanon has the potential to channel investments in call centers and business process outsourcing (BPO) given its multilingual workforce.

Building on the above and taking into account the current and upcoming political changes locally and regionally, while capitalizing on Lebanon's overall competitive advantages IDAL will continue promoting Lebanon's competitive advantages regional and internationally to foreign investors with a more pro-active and targeted approach to markets and sectors which meet Lebanon's strength. As such, IDAL's strategy will be two- pronged: (1) Strengthen its image and brand nationally as a key provider of services and incentives to investors across 8 sectors and (2) Access new markets and target investors in specific sectors. IDAL will increase its involvement in policy formulation and advocacy, in addition to streamlining its operational role. The recommended strategy is at the same time pragmatic, enabling IDAL to show quick results in a politically challenged environment. This strategy is a continuation of the last 3-year strategy which could be considered as the Infrastructure Years period where IDAL's systems and tools, promotional materials and legislation were updated to meet existing challenges.



Starting 2014, IDAL will focus on promoting investments to targeted sectors which were identified with the potential and readiness to attract investments, and which fall in line with Investment Law No.360 target sectors. These sectors include: Information Technology (IT), Telecommunications (more specifically Call Centers), Media (most specifically digital media and production / post production), Technology (ICT and Medical manufacturing), Agriculture (farms, fisheries), and Tourism (medical tourism). Lebanon has the potential to become an outsourcing destination for the Information Technology, Telecommunication, Media and Technology sectors due to a talented local labor force which ranks 6th worldwide on the Quality of Science and Education and 12th worldwide on the overall quality of education and a competitive labor force which boasts very competitive salaries in high-value added sectors. Today there are more than 250 companies involved in software development and more than x% of these develop products for external clients. The Media sector in Lebanon has the potential to outshine Dubai as production and post-production hub should the right legislation and political environment is in place. The Tech sector and more specifically the manufacturing of IT equipment is a nascent sector with a high growth potential should the adequate legislative environment on patent and copyright is in place. In the Tourism sector, Lebanon has the potential to boost its medical tourism sub-sector due to increasing demand from Gulf patients which is met by a highly skilled Lebanese medical workforce, having one of the highest ratios of physicians to population. Promoting investments to the Tourism and Media sectors could be delayed to 2015 due to their sensitivity to political stability. The promotion of these sectors will require the development of needed promotional materials, the identification of companies in selected target markets with investment potential, organization of a series of road shows and trade missions, recommendation of legislation or policies needed to boost sector attractiveness and coordination with public and private stakeholders. Specifically IDAL will work on activating a decree that provides it with the right to participate in the capital of joint stock-companies involved in the management of incubators. A dedicated team of sector leads will be needed to implement the sectors promotion.

In parallel to promoting investments in specific sectors, IDAL will continue promoting Lebanon as ideal investment destination and raise awareness on its services and incentives among local and foreign investors. To enhance awareness on its services, IDAL will continue to organize and participate in networking events, awareness workshops, B2B meetings, in addition to implementing a year-long digital and media campaign that has proved successful in channeling a large pool of investors. Should amendments to Investment Law No.360 get approved by Council of Ministers in 2014, IDAL will need to launch a massive national campaign to promote its new incentives. Promotional materials will need to be updated and new ones created. A national campaign and networking activities might also be needed to increase market reach across all regions of Lebanon. IDAL could partner with incubators in the North and South but also with NGOs and universities whose aim is to promote regional development. The majority of investments facilitated by IDAL over the last years were concentrated in the Beirut and Mount Lebanon regions, with a clear need to start increasing awareness on IDAL's services and incentives in all regions and identifying concrete investment opportunities for investors. A plan to conduct the feasibly study of an industrial zone in the Bekaa in The pace of implementation of this activity could be delayed till 2015 pending the improvement in the overall political situation across regions.

On the international front, in order to increase awareness on investment opportunities in Lebanon, IDAL will need to identify a series of forums / workshops where extensive networking and promotion of Lebanon will be done, in addition to identifying leading business magazines where



investment opportunities will be featured. An increased focus will be done on the expatriates community located in Europe, North America, Latin America and North Africa. Today there is an estimated expatriate population of around 3.5 million in North America and 9 million in Latin America. Reaching out to these expatriates through at least 2 trade missions per year and organizing knowledge transfer conferences / seminars will be a priority. Linkages with associations working on promoting migrant entrepreneurship will also need to be fostered. Targeting European investors will also be a priority for IDAL in the upcoming years. Over the last 2 years, more than 40% of the foreign companies that opened branches or representation offices in Lebanon were of European origin, almost at par with Arab / Gulf companies. Increasing trade missions to European countries and appearances in targeting magazines will be part of the marketing plan.

In parallel to its image building initiatives, IDAL will need to focus on investor servicing. The internal tracking system put in place to monitor investors requests will continuously be updated and improved. The aftercare program drafted over the last period will need to be implemented to streamline investors experience in Lebanon. If the decree related to IDAL's issuance of licenses (currently awaiting Council of Ministers approval) is not passed, IDAL will need to streamline its coordination with concerned public administrations and institutionalize linkages to improve doing business. In parallel, the evaluation and assessment of investment projects for IDAL's incentives will need to be improved.

Building on the role it developed over the last period, IDAL will play an increasing role in policy making and advocacy. Based on the 3-year strategic plan, IDAL will continue identifying key obstacles to investment and recommending new investment legislation and regulations to improve the business and investment environment for FDI. Coordination with the existing Doing Business Committee will be activated and annual meetings with foreign investors are recommended to take stock of investors' concerns and improve business environment.

The role of IDAL in specialized economic zone will also be highlighted and strengthened. Specifically IDAL will work on activating a decree that provides it with the right to participate in the capital of joint stock-companies involved in the management of incubators. IDAL will also work in partnership with the Ministry of Industry to develop feasibility for industrial zones with the possibility of attracting investments.

As per its mandate to support in the promotion of Lebanese products, IDAL will focus over the next period in promoting the export of Lebanese products and fostering linkages with foreign companies in the following sectors: Agriculture, Agro food, ICT, and 4 industrial sub-sectors. The "Agri Plus" program already exist for the promotion of Lebanese agriculture products and future plans include the identification of new markets for these products. A preliminary study has shown that 4 new markets will be considered including Ukrainian, Russia, and selected European markets. The Agro food sector is one of the sectors with the highest contribution to Industrial sector output and employment and with a high export potential with exports growing at a CAGR of more than 7% over the last 4 years. Lebanese agro food products compete globally on their quality and cost and thus providing additional support to this sector will be a priority. The ICT sector is highly export oriented with more than 70% of local firms exporting their services and products. It has also started to compete globally due to its highly talented labor force. The French and African markets were identified as key markets for 2014. As for the Industrial sector, a detailed competitive assessment was conducted on all 15 sub-sectors and 4 sub-sectors were identified as having the potential to compete globally and internationally mainly Pharmaceutical, Chemical products including soaps and paint, Furniture / wood products and xxx. Implementing export promotion programs for these sectors will require extensive knowledge of selected growth promising markets, networking with



embassies and consulates, extensive knowledge of local companies and their potential to export, a brand identity and the ability of IDAL to support in capacity building if needed.

