International Aid Flows to LEBANON

The Lebanese Transparency Association (LTA)

October 2018

Beirut- Lebanon

Research team:
Dany Haddad
Atallah Al Salim
Outline:

I- Overview of the International Aid Scheme

II- Mapping of key Donors & Recipients

III- The Regulatory framework

IV- Mechanisms of Aid

V- Selected projects from the donors’ side

   A- Countries

   B- Private Funds/International Organisations

VI- Notes about Recipient Organisations

VII- Recommendations
I- Overview of the International Aid Scheme

Official Development Aid (ODA) is defined as government aid designed to promote the economic development and welfare of developing countries. Whether disbursed bilaterally or through a multilateral development agency such as the United Nations or the World Bank, ODA in the form of grants, “soft” loans with a substantial grant component, or technical assistance plays a key role in eradicating poverty and forming the foundation for sustainable growth.\(^1\)

The 15-year civil war\(^2\) that Lebanon witnessed had negatively impacted the standards of living for the majority of the country’s population. In this context, the government’s expenditure on infrastructure related projects, between 1993 and 2011, constituted only 8.7 % of the total expenditure.\(^3\) Government’s expenditure between 1993 and 2016 was mostly centered around three areas\(^4\) which are public debt service, salaries and wages of the civil servants, and subsidies to Electricité du Liban (EDL).\(^5\) In order to meet the growing needs of the society and to ensure proper development of its economic sectors, the Lebanese governments had heavily relied on international assistance, in the form of loans and grants, to maintain these needs. Consequently, the amount of debt had tremendously increased placing a heavy burden on the national treasury. The gross total debt, until February 2018, was at 122,896 Billion Lebanese Pound.\(^6\) (1 Billion Lebanese Pounds = 658, 176 US Dollar). According to latest figures produced by the Ministry of Finance, the gross Public Debt constituted 148 % of the country’s GDP while the Net Public Debt constituted 129 % of the GDP. The Executive Director of the Arab NGO’s Network for Development (ANND), Ziad Abdel Samad,\(^7\) sees the absence of governmental policy for aid as a de-facto reason for the lack of policy for economic development. Abdel Samad said that huge amount of money was generated from the re-construction of the country’s infrastructure-especially after the end of the civil war. This aid should have

---

\(^1\) [https://www.icao.int/sustainability/Pages/OfficialDevelopmentAssistance.aspx](https://www.icao.int/sustainability/Pages/OfficialDevelopmentAssistance.aspx)

\(^2\) Lebanon witnessed a bloody civil war which started in 1975 and ended in 1990. [https://al-akhbar.com/Community/238083](https://al-akhbar.com/Community/238083)

\(^3\) Same reference as footnote 3.

\(^4\) Same reference as footnote 3.


\(^7\) An interview was conducted with Mr. Ziad Abdel Samad on August 9, 2018.
been accompanied with governments investing in the productive sectors. Despite the fact that international aid delivered to Lebanon in different years and under different contexts lead to increase of revenues, and to economic growth, however, Abdel Samad contends that the achieved economic growth did not produce a robust economic cycle.

Lebanon had been relying on international aid since 1992, but this study will focus on the aid being delivered to Lebanon between 2011 and 2017. During this time frame, a considerable amount of the international aid flowing into Lebanon was linked with the Syrian crisis. Since its start in 2011, an estimated 1.5 million Syrian refugees\(^8\) settled in a country whose population does not exceed 4.4 million capita. Given the country’s drained resources and its poor infrastructure, Lebanon has been struggling to provide public services to both the local population as well as the Syrian refugees. Consequently, the aid was directed to serve the needs of the refugee communities especially in the areas of health, education, water, and sanitation. Moreover, international donors were also interested in providing arms and other logistical supplies to the Lebanese army. This was evident from 2014 onwards when different terrorist groups started to constitute serious threats to the Lebanon’s national security. It is estimated that $4.5 billion in (ODA) was disbursed to Lebanon from 2011 to 2015 according to the Organization for Economic Cooperation and Development (OECD). The sectoral allocation of this aid is indicated in the below graph\(^9\).

