



Government of Lebanon
United Nations Development Programme (UNDP)
Prime Minister's Office (PMO)
Sustaining and Enhancing the Institutional Capacity
of the Office of the Prime Minister of Lebanon
Substantive Revision

The Project since its inception has been providing substantive policy and technical support to the Office of the Prime Minister and has contributed to enhancing inter-ministerial coordination on macroeconomic policy matters and to improving the planning and implementation of development programmes.

Despite meeting its stated objectives of reinforcing the technical capacity at the Prime Minister's Office, the proposed project will build on lessons learned to re-assess its functions, structure and operating model. The proposed project will be also designed based on international best practices and will reflect the newly-emerging macro-economic and social challenges facing Lebanon in the years ahead.

This project will further enhance the institutional capacity of the Office of the Prime Minister of Lebanon in the design, coordination and monitoring of major policies and reforms. This represents an integral part of the government effort to implement its economic and social agenda and to promote sustainable economic growth.

The key outcome of the project is enhanced institutional capacities for policy formulation, reform implementation and programme coordination.

To achieve this objective the project will support the achievement of three main outputs for which detailed activities are outlined in the results framework:

- 1. Capacity to provide the Prime Minister's Office with economic and social policy advice and implementation reinforced*
- 2. Capacity to implement and monitor the government's reform agenda developed*
- 3. An institutional coordination mechanism is for the implementation of development and reconstruction projects set up*

The project is implemented by a dedicated project implementation team, implementing the various components.

12 December 2008



SIGNATURE PAGE

Country: Lebanon

UNDAF Outcome: Enhanced National Decision-Making Capacity

Expected Outcome(s)/Indicator(s): Enhanced institutional capacities for policy formulation, reform implementation and programme coordination.

Indicator: By the end of the project, the reform agenda of the Government should have been implemented and a mechanism for coordination between the office of the Prime Minister, the CDR and the spending ministries should be instituted leading to the effective implementation of development programmes.

MYFF Goal: National Capacities and Policy Formulation enhanced for fostering democratic governance

Expected Output(s)/Annual Targets: See Results and Resources Framework and AWP

Implementing partner: Presidency of the Council of ministers

Responsible Parties: Presidency of the Council of ministers

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Program Period: 2008-2011
 Program Component: Fostering Democratic Governance
 Project Title: Sustaining and Enhancing the Institutional Capacity of the Office of the Prime Minister of Lebanon for implementation of Reforms
 Project ID: 00013393
 Project Duration: 2008-2011
 Management Arrangement: Support to NEX

Budget: USS 4,415,250
 General Management Support Fee: 5% 210,250
 Planned Total budget: USS 4,205,000
 Allocated resources:
 • Government USS
 • Regular USS
 • Other: USS
 ○ Donor _____
 ○ Donor _____
 • In kind contributions _____
 Unfunded budget: _____

Agreed by Government: His Excellency Prime Minister Fouad Siniora

Signature: Fouad Siniora Date: 12/12/2008

Agreed by UNDP: Ms. Marta Ruedas - UNDP Resident Representative

Signature: Marta Ruedas Date: 12-XII-2008

The Government Reform Program Coordination Office (GR PCO) continues to coordinate the implementation of the Paris III socio-economic reform program and has met regularly to resolve issues escalated from “Natural Owners” (i.e. line ministries and public sector entities), and to prioritize sector initiatives.

The three Inter-Ministerial Committees (IMCs): Economic, Infrastructure and Privatization, and Social held their fourth round of meetings on February 11, 15 and 29, 2008. The meetings were chaired by the President of the Council of Ministers and intended to: i) follow-up on progress achieved in the implementation of the reform program over the six months: September 2007-February 2008, ii) monitor performance against targets communicated in the signed Commitment Documents, iii) resolve issues escalated from the natural owners, and iv) discuss and finalize short-term technical assistance and funding requirements

The institutional structure to coordinate and monitor the implementation of the socio-economic reform program has provided a solid foundation for maintaining the reform momentum and ensuring commitment to the reform agenda, notwithstanding difficulties emanating from last year’s polarized political situation.