The implementation of the above strategy will require an additional task force that could handle the promotion of investments in strategic sectors, functions which are currently existent in IDAL's mandate but not filled. In the medium term, the ability of the institution to recruit additional staff to fill IDAL's mandate and functions will be hindered by the overall political environment. The institution will thus require the support of UNDP staff to implement its new strategy. **While over the last period, the UNDP team's task was focused on providing IDAL's directorates with support on research and promotion activities and on providing capacity building, the UNDP team will need to take an additional role in the next 3 years which will include the implementation of some of IDAL's functions which currently do not have the needed staff to implement them.**

As such, below is an overview of IDAL's recommended draft 3-year priority areas (PA):

- PA 1: Continue providing investors with all relevant economic, legal, commercial and industrial information as well as information on sectors with investment potential
- PA 2: Promote investments in targeted sectors
- PA 3: Pro-actively promote Lebanon to geographically and industrially targeted international and national investors
- PA 3: Provide world-class and efficient services to facilitate the set-up and operations of existing and potential investors
- PA 5: Actively influence the quality of the investment environment on an ongoing basis
- PA 6: Support the access of Lebanese products to new markets

## 2. UNDP Role in the Medium-Term

The implementation of IDAL's new 3-year strategic plan will require additional staff given that there are no immediate plans of hiring human resource within IDAL's staff.

The UNDP team will thus continue to provide IDAL's management with the needed advisory and policy-making support with a high focus on implementing IDAL's plans.

The vision for the UNDP role and involvement for the period of 2014 – 2016 is as follow:

Outcome1: Technical Support Provided to IDAL for the Implementation of Sectoral investment Strategies." The four new Outputs are:

- Support to strengthen IDAL's policy making, planning and monitoring capacities maintained
- Support to IDAL in promoting investment to growth promising sectors provided
- IDAL's capacity to streamline investor servicing supported
- Support to IDAL in promoting the export of Lebanese products provided

The ultimate goal for the UNDP project is to support IDAL to build its capacity and know how to become a pro-active successful investment promotion agency in Lebanon.

Based on IDAL's upcoming 3-year plan, the UNDP team will continue the implementation of the plans it has set forth in previous quarters with continuous emphasis on policy making and policy advocacy, and active promotion of Lebanon to targeted markets. Below is a summary of the functions that the UNDP team will be carrying in the 2<sup>nd</sup> phase of the project:



### 1. Support to strengthen IDAL's policy making, planning and monitoring capacities maintained

: Building on its role during the last period, the UNDP team will continue supporting IDAL's management in formulating policies aimed at improving the business environment. The team will focus on 5 main items: (1) Annually revising Investment Law No.360 and providing recommendations to IDAL's management, (2) keeping track of issues impeding investments and raising them to the Business Environment Committee and following on their implementation, (3) supporting IDAL in monitoring foreign investors requests and raising them to concerned ministries, (4) putting in place and updating policies to promote investments to growth promising sectors. On the internal planning front, the UNDP team will support IDAL in updating existing strategies designed to promote investments to key economic sectors. The UNDP will also assist IDAL's management in updating their 3-year strategic plan and developing their respective annual action plans. It will also support in monitoring the implementation of the 3-year and annual plan through the tracking system set-up in the 1<sup>st</sup> phase. The Project manager will implement the above stated activities with support of selected team members.

### 2. Support to IDAL in promoting investment to growth promising sectors provided

- **Investor Targeting:** While the 1st phase of the project focused on identifying economic sectors with the potential and readiness to grow and highlighting corresponding investment opportunities, the 2nd phase will consist in identifying foreign investors with plans to invest in the region in these sectors. Targeting will thus be done by sector and sector leads will need to be assigned to conduct the following: (1) Develop extensive understanding of sectors competitive strength, (2) Identify local players and their capacity, (3) Identify target investors in selected markets and develop corresponding database, (4) Reach out to these investors through a series of marketing tools, (5) and Support investment in Lebanon.
- **Promotion and Image Building:** Promotion and image building remains the core function of the institution and as such human capacity need to be fully deployed to ensure the effective implementation of this task. The UNDP team will support IDAL in developing the annual communication and marketing plan, implementing the digital campaign and other suggested campaigns to achieve stated objectives.

### 3. IDAL's capacity to streamline investor servicing supported

4. : Providing best in class servicing to investors remains the core function of IDAL. The UNDP team will support IDAL in: (1) Continuously updating all economic, commercial and legal information of relevance to investors and updating them on IDAL's website, (2) Updating the newly designed investor tracking systems (ITS) to monitor investors' needs. Investors' needs will be measured using a survey, whose result will feed into the policy team's recommendations. Investor servicing also entails facilitating investors experience in Lebanon, including facilitating the processing of permits and licenses, and monitoring the progress of investment projects. After having laid down during the 1<sup>st</sup> phase of the project the processes and manuals needed to facilitate investments, the UNDP team will support IDAL in fostering linkages with public administration to speed to improve investor experience in Lebanon. The team will continue to being involved in the technical evaluation of projects and supporting IDAL in granting incentives to investors.



4Support to IDAL in promoting the export of Lebanese products provided

During the 1st phase of the project, the team supported IDAL in drafting programs and plans aimed at supporting the export of Lebanese goods in 3 sectors, mainly Agriculture, ICT and Pharmaceutical. During the 2nd phase of the project, the team will focus on implementing these plans which will entail extensive knowledge of selected growth promising markets, networking with embassies and consulates, extensive knowledge of local companies and their potential to export, a brand identify for the sector and the ability of IDAL to support in capacity building if needed.