**Graph 1: Sectoral Allocation of aid**

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Allocation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democracy Promotion &amp; Human Rights</td>
<td>9.7%</td>
</tr>
<tr>
<td>Services Sectors’ Development</td>
<td>13.0%</td>
</tr>
<tr>
<td>Productive Sectors Development</td>
<td>6.4%</td>
</tr>
<tr>
<td>Humanitarian Aid</td>
<td>12.2%</td>
</tr>
<tr>
<td>Social Services</td>
<td>18.4%</td>
</tr>
<tr>
<td>Natural Resources &amp; Energy</td>
<td>24.7%</td>
</tr>
<tr>
<td>Security</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

As shown in the above graph, more than 50 % of the aid was given to the natural resources and energy, social services, and security sectors

---


In a recent development to the international aid scheme surrounding Lebanon, CEDRE (Conférence économique pour le développement, par les réformes et avec les entreprises)- an international conference in support of Lebanon development and reforms- was hosted by France on 6 April 2018. During the conference, the government of Lebanon presented its Capital Investment Program (CIP), which is mainly focused on development and rehabilitation of the country’s infrastructure. The CIP entails around 250 projects in the electricity, water, and waste management sectors, among others, according to official statements released ahead of the conference.\textsuperscript{10}

The total cost of the first phase of the CIP (covering 6 years for preparatory works and implementation) is estimated at US $10.8 billion (including expropriation costs), of which around 35% of these costs could come from private investment. In this enabling context, participants considered that, given Lebanon's high debt levels, concessional financing and private investment are the best instruments to utilize for the investment in infrastructure and the creation of jobs, along with the implementation of a consistent budgetary and fiscal adjustment program. Donors, who gathered in this conference, pledged their support to Lebanon's investment and reforms program for Phase I:

- US$ 10.2 billion loans have been pledged, including $ 9.9 billion in concessional terms
- US$ 0.86 billion grants (including grants to subsidize loans)
- Donors also encouraged the private sector to participate to the financing of the CIP, on a project basis.\textsuperscript{11}

In total, donors committed $10.2 billion in loans and $860 million in gifts, and the commitments from them were as follows:

- The World Bank has pledged a $4 billion loan spread over the next five years
- The European Investment Bank (EIB) pledged a $1 billion loan spread over the next six.
- Kingdom of Saudi Arabia reinstated a $1 billion credit line to Lebanon.

\textsuperscript{10} \url{http://blog.blominvestbank.com/wp-content/uploads/2018/03/In-a-Nutshell-The-“CEDRE”-Conference-the-Capital-Investment-Plan-1.pdf}

- The Islamic Development Bank also pledged a $750 million loan spread over the next five years.
- France would provide 400 million euros ($489.3 million) in loans below market rates and would gift Lebanon another 150 million euros ($183.5 million).
- The Netherlands announced a $300 million concessional loan.
- Great Britain announced soft loans totaling $170 million.
- The US announced a $110 million grant.
- Germany is expected to put forth $75 million.\(^\text{12}\)

In a roundtable discussion\(^\text{13}\) aiming at discussing different aspects of international aid scheme in light of CEDRE conference, participants expressed their concerns over the efficiency of aid which is supposed to be channeled due to the lack of transparency and commitment in managing projects and funds by the Lebanese governments resulting from previous conferences. By January 2019, Lebanon should present a report to the donors on the needed projects which is impossible to deliver due to the absence of the Council of Minister\(^\text{14}\). Despite the negative political atmosphere surrounding Lebanon, participants said that CEDRE can constitute a glimpse of hope if implemented appropriately.


\(^\text{13}\) A roundtable discussion took place in LTA offices on July 19, 2018. The roundtable pulled together key experts & policy makers.

\(^\text{14}\) Lebanon organized parliamentary elections in May 2018. However, and until writing this report, the country’s political factions had failed to reach a national consensus over the cabinet that need to be formed because of disputes over the power sharing.
II- Mapping of Key Donors & Recipients

Research revealed that out of the six targeted countries initially mentioned by CIPE in the methodology, only two of them: Kingdom of Saudi Arabia (KSA) and China are providing aid through formal channels. On the other hand, Iran provided aid but through charity organizations and the aid was directed to partisan groups. However, Russia and Venezuela did not provide any form of aid or assistance. In addition to the countries listed above, active donors included the United States, United Kingdom, Kuwait, Germany, Japan, and France. Financial support awarded to the Lebanese government by these states varied in their amounts and sectors/areas whereby this aid was being directed to.

As for private entities and international organisations, the research showed substantial contributions by the following entities: various UN organs, the World Bank, International Monetary Fund (IMF), the Arab Fund for Economic and Social Development, the Arab Monetary Fund, and the Kuwait Fund for Arab Economic Development (state-sponsored fund).

As indicated above, a considerable amount of this aid was channeled to address both the needs of the Syrian refugees residing in Lebanon as well as local development needs. Consequently, various ministries and public administrations\(^\text{15}\) benefited from the aid under different contexts.