The Prime Minister’s office is constantly called upon to take measures and to implement reforms, advocate changes, as well as facilitate coordination for development. In this critical task, the need for sound and effective decision-making at the highest levels of government is crucial. Here, the strengthening of institutional resources and expertise at the Presidency of the Council of Ministers becomes crucial and critical for the period ahead.

B. Overview of the UNDP Project at the Presidency of Council of Ministers

1. Project Objectives

- The UNDP Project 00013393 was launched on July 1st, 2003 to reinforce the technical capacity at the Presidency of the Council of Ministers. The objective was to provide the Prime Minister’s Office with the required skill mix to enhance economic decision-making capacity and to effectively monitor and follow-up the implementation of programs by government entities. Since then, the project has been operating along two tracks: (1) The first track covers on one hand, monitoring the implementation of the Government’s public investment program including the emergency reconstruction projects and on the other, coordinating between executing agencies and relevant ministries and (2) The second track provides economic policy advice including oversight capacity for the EU technical assistance programmes
- Since 2005, the Project has witnessed three government transitions which resulted in shifts in the project’s focus and work plans. However, despite tumultuous times, the Project has been able to achieve a wide range of objectives as stipulated in the initial Project document

2. Project Structure and Modus Operandi

- Until 2006, the Project had been carrying a set of key functions mainly: (1) Social and Economic Policy Advice, (2) Coordination, implementation and monitoring of the Government's Public Investment program (3) Statistical Support, (4) Legal Support, (5) Communication and (6) Administrative Support. These functions were carried out by the various units within the Project, namely the Economic Policy Unit, the Project Implementation Unit, the Statistical Unit, E-Strategy Unit and the Communication Unit
- After the July 2006 war, the Project witnessed a temporary shift in its work plan and focus. An additional unit, the Recovery and Reconstruction Unit was introduced to help address the aftermath of the July 2006 war and to mobilize and disburse the emergency relief funds to the affected population.
- The most notable change in project implementation was an increase in its operational involvement at the expense of its strategic and policy advice role.

3. Assessment of the Project Achievements

The UNDP Project has succeeded in achieving its stated objectives by providing the Prime Minister's Office with the appropriate human resources and institutional capacity to deliver on its functions, mainly:

- Strengthening social and economic policy making capabilities
- Streamlining coordination among all implementing agencies within the government.
- Instituting its role as the focal point for implementation and monitoring of the Government's reform agenda

The key project achievements include the following:

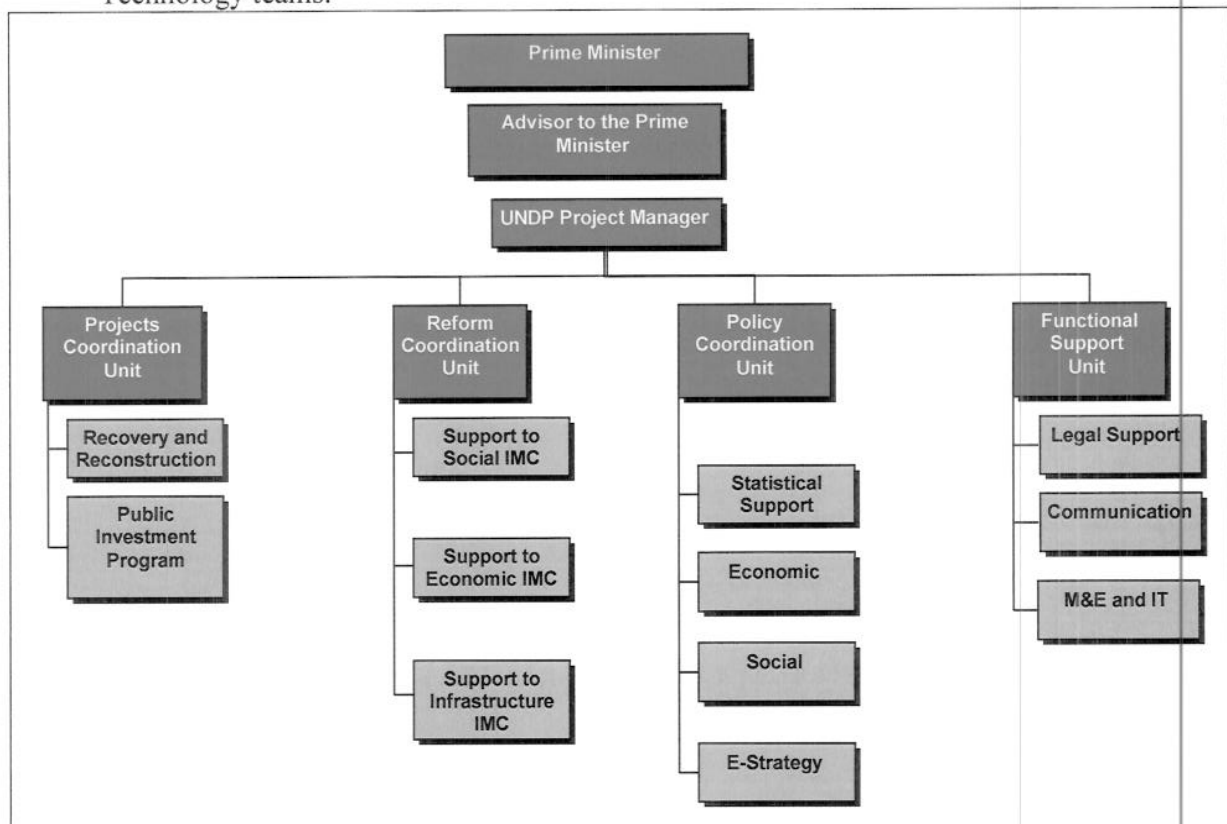
- (i) *At the Level of the Public Investment Program:*
 - Participated in the negotiations and design of infrastructure programs/projects with donors and coordinated their implementation between the Council of Development and Reconstruction and different line Ministries
- (ii) *At the Level of Social and Economic Policy Advice:*
 - Participated in the elaboration of the economic and social reform programs in preparation for international Donor Conferences (Beirut I and Paris III)
 - Provided input on the Social Action Plan developed by the ministries of Economy and Trade and Social Affairs
- (iii) *At the Level of the National Accounts:*
 - Initiated a project to elaborate a statistical master plan for the government.
 - Set up a team in charge of elaborating the national accounts for the years 2003-2005
- (iv) *At the Level of Communication support:*
 - Consolidated the progress reports of the ministries and accordingly prepared the 2006 and 2007 Government Achievement reports.

- Redesigned and reconfigured all PCM-related websites (reprioritization of content, new digital photography, easier user-navigation):
- (v) *At the Level of E-strategy:*
- Developed an effective coordination process for the Partnership for Lebanon initiative: identified a framework of cooperation, worked on a governance relationship, and facilitated an internal cooperation mechanism between the partners.

4. Issues in the Current Functions carried out by the UNDP Project

Over the last three years, the Project's team has carried-out an operational function that involved monitoring and coordinating the implementation of government projects and programs as well as providing policy advice to the Prime Minister on key social and economic reform actions. These tasks were assisted by the communication team, which provided strategic communication advice and prepared press releases and handled the PM communication campaign.

Given the emerging social, economic and financial challenges facing Lebanon, a sustained technical support to the Presidency of the Council of Ministers (PCM) is required. Future inputs by the technical team will be further consolidated around a matrix structure that consists of three vertical units, namely: (i) Projects Coordination Unit; (ii) Reform Coordination Unit; (iii) Policy Coordination Unit; And these will be supported horizontally by a Functional Support Unit that comprises: (i) the Legal; (ii) the Communication; and (iii) the Monitoring and Evaluation and Information Technology teams.