### Section III. Results and Resources Framework

Intended Outcome as stated in the Country Programme Results and Resource Framework: Outcome 1: Performance of public institutions enhanced; public administration modernized				
Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets: Indicator: % of Paris III commitments implementation, Baseline: Paris III reforms, Target: Fiscal and economic policies developed and coordinated				
Project title and ID: Sustaining and Enhancing the Institutional Capacity of IDAL				
Outcome 1: Technical Support Provided to IDAL for the Implementation of Sectoral Investment Strategies				
Intended Outputs	OUTPUT TARGETS (YEARS)	Responsible Partners	Indicative Activities	Inputs Costs estimated over a three-year period <sup>1</sup>
<p><b>Output 1:</b> Support to strengthen IDAL's policy making, planning and monitoring capacities maintained</p> <p><b>Baseline:</b></p> <ul style="list-style-type: none"> <li>• IDAL 3-year (2011-2013) strategic plan developed</li> <li>• IDAL 3-year Communication plan (2011-2013) developed</li> <li>• IDAL 3-year Digital strategy (2011- 2013) developed</li> <li>• Amendments to Investment Law No.360 developed and pending CoM approval</li> <li>• Investment promotion plan developed for 3 sectors</li> </ul>	<p><b>Target Year 1:</b></p> <ul style="list-style-type: none"> <li>• 3-year strategic plan of IDAL developed and approved</li> <li>• Annual strategic action plans approved</li> <li>• Annual Communication plans approved</li> <li>• Assessment of Law 360 achievements conducted</li> <li>• At least 1 MoU's developed with public and private stakeholders</li> <li>• At least one policy paper published</li> </ul> <p><b>Target Year 2&amp;3:</b></p>	<p>UNDP &amp; IDAL</p>	<p>1.1 Support IDAL in developing and updating the 2014-2016 strategic plan and corresponding annual action plans</p> <p>1.2 Support IDAL in developing the 2014-2016 communication strategy and updating the 3-year digital strategy</p> <p>1.3 Support IDAL in updating KPIs to monitor implementation of the investment promotion and communication strategies</p> <p>1.4 Support IDAL in identifying issues facing investors and raise them to concerned ministries</p> <p>1.5 Support IDAL in developing policy proposals on improving the</p>	<p>Project Manager = 70,332 * 3 = 210,996 USD</p> <p>Communication and Marketing Officer = 53,720 * 3= 161,160. USD</p> <p>Travel Fees = 10,000*3= 30,000 USD</p> <p><b>Total cost output 1= 402,156 USD</b></p>

<sup>1</sup> Individual salaries include Basic Salary + Pension (8.33% of basic salary) + Fees for SIOC (Security) + Van Breda (Insurance) + Expected Bonus. The Basic salary is around 12% less than the total net salary

<ul style="list-style-type: none"> <li>• KPIs for monitoring implementation of investment promotion strategy set</li> <li>• Survey to measure investor satisfaction developed</li> </ul> <p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>• One foreign investors workshop held annually</li> <li>• At least 60% of communication strategy implemented</li> <li>• FDI figures by sector for 2013 and 2014 released</li> <li>• 3-year strategic plan (2014-2015) developed and updated</li> <li>• MoU developed with public and private stakeholders</li> <li>• Policy recommendations to improve the business environment drafted</li> </ul>	<ul style="list-style-type: none"> <li>• Annual action plans approved</li> <li>• Annual Communication plans approved</li> <li>• FDI figures by sector for 2013 and 2014 released</li> <li>• At least 2 MoU's developed with public and private stakeholders</li> <li>• At least one policy paper published</li> </ul>		<p>investment climate</p> <p>1.6 Support IDAL in updating FDI database and compute preliminary figures for FDI in coordination with external consultant</p> <p>1.7 Support IDAL in establishing linkages with international organizations and multilateral institutions</p> <p>1.8 Support IDAL in developing and implementing MoUs with private sector stakeholders</p>	
<p><b>Output 2 :</b> Support to IDAL in promoting investment to growth promising sectors provided</p> <p><b>Baseline:</b></p> <ul style="list-style-type: none"> <li>• SWOT of economic sectors developed</li> <li>• Sector fact sheets developed for 9 sectors</li> <li>• New website developed</li> </ul>	<p><b>Target Year 1:</b></p> <ul style="list-style-type: none"> <li>• At least 30% of plan to promote investments in the IT, Telecom &amp; Tech sectors implemented</li> <li>• At least 20% of plan to promote investments in the Media sector implemented</li> <li>• Trade missions and road</li> </ul>	<p><b>UNDP &amp; IDAL</b></p>	<p><b>Sector Promotion</b></p> <p>2.1 Support IDAL in promoting investments to the IT, Telecommunication &amp; Tech sectors (including identifying forums and attending them, developing &amp; updating database of potential &amp; foreign investors, identify investment opportunities, proposing legislative amendments, organizing trade missions, etc.)</p>	<p>Junior Economic Officer = 43,097 * 3 = 129,291 USD</p> <p>Junior Economic Officer = 43,097 * 3 = 129,291 USD</p> <p>IT Coordinator = 43,097* 3 = 129,291</p>



<ul style="list-style-type: none"> <li>• New identity for IDAL implemented and new promotional materials developed</li> </ul> <p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>• Plans to promote investments in the IT, Telecom &amp; Tech sectors implemented</li> <li>• Plan to promote investments in the Media sector implemented</li> <li>• Trade missions and road shows conducted for each sector annually</li> <li>• 100% of information updated on IDAL's website</li> <li>• Promotional materials updated and new ones developed</li> <li>• Media in local and regional markets campaigns implemented</li> <li>• Increase in yearly web traffic by 100%</li> <li>• Increase in number of unique visitors by 100%</li> <li>• Increase in number of enquiries by 50%</li> </ul>	<p>shows conducted for each sector annually</p> <ul style="list-style-type: none"> <li>• IDAL's new website continuously updated</li> <li>• Promotional materials updated and new ones developed</li> <li>• Media in local and regional markets campaigns implemented</li> <li>• Increase in yearly web traffic by 100%</li> <li>• Increase in number of enquiries by 50%</li> </ul> <p><b>Target Year 2&amp; 3:</b></p> <ul style="list-style-type: none"> <li>• At least 60% of plan to promote investments in the IT, Telecom &amp; Tech sectors implemented</li> <li>• At least 40% of plan to promote investments in the Media sector implemented</li> <li>• At least 2 foreign lead generated for each sector</li> <li>• At least 2 linkages fostered in each sector</li> <li>• Media campaign in regional and international markets implemented</li> </ul>	<p>2.2 Support IDAL in promoting investments to the Media sector (including same as above)</p> <p>2.3 Support IDAL in analyzing import data from national statistics organizations to identify main sectors for imports within the region</p> <p><b>Communication &amp; Marketing</b></p> <p>2.4 Support IDAL in implementing the 3-year digital strategy</p> <p>2.5 Support IDAL in developing new and upgrading existing promotional tools, including IDAL's website, etc.</p> <p>2.6 Support IDAL in planning for and organizing local / international campaigns</p> <p>2.7 Support IDAL in identifying and organizing internal / external roadshows</p> <p>2.8 Support IDAL in updating contact database of target stakeholders</p> <p>2.9 Support IDAL in developing monthly newsletters and other marketing tools</p> <p>2.10 Support IDAL in coordinating with international networks</p> <p><b>Information Provision</b></p> <p>2.11 Support IDAL in updating all legal, commercial and industrial information of relevance to investors and develop new indicators.</p> <p>2.12 Support IDAL in updating contact</p>	<p>USD</p> <p>Project Assistant = 15,610* 3 = 46,830 USD</p> <p><b>Total cost output 2= 434,703 USD</b></p>
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<ul style="list-style-type: none"> <li>• Social media campaign on-going and number of followers and subscribers up by 70%</li> <li>• New promotional materials developed</li> <li>• Increase in yearly web traffic by 100%</li> <li>• Increase in number of enquiries by 80%</li> </ul>	<ul style="list-style-type: none"> <li>• Investors toolkit made available on IDAL's website</li> <li>• MoUs with ministries implemented</li> <li>• Aftercare program partially implemented</li> <li>• More than 10 investment projects processed by year</li> <li>• Survey questionnaire for measuring investors satisfaction developed and implemented</li> <li>• ITS Part I and Part II updated and analysis extracted with concrete recommendations</li> <li>• ITS Part III implemented</li> </ul>	<p><b>Target Year 1:</b></p>	<p>database of key public sector entities and private sector providers</p> <p>2.13 Support IDAL in conducting an in-depth assessment of foreign companies in Lebanon (conduct interviews and field visits)</p> <p>2.14 Support IDAL in conducting research on expatriates network</p>	<p>Investment Officer = 53,720*3 = 161,160 USD</p> <p><b>Total cost output 3= 161,160 USD</b></p>
<p><b>Output 3:</b> IDAL's capacity to streamline investor servicing supported</p> <p><b>Baseline:</b></p> <ul style="list-style-type: none"> <li>• Investment Tracking System for IDAL's projects developed (ITS Part I)</li> <li>• Investment Tracking System for investors developed (ITS Part II)</li> <li>• ToR for Investment Tracking System Part III developed (for tracking projects before operation)</li> <li>• New applications for evaluating project proposals developed</li> <li>• Investors toolkit developed</li> <li>• Draft aftercare program</li> </ul>	<p><b>Target Year 1:</b></p> <ul style="list-style-type: none"> <li>• Investors toolkit made available on IDAL's website</li> <li>• MoUs with ministries implemented</li> <li>• Aftercare program partially implemented</li> <li>• More than 10 investment projects processed by year</li> <li>• Survey questionnaire for measuring investors satisfaction developed and implemented</li> <li>• ITS Part I and Part II updated and analysis extracted with concrete recommendations</li> <li>• ITS Part III implemented</li> </ul>	<p><b>UNDP &amp; IDAL</b></p>	<p>3.1 Support IDAL in developing proposals for foreign investors expressing interest in Lebanon</p> <p>3.2 Support IDAL in conducting the technical evaluation of project proposals and granting incentives as per Law 360</p> <p>3.3 Support IDAL in implementing the aftercare program</p> <p>3.4 Support IDAL in conducting annual surveys to measure investor's satisfaction with IDAL's services and with investment climate</p>	<p>Investment Officer = 53,720*3 = 161,160 USD</p> <p><b>Total cost output 3= 161,160 USD</b></p>



<ul style="list-style-type: none"> <li>developed</li> <li>Database of economic, commercial &amp; legal indicators developed and updated</li> </ul> <p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>Investors toolkit made available on IDAL's website</li> <li>MoUs with ministries implemented</li> <li>Number of investment projects processed by IDAL increased by 20% y-o-y</li> <li>Aftercare program proposal approved and implemented</li> <li>Survey to measure investors satisfaction with IDAL's services and investment climate developed and implemented</li> </ul>	<p><b>Target Year 2&amp; 3:</b></p> <ul style="list-style-type: none"> <li>100% of investment related information updated on IDAL's website</li> <li>Preliminary FDI figures by sector released</li> <li>Investment opportunities promoted</li> <li>Aftercare program fully implemented</li> <li>More than 15 investment projects processed by year</li> <li>Results of investor survey analysed and action taken</li> <li>ITS Part I, II and III updated and recommendations extracted</li> </ul>		
<p><b>Output 4:</b> Support to IDAL in promoting the export of Lebanese products provided</p> <p><b>Baseline:</b></p> <ul style="list-style-type: none"> <li>Agri Plus program developed and approved and implementation initiated</li> <li>Plan to promote export of ICT services developed but not approved</li> </ul>	<p><b>Target Year 1:</b></p> <ul style="list-style-type: none"> <li>Export promotion week held for specific sectors</li> <li>Business linkages facilitated for at least 2 sectors</li> </ul> <p><b>Target Year 2 &amp; 3:</b></p> <ul style="list-style-type: none"> <li>Export promotion week held for specific sectors</li> </ul>	<p>4.1 Support IDAL in coordinating the management of the Agri Plus program including ensuring product control, conducting field inspection, monitoring the program</p> <p>4.2 Support IDAL in promoting the export of ICT services: (Identify 4 key export markets and conduct market assessments, develop a list of potential partners in the target</p>	<p>Agri Plus Program Assistant= 23,166 + 30,888*2= 84,942 USD</p> <p><b>Total cost output 4= 84,942 USD</b></p>



<ul style="list-style-type: none"> <li>developed but not approved <b>Targets:</b></li> <li>Plan to promote the export of ICT services approved</li> <li>At least 2 outgoing missions held per year per sector</li> <li>Business linkages created in at least 2-3 sectors</li> </ul>	<ul style="list-style-type: none"> <li>Business linkages facilitated for at least 2 sectors</li> </ul>	<p>markets, identify companies with potential for export, conduct field visits, identify and develop database of key foreign companies with growth potential and expansion, recommend program to support the participation in ICT fairs, activate partnership with the expatriate tech community. Draft new program in that regard</p> <p>4.3 Support IDAL in promoting the export of selected industrial sub-sectors</p>	<p>1,082,961 USD</p> <p>58,537 USD<sup>2</sup></p> <p>58,216 USD</p> <p>22,830 USD</p> <p><b>1,222,544 USD</b></p>
Net for Activities			1,082,961 USD
Contingency			58,537 USD <sup>2</sup>
Total UNDP GMS			58,216 USD
Total ISS			22,830 USD
<b>Total Cost for 3 Years</b>			<b>1,222,544 USD</b>

Note 1: In case training is required for IDAL and UNDP staff, IDAL will cover expenses related to training.