The above structure within the Prime Minister Office plays a strategic role in coordinating government actions in areas related to the implementation of the government's public investment program as well as its reform program and social and economic policies.

II- Project Strategy

The proposed Project design builds on its past successes and reflects current political and macro-economic priorities. The expertise and competence of the UNDP staff has proven to be crucial to the success of the project. The Project needs to ensure the presence of a sustainable structure that can serve the functional needs of future Prime Ministers.

1. New Functions for the Project

The UNDP Project will see the introduction of new functions to its structure to address emerging needs, mainly in areas related to the implementation of the government's public investment program as well as its reform program and social and economic policies. Also, given that the credit crunch that started in September 2008 is widely expected to turn into an economic and social one, and given that Lebanon's budget will have to adjust to a new fiscal reality, careful economic and fiscal management by the Office of the Prime Minister will be required. This is necessary to restore high quality economic growth and to maintain social stability in Lebanon over the longer term.

2. New Organization Structure for the Project

As a result of the functions expected to be carried out by the Office, a new organization structure will be defined for the Project and will include the following:

I. Projects Coordination Unit

Output: An institutional mechanism to improve liaison and coordination between the office of the Prime Minister, the CDR and the various ministries concerned for the implementation of development and reconstruction projects.

A. Recovery and Reconstruction: To facilitate and assist in bringing to a close the recovery and reconstruction programs of the Government

Activities:

- Provide technical support to the Steering Committee of the Lebanon Recovery Fund (LRF), monitor project implementation and support in the mobilization of funds and pledges to the reconstruction effort
- Maintain and update the Housing Compensation Database and process housing compensations to beneficiaries

- Develop and maintain the Development Assistance Database (DAD) and issue periodic reports on recovery and reconstruction grants and associated project implementation progress – Also, provide training to UN agencies and other donors/stakeholders for project implementation tracking and update of DAD
- Formulate short term and long term recommendations on the basis of the disaster preparedness assessment report and launch the consultative process with the different concerned government agencies to agree on the next steps.
- Draft a new law on disaster preparedness and management
- Take the leading role in the implementation of the disaster management plan in coordination with other public agencies with the technical and financial support of UNDP

B. Public Investment Program: To coordinate and follow up on infrastructure and development programme/project implementation for more effective development results

Activities:

- Advise on the operational, financial and administrative aspects of on-going infrastructure projects and recommend action steps: Energy (including power, oil and gas exploration); Water and wastewater; Transportation, and other infrastructure activities
- Advise on on-going socio-economic programs and recommend action steps if needed
- Monitor and follow-up the implementation of key socio-economic development and infrastructure projects with the concerned government entities
- Coordinate with inter-ministerial committees and concerned actors on development programs implementation process
- Coordinate with IDAL for the launching and promotion of major investment projects

II. Reform Coordination Unit (New)

Output: Capacity to implement and monitor the government's reform agenda

Activities:

- Monitor implementation of Paris III reform program and provide support to three inter-ministerial Committees (IMCs) in the coordination of program implementation
- Assist concerned ministries in mobilizing technical assistance and budgetary requirements for implementation
- Assist concerned ministries in identifying and resolving problems with program implementation

- Consolidate performance reports of the various ministries, monitor performance against targets, identify gaps and raise issues and risks to the Prime Minister and the concerned IMCs
- Monitor Ministries' progress in implementation of reform plan and prepare monthly, quarterly and yearly reports to the Prime Minister
- Maintain a coordination and oversight capacity with respect to the Implementation of the EU projects supporting government reforms at the Presidency of the Council of Ministers

III. Policy Coordination Unit (New)

Output: Capacity to provide Prime Minister Office with economic and social policy advice and implementation

A. Economic Policy Support: To support the Office of the Prime Minister in the formulation, implementation and coordination of economic policy

Activities:

- Coordinate economic policy formulation within the Government
- Identify socio-economic opportunities and challenges facing the Government and suggest policy recommendations
- Lead the development and monitoring of a national vision and long-term socio-economic development plan for Lebanon in coordination with concerned entities: This involves (1) Setting priority areas for policy based on challenges and opportunities, and (2) Coordinating the development of policies with concerned ministries
- Lead the development and monitoring of a long-term regional development plan to launch economic clusters in coordination with concerned entities
- Act as main counterpart in the support of foreign economic delegations missions

B. Social Policy Support: To support the Office of the Prime Minister in the formulation, implementation and coordination of social policy

Activities:

- Coordinate social policy formulation within the Government
 - Monitor the implementation of the World Bank Emergency Social Protection project and the national roll out of the targeting pilot
 - Negotiate on behalf of the Prime Minister technical assistance project with a social sector dimension.
- C. Statistical Support:** To contribute to the enhancement of the statistical capacities of the Government in line with international standards and good practices

Activities:

- Secure endorsement of the cabinet for the reform strategy embodied within the statistical master plan promoting data quality improvements in line with international standards and good practice
- Draft the Statistics law in line with the SMP recommendations
- Formulate a work plan for the implementation of the SMP recommendations
- Set up a trust fund to finance the implementation of the SMP with the support of UN agencies
- Establish procedures for the preparation of the national accounts according to the United Nations SNA 1993
- Generate and publish the National Accounts figures for the years, 2007-2011
- Publish 11-years series national Accounts for 1997-2007
- Train staff in various ministries and public institutions to build statistical skills in the elaboration of national accounts
- Transfer the methodology for the preparation of National Accounts to the Central Administration of Statistics and provide the appropriate training

D. E-strategy: To coordinate, establish partnerships, and push for the implementation of the E-Strategy using ICT as a tool for national development

Activities:

- Activate a national E-strategy unit at the Prime Minister's Office
- Maintain the National e-Strategy document (2003) and the National e-Strategy Implementation Plan (2005) in alignment with complementary national policies
- Coordinate the execution of the programs and projects outlined in the National e-Strategy Implementation Plan
- Secure and channel funds to implement National e-Strategy projects
- Monitor the Partnership for Lebanon activities with a specific focus on national connectivity strategy, national education network, connected communities, public-private sector internship
- Monitor progress by developing a national database and networking mechanism

IV. Functional Support Unit

A. Communication: To clarify and communicate the Government's Reform program and bridge the existing communication gap between the Government and the Lebanese public

Activities:

- Issue publication for dissemination to donors, stakeholders and eventually public at large regarding Paris III implementation
- Design, validate and implement communication/information strategies

- Advise on innovative and high profile activities that support the communication efforts of the concerned Ministries
- Contribute to editing documents and background material for high profile conferences and events
- Supervise & overview the production of public-oriented communication material and make sure standards of quality are met
- Contribute to the organization of events: targeted presentations, seminars, debates, press sessions, conventional press conferences, outreach programs...
- Update PCM related websites and their redesign
- Develop a new and portal website to act as an overview website for the Government and define its content and identity with the various stakeholders involved.
- Finalize a Message Methodology Manual to provide systematic guidance for language to use when talking or writing about the Government's goals and major issues.

B. Legal Support

Activities:

- Draft and review different project laws and decrees, ensure their consistency with current regulations and ensure their follow up in parliament
- Draft new project laws that support the implementation of the Government's reform program
- Attend parliamentary sessions related to on-going development projects (mainly infrastructure)
- Facilitate the approval of public institutions board of directors' resolutions

C. Monitoring and Evaluation/IT

Activities:

- Monitor activities in the Nahr El Bared Camp (NBC) surrounding villages, through the implementation of an M&E system
- Develop a data base for activities implemented in the 25 villages surrounding Nahr AlBared Camp; map all data through GIS system
- Maintain the Development Assistance Database system and ensure its regular updating
- Provide support to the Secretariat General of the Presidency of the Council of Ministers in its efforts to automate its workflows and procedures