Note 2: In case services of an external consultant are needed, the UNDP staff will provide all the needed technical support to prepare the ToR of the consultant whose cost will be covered by IDAL.

<sup>2</sup> This contingency represents reserve money which if needed will be used after securing the approval of the National Focal Point

Section IV. Annual Work Plan Budget Sheet  
Year 1 (January 2014 – December 2014)

EXPECTED OUTPUTS <i>And baseline, associated indicators and annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET	
		Q 1	Q 2	Q 3	Q 4		Funding Source	Amount
<p><b>Output 1:</b> Support to strengthen IDAL's policy making, planning and monitoring capacities maintained</p> <p><b>Baseline:</b></p> <ul style="list-style-type: none"> <li>• IDAL 3-year (2011-2013) strategic plan developed</li> <li>• IDAL 3-year Communication plan (2011-2013) developed</li> <li>• IDAL 3-year Digital strategy (2011- 2013) developed</li> <li>• Amendments to Investment Law No.360 developed and pending CoM approval</li> <li>• Investment promotion plan developed for 3 sectors</li> <li>• Survey to measure investor satisfaction developed</li> </ul>	<p>1.1 Support IDAL in developing and updating the 2014-2016 strategic plan</p> <p>1.2 Support IDAL in developing the 2014-2016 communication plan</p> <p>1.3 Support IDAL in updating KPIs to monitor implementation of the strategies</p> <p>1.4 Support IDAL in identifying issues facing investors</p> <p>1.5 Support IDAL in holding an annual foreign investors conference</p> <p>1.6 Develop policy proposals on improving the investment climate</p> <p>1.7 Support IDAL in establishing linkages with international organizations</p>	x	x	x	x	IDAL & UNDP	71400- Contractual Services-Ind.	124,052
		x				IDAL & UNDP	71600- Travel	10,000

<p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>• One foreign investors workshop held annually</li> <li>• At least 60% of communication strategy implemented</li> <li>• FDI figures by sector for 2013 and 2014 released</li> <li>• 3-year strategic plan (2014-2015) developed and updated</li> <li>• Policy recommendations to improve the business environment drafted</li> </ul>																																																																																																																																																																																																																																																		
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<p><b>Output 2 : Support to IDAL in promoting investment to growth promising sectors provided</b> <b>Baseline:</b></p> <ul style="list-style-type: none"> <li>• SWOT of economic sectors developed</li> <li>• Sector fact sheets developed for 9 sectors</li> <li>• New website developed</li> <li>• New identity for IDAL implemented and new promotional materials developed</li> </ul> <p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>• Plans to promote investments in the IT, Telecom , Tech, Media, Tourism and Agro Food sectors implemented</li> <li>• Trade missions and road shows conducted for each sector annually</li> <li>• IDAL's new website updated</li> <li>• Promotional materials updated and new ones developed</li> <li>• Media in local and regional markets campaigns implemented</li> </ul>	<p><b>Sector Promotion</b></p> <p>2.1 Support IDAL in promoting investments to the IT, Telecom, and Media sectors</p> <p><b>Communication &amp; Marketing</b></p> <p>2.2 Support IDAL in implementing the 3-year digital strategy</p> <p>2.3 Support IDAL in developing new/upgrading existing promotional tools</p> <p>2.4 Support IDAL in planning for and organizing local / international campaigns</p> <p>2.5 Support IDAL in identifying &amp; organizing trade missions / roadshows</p> <p>2.6 Support IDAL in updating contact database</p> <p>2.7 Support IDAL in developing newsletters</p> <p>2.8 Support IDAL in coordinating with international networks</p> <p><b>Information Provision</b></p> <p>2.9 Support IDAL in updating all information of relevance to investors</p> <p>2.10 Support IDAL in conducting assessment of foreign companies</p> <p>2.11 Support IDAL in identifying</p>	<p>x</p> <p>x</p> <p>x</p> <p>x</p> <p>x</p> <p>x</p> <p>x</p> <p>x</p> <p>x</p> <p>x</p> <p>x</p> <p>x</p>	<p>IDAL &amp; UNDP</p> <p>ID AL</p>	<p>71400- Contractual Services-Ind.</p>	<p>129,291</p>
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<ul style="list-style-type: none"> <li>● Increase in yearly web traffic by 100%</li> <li>● Increase in number of enquiries by 50%</li> </ul>	<p>investment opportunities across regions</p> <p>2.12 Support IDAL in conducting research on expatriates network newsletters and other marketing tools</p> <p>Support IDAL in coordinating with international networks</p>	<p>x</p>	<p>x</p>	<p>x</p>	<p>x</p>	<p>IDAL &amp; UNDP</p>	<p>IDAL</p>	<p>71500 – UN Volunteers</p>	<p>15,610</p>
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<p><b>Output 3: IDAL's capacity to streamline investor servicing supported</b></p> <p><b>Baseline:</b></p> <ul style="list-style-type: none"> <li>Investment Tracking System for IDAL's projects developed (ITS Part I)</li> <li>Investment Tracking System for investors developed (ITS Part II)</li> <li>ToR for Investment Tracking System Part III developed (for tracking projects before operation)</li> <li>New applications for evaluating project developed</li> <li>Draft aftercare program developed</li> </ul> <p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>Investors toolkit made available on IDAL's website</li> <li>MoU's with ministries implemented</li> <li>Number of investment projects processed by IDAL increased by 20% y-o-y</li> <li>Aftercare program proposal approved and implemented</li> <li>Survey to measure investors satisfaction with IDAL's developed and implemented</li> </ul>	<p>3.1 Support IDAL in developing proposals for foreign investors interested in Lebanon</p> <p>3.2 Hold capacity building initiatives for IDAL's staff to brief them on investors information</p> <p>3.3 Support IDAL in conducting the technical evaluation of projects</p> <p>3.4 Support IDAL in implementing the aftercare program</p> <p>3.5 Support IDAL in conducting annual surveys to measure investor's satisfaction with IDAL's services and with investment climate</p>	<p>x</p> <p>x</p> <p>x</p> <p>x</p> <p>x</p>	<p>x</p>	<p>IDAL &amp; UNDP</p>	<p>IDAL</p>	<p>71400-Contractual Services-Ind.</p>	<p>53,721</p>
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<p><b>Output 4: Supporting to IDAL in promoting the export of Lebanese products provided</b></p> <p><b>Baseline:</b></p> <ul style="list-style-type: none"> <li>• Agri Plus program developed and approved and implementation initiated</li> <li>• Plan to promote export of ICT services developed but not approved</li> <li>• Plan to promote the export of Agro Food products developed but not approved</li> </ul> <p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>• Plan to promote the export of ICT services approved</li> <li>• Plan to promote the export of Agro Food approved</li> <li>• At least 2 outgoing missions held per year per sector</li> <li>• Business linkages created in at least 2-3 sectors</li> </ul>	<p><b>Target Year 1:</b></p> <p>4.1 Export promotion week held for specific sectors</p> <p>4.2 Business linkages facilitated for at least 2 sectors</p> <p><b>Target Year 2 &amp; 3:</b></p> <p>4.3 Export promotion week held for specific sectors</p> <p>4.4 Business linkages facilitated for at least 2 sectors</p>	X	X	X	X	IDAL & UNDP	IDAL	71400-Contractual Services-Ind.	23,166
Net for Activities Year 1									
UNDP GMS for Year 1 (71500 Facilities & Administration)									
ISS for Year 1 (73500 – Reimbursement Costs)									
<b>Total Cost for Year 1</b>									
									355,840 USD
									18,148 USD
									7,117 USD
<b>Total Cost for Year 1</b>									<b>381,105 USD</b>



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## PART V. MANAGEMENT ARRANGEMENTS

IDAL is designated as the National Implementing Agency for this project. The Implementing Agency will be responsible for managing the project and will provide overall support to enable it to achieve its intended outputs and results. The Implementing Agency will thus be accountable to UNDP for all resources allocated by the latter, whether their source is UNDP or from government cost sharing. This accountability calls for concrete capacities in the administrative, technical and financial spheres.

**The UNDP National Implementation Modality (NIM)** will prevail, with the support of the UNDP Country Office. In addition to regular technical backstopping and monitoring activities regularly provided, the UNDP Country Office shall provide the Implementing Agency with support services for the execution of the programme. This will ensure that technical and substantive expertise is available to the Programme for coordination, recruitment, and procurement and contracting. (See Annex 1: Standard Letter of Agreement between UNDP and the Government for the Provision of Support Services).

Services shall be provided in accordance with UNDP procedures, rules and regulations. The Government, through its designated implementation agency, shall retain overall responsibility for the execution of the project and shall be responsible for and bound by any contracts signed by the UNDP Resident Representative, on behalf of the Implementation Agency and upon its request, for the procurement of goods and services and /or recruitment of personnel for the programme. Costs incurred by UNDP Country Office for providing the above described support services will be partly recovered from the Programme budget.

- a. **Project Management:** A Project Manager will be appointed by UNDP following a competitive and transparent recruitment process. The Project Manager will be responsible for day-to-day management of the Project. S/he will also be responsible for facilitating support services from the UNDP country office; training and mentoring national staff; preparing and providing the National Focal Point with the Project plans, budget and activities for his approval and the National Focal Point and Programme Management with mandatory reports on project progress, achievements and financial management; and for early flagging of events and changes in the environment which can affect project implementation and delivery and for providing suggestions for problem solving. To support project implementation, Project staff will be recruited by UNDP and the Project Manager.
- b. **National Project Coordinator (National Focal Point)** or a representative appointed by him/her. The responsibilities of the NFP:
  - Review and approve detailed annual/quarterly work plans and relevant budgets and where appropriate recommend changes to better meet the project objectives in the national context, in light of monitoring and other reports;
  - Approve RDP/SR
  - Participate in Project Board meetings;
  - Review APR Report, and other progress and monitoring reports;
  - Provide recommendations for the next year's project planning;
  - Facilitate adoption of necessary decisions and initiation of appropriate actions by the Government for the effective follow-up and implementation of the project activities;



- Assist in the identification and allocation of national resources needed by the project to meet its objectives.

**c. Proposed UNDP Organization Structure**

It is estimated that 8 UNDP staff will be required to perform the above functions (figure 2). The staff profile is distributed as follow:

1. Project Manager
2. Investment Officer
3. Communication and Marketing Officer
4. Junior Economic Officer (Sector Coordinator)
5. Junior Economic Officer (Sector Coordinator)
6. Project Assistant- UNV
7. Agri Plus Program Assistant
8. IT Coordinator

The overall responsibility of the project lies with the designated **National Coordinator**. However, **The Project Manager** is directly responsible for managing the project's operations on a day-to-day basis and reports back to the **National Coordinator** and UNDP.

Project Office: The project will be located at the premises of IDAL.

A Project Board will be established to provide technical support, share relevant information, and review progress. The Project Board will comprise: (i) Executive: a representative of UNDP providing in particular technical guidance to the project and secretariat services; (ii) Senior Supplier: a representative from the PMO ; (iii) Senior Beneficiaries: A representative from IDAL. Additional partners/stakeholders can be invited as Observers to share relevant information as and when required. The Project Board, which will meet at least twice a year and will be reviewing annual work plans and budget.

Sustainability: The project will be implemented with a view to achieving sustainable improved institutional capacity and permanent beneficial effects to the IDAL.

**Audit:**

The audit of NIM projects is made through the regular external (UN Board of Auditors) or internal audits (audits managed by UNDP's Office of Audit and Investigations- OAI).

**Visibility:**

UNDP will ensure that the MOET and respective donors to the project will receive the maximum visibility possible.

UNDP will be responsible for determining when its name and logo are to be displayed and prior written authorization must be granted by the UNDP Resident Representative on a case by case basis.

d. **Proposed Governance Model**

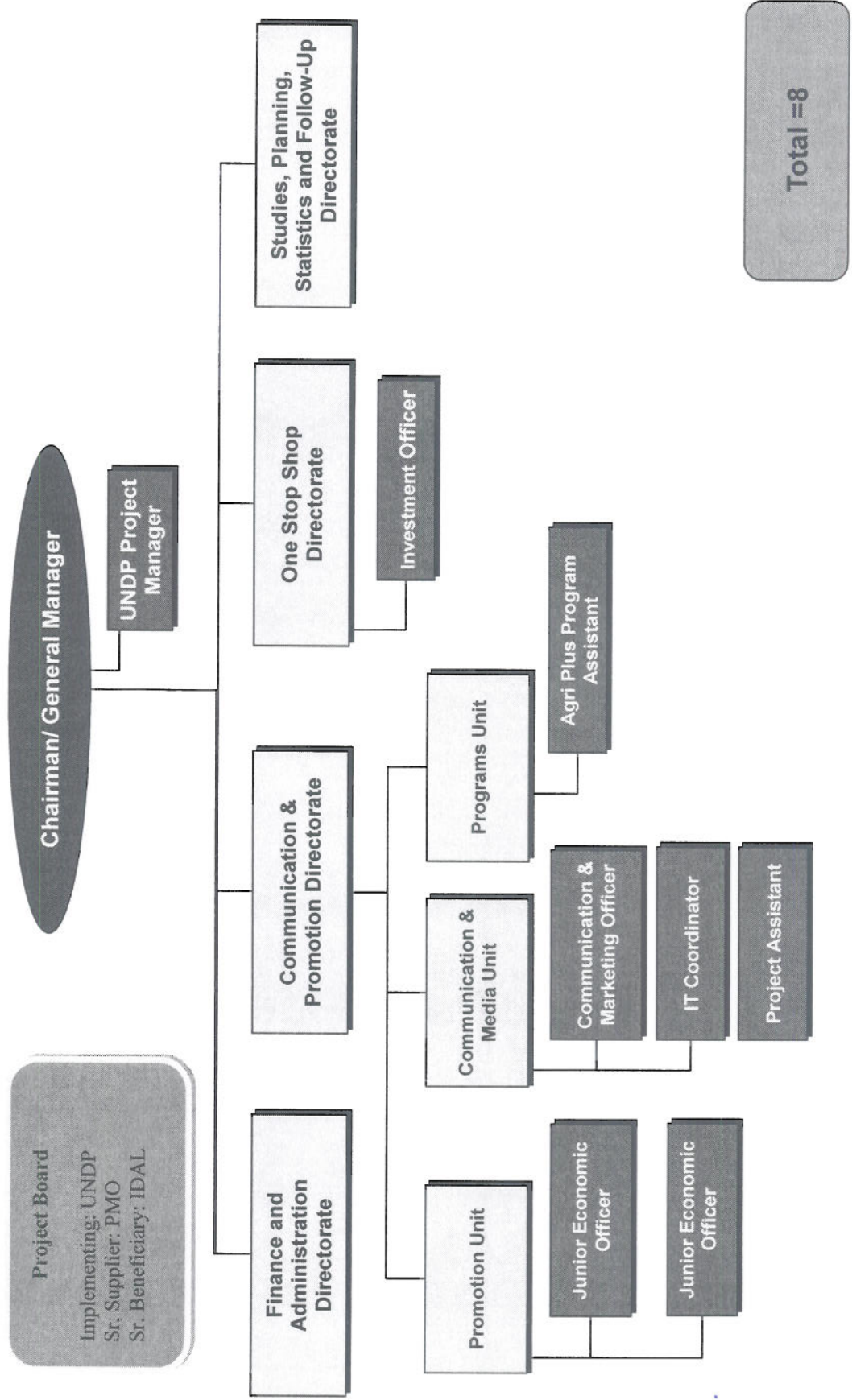
The governance of the UNDP team with respect to the IDAL's management is defined as follows:

- Activities carried out by the UNDP project including the work plan and related payments are subject to the National Coordinator approval
- The UNDP project manager will be responsible for the day-to-day management of the UNDP staff, providing overall directions, monitoring progress based on agreed-upon deliverables and reporting to the National Coordinator (Chairman) on progress.
- Termination of UNDP staff contract will be based on a request by the national coordinator, taking into account a performance evaluation conducted by the project manager. In case of disagreement, the national coordinator can send his request to the UNDP country office
- One member from IDAL's Board will be appointed as observers during the recruitment process.
- The UNDP project manager is accountable to the National Coordinator on technical performance and to the UNDP on overall performance
- UNDP staff will directly report to the UNDP project manager which will report to Chairman on overall performance and delivery
- The UNDP project manager will provide the National Coordinator and the UNDP Programme Manager with progress report on a quarterly basis
- The UNDP project manager will need to work closely with IDAL's Directors to ensure transfer of knowledge, improve capacity and secure sustainability. The project manager interaction with IDAL staff will take place through IDAL's Directors
- A Project Board will be established to provide technical support, share relevant information, and review progress. The Project Board will comprise: (i) Executive: a representative of UNDP providing in particular technical guidance to the project and secretariat services; (ii) Senior Supplier: a representative from the PMO; (iii) Senior Beneficiaries: IDAL's Chairman and Project Manager. The project board will meet on a bi-annual basis or as need be.
- The UNDP project manager will monitor the UNDP staff daily attendance based on a modality agreed with the National Focal Point



**Figure 2: Recommended UNDP Organization Structure**

**UNDP Unit Organigram**



## Section VI. Monitoring Framework and Evaluation

*Suggested text to be adapted to project context*

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

### Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Quarterly Progress Reports (QPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

### Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

*In case a project evaluation is required, please indicate the justification and proposed timing for the evaluation. A project evaluation is required only when mandated by partnership protocols such as GEF. However, a project evaluation may be required due to the complexity or innovative aspects of the project.*



## Quality Management for Project Activity Results

<b>OUTPUT 1: Technical Support Provided to IDAL for the Implementation of Sectoral Investment Strategies</b>		
<b>Activity Result 1</b>	Support Capacities	Start Date: Jan 2014 End Date: Dec 2016
<b>Purpose</b>	Define the institution priorities and action plans	
<b>Description</b>	The team will update on an annual basis the institution targets and action plans based on past achievements and taking into account external environment	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Annual Plans updated	Annual plans for 2014, 2015 and 2016 developed	Aug 2014, 2015, 2016
<b>Purpose</b>	Put in place targets to increase IDAL's reach to target audience	
<b>Description</b>	The team will conduct a detailed assessment of IDAL's positioning on the media front and determine a plan taking into account the external environment	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Communication targets set	Number of KPIs and targets set	Aug 2014, 2015, 2016
<b>Purpose</b>	Improve investor servicing through identifying issues faced by investors	
<b>Description</b>	The team will develop a survey that will be sent to all investors to assess their concerns which will then be categorized by type. Sub committees will then be formed with the PCM to address these issues	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Number of issues identified	Number of issues compiled	July 2014
Number of issues tackled	Number of issues with ease of implementation	Dec 2015
<b>Purpose</b>	To increase IDAL's role in policy making	
<b>Description</b>	IDAL will organize a roundtable that will bring together all foreign companies in Lebanon to discuss their needs	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Annual Conference	Conference held at the PCM and	Dec 2014



held	number of issues raised	
<b>Purpose</b>	To increase IDAL's role in policy making and in taking active role in improving the investment climate	
<b>Description</b>	The team will develop policy proposals and opinion pieces	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Number of policy papers published	Number of policy papers released by local magazines or IDAL's newsletter	Dec
<b>Purpose</b>	To compute FDI figures across economic sectors	
<b>Description</b>	The team will coordinate with an external consultant to compute FDI figures by sector	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
FDI figures released by sector	Figures released by sector for 2012, 2013, 2014	Dec 2014, 2015, 2016
<b>Purpose</b>	To receive technical or financial support from multinational organizations to implement specific needs	
<b>Description</b>	The team will identify a list of international organizations by area of intervention, will establish IDAL's needs and initiate contacts	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Number of international organizations contacted	Meetings held with at least 5 organizations	Dec
Number of MoU signed	At least one MoU signed with international organization	Dec 2015

<b>Activity Result 2</b>	Promoting Investment	Start Date: Jan 2014 End Date: Dec 2016
<b>Purpose</b>	Identify investors with potential to invest in Lebanon or to use Lebanon as an outsourcing destination	
<b>Description</b>	This will include identification of forums and attending them, developing database of potential investors, identify investment opportunities, proposing legislative amendments, etc.	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Number of new investments made	New foreign or local investments made in each sector	Dec 2014
New leads generated	New foreign investors which expressed interest in Lebanon	July 2014



Number of investment missions attended	Number of investment missions attended	Dec 2014
<b>Purpose</b>	Increase IDAL's visibility on social media platforms	
<b>Description</b>	IDAL will work with an external consultant to train staff on using social media channels and will identify social media tools	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Number of followers of social media channels	Number of followers on Facebook and twitter	July – Dec 2014
Number of staff trained	Number of staff in IDAL trained and making use of social media tools	May 2014
<b>Purpose</b>	Increase IDAL's awareness in traditional media tools	
<b>Description</b>	The team will develop a series of generic and sector specific promotional tools in coordination with external suppliers	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
New visuals developed	New generic and sector visuals developed	Dec 2014
Visuals implemented locally	Number of visuals used in local ads and magazines	July – Dec 2014
Visuals implemented internationally	Number of visuals used in international ads and magazines	July – Dec 2014
IDAL's website in Arabic	IDAL website launched in its Arabic version	July 2014
IDAL's website in French	IDAL website launched in its French version	July 2015
<b>Purpose</b>	Introduce IDAL's services to local and international investors and to promote Lebanon's potential	
<b>Description</b>	A list of external missions will be identified at the beginning of the year with Joint Chambers of Commerce, Outsourcing agencies, and forums. The team will help in organizing events	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Number of investment missions attended	Number of investment missions attended and number of leads generated	Dec
Number of roadshows planned to Lebanon	One roadshow organized at least for 2 sectors	Dec 2014 - 2015
<b>Purpose</b>	Provide investors with up to date information on all legal and commercial information	
<b>Description</b>	The team will coordinate with public and private stakeholders to update all information	



Quality Criteria	Quality Method	Date of Assessment
Information updated on website	All information on website updated	March – July
New indicators developed	At least 5 new indicators on Lebanon competitiveness developed	Oct 2014
<b>Purpose</b>	Take stock of all foreign companies in Lebanon	
<b>Description</b>	The team will coordinate with relevant entities to compile list of foreign companies and will conduct visits	
Quality Criteria	Quality Method	Date of Assessment
Number of foreign companies tracked	Number of foreign companies identified and contact initiated	March – June – Sep – Dec

Activity Result 3	Investor Servicing	Start Date: Jan 2014 End Date: Dec 2016
<b>Purpose</b>	Grant incentives to investors based on their project proposals	
<b>Description</b>	Provide IDAL with the technical knowhow to evaluate environmental and financial feasibility studies	
Quality Criteria	Quality Method	Date of Assessment
Technical evaluation conducted	Number of projects evaluated and approved by IDAL	Bi-Annual
<b>Purpose</b>	To ensure that evaluations of projects are done with the required technical expertise at par with international standards	
<b>Description</b>	MoU will be signed with concerned ministries and a consultant will be assigned from that ministry to provide IDAL with	
Quality Criteria	Quality Method	Date of Assessment
MoU signed	Number of MoU signed and implemented and renewed	December 2014
<b>Purpose</b>	Provide investors with full fledge services to facilitate the operation of their projects	
<b>Description</b>	The team will work with IDAL's staff to identify services in need by investors and coordinate with stakeholders	
Quality Criteria	Quality Method	Date of Assessment
New services implemented	Review and monitor implementation of the program to ensure quality	Dec 2014
<b>Purpose</b>	Improving investment climate and IDAL's services.	



<b>Description</b>	Conducting a survey, measuring investors' satisfaction and identifying issues	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Annual surveys conducted	Number of investors surveyed and reports raised	July 2014

<b>Activity Result 4</b>	Promoting Export	Start Date: Jan 2014 End Date: Dec 2016
<b>Purpose</b>	Provide exporters with opportunity to access new markets and receive financial support	
<b>Description</b>	The team will be involved in monitoring the program, monitoring the disbursements of the program funds, ensuring proper implementation of quality requirements by exporters, monitoring payments, ensuring the identification and access to new markets	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
New markets	New markets entered by companies and business deals made	
Field inspection conducted	Number of field inspections carried yearly and assessment	Quarterly
Quality control	Quality control on packaging	Quarterly
<b>Purpose</b>	Provide companies with access to new markets and increase their export potential	
<b>Description</b>	The team will be involved in identifying new promising markets, conducting studies on them, initiating contacts with embassies, organizing trade missions, etc...	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Business Deals signed	Number of business deals signed with external companies	December 2014-2015



## Section VII. Legal Context

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the SBAA [or other appropriate governing agreement] and all CPAP provisions apply to this document.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document".



### Risk Analysis

#	Description	Date Identified	Type	Impact & Probability (1= low, 5=high)	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Delay in receipt of funds by Government	Project initiation date	Financial	This would substantially delay the initiation of project activities P = 2 I = 5	Follow-up with IDAL and UNDP CO	UNDP			
2	Political instability and security situation in the country	Project initiation date	Political	Political or security changes can hinder access to site and delay in receiving legal issues P = 3 I = 5	Close coordination with UN DSS	UNDP			
3	Delay in the recruitment process/ identification of qualified staff	Project initiation date	Operational	This may cause a delay in implementation of some activities P = 3 I = 4	Close coordination with UNDP's HR Department, UNDP HQ, Broader Advertisement, use of UNDP/UNV/TOKTEN rosters	UNDP			
4	Limited responsiveness and buy-in from stakeholders	Project initiation date	Operational	This may cause a delay in implementation of some activities P = 3 I = 4	Regular meetings with IDAL's Board, Regular reporting to IDAL's Chairman, Inclusive and participative process implemented.	UNDP			