---

\(^{15}\) The data found in the table is compiled from two sources: a- *Collective Resolution to Enhance Accountability and Transparency in Emergencies*, Lebanon Report. Transparency International, 2017 and b- report issued by *Information International* on the aid and grants provided to the Lebanese state in 2016 exclusively.
Table 1: List of Ministries & Government Bodies that received aid

<table>
<thead>
<tr>
<th>Ministries</th>
<th>● Ministry of Social Affairs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>● Ministry of Education &amp; Higher Education</td>
</tr>
<tr>
<td></td>
<td>● Ministry of Public Health</td>
</tr>
<tr>
<td></td>
<td>● Ministry of Energy &amp; Water</td>
</tr>
<tr>
<td></td>
<td>● Ministry of Interior &amp; Municipalities</td>
</tr>
<tr>
<td></td>
<td>● Ministry of Foreign Affairs</td>
</tr>
<tr>
<td></td>
<td>● Ministry of Justice</td>
</tr>
<tr>
<td></td>
<td>● Ministry of Environment</td>
</tr>
<tr>
<td></td>
<td>● Ministry of Finance</td>
</tr>
<tr>
<td></td>
<td>● Ministry of Culture</td>
</tr>
<tr>
<td>Public administrations</td>
<td>● The Council for Development &amp; Reconstruction (CDR)</td>
</tr>
<tr>
<td></td>
<td>● The High Relief Committee (HRC)</td>
</tr>
<tr>
<td>The Armed Forces</td>
<td>● The National Army</td>
</tr>
<tr>
<td></td>
<td>● Internal Security Forces (ISF)</td>
</tr>
<tr>
<td></td>
<td>● General Directorate of General Security</td>
</tr>
</tbody>
</table>

III- the Regulatory framework

The Public Accounting Law (PAL)\(^\text{16}\) lays down the regulations that governs the public finances; under which aid transfers also fall. Article 51 of the PAL stipulates that it is necessary to adhere to the principle of budget comprehensiveness- a key component to assess how much the national budget of a country is open and transparent. According to *OECD Journal on Budgeting*, the budget is the government’s key policy document. It should be comprehensive encompassing all government revenue and expenditure, so that the necessary trade-offs between different policy options can be assessed. Moreover, the budget should contain a comprehensive discussion of the government’s financial assets and liabilities, non-financial assets, employee pension obligations and contingent liabilities in accordance with international best practices. However, Lebanon does not have a comprehensive budget for two reasons: The disintegration of the CDR’s budget from the national budget and the existence of extra budgetary funds that are not integrated in the

\(^{16}\) Issued in 1963
national budget. Public Administration expert, Yahya Hakim\(^\text{17}\), said that the problem of CDR was the same for eighty-one government bodies which were linked to the Prime Minister Office and their budget was not included in the government’s national budget.

While Article 243 of the PAL prohibits the creation of private accounts—whether in private banks or in the Central Bank—for ministries, public administrations, municipalities, and any public institution, in fact, several sub-accounts have been created in the Central Bank for multiple governmental institutions following donor demands for the disbursement of grants\(^\text{18}\). This allows grants to be transferred directly to some government bodies, such as the CDR and the HRC.

Key policymakers and academicians have always stressed the need to have a comprehensive budget that includes all grants received by donors in order to ensure high degree of transparency. In 2011, a debate has arisen after the government received between 2006 and 2008 international aid, assistance and grants amounting to USD 11 Billion. These amounts were not accounted in the National Budget, which are not legally justified. Accordingly, Mr. Hakim stresses on the need to amend the PAL and equip the Audit Court with the necessary tools to monitor the spending of public finances.

Prior to 2017, information about grants and aid were not included in the National Budget. However, as of 2017, the Ministry of Finance started to compile all grants in the revenues section of the national budget\(^\text{19}\). Grants are now classified into four categories:

- Grants from Donor Countries
- Grants from International Organizations
- Grants from Non-Governmental organizations
- Overseas Donations from Individuals

\(^\text{17}\) Interview conducted with Mr. Yahya Hakim on July 19 2018.
\(^\text{18}\) السفير. تنثر تقرير رئيس لجنة تقصي الحقائق حول الهبات. 5 مليارات دولار بلا وجهة
IV- Mechanisms of Aid

Current practices show that donors negotiate with several governmental actors in parallel depending on sectoral intervention. For instance, while CDR is a key interlocutor for infrastructure-related action, the Ministry of Social Affairs negotiated and coordinates social interventions, and the Ministry of Public Health carries out health-related interventions. Consequently, the process of aid allocation is opaque in practice\(^{20}\). Due to the presence of multiple governmental bodies involved in administering the aid flow, duplication of efforts is the most likely outcome that might result from this mechanism.

The World Bank, being a large contributor to the aid flow to Lebanon, adopts a consultative approach to its funding whereby there is a systematic mechanism called “Country Partnership Framework\(^{21}\)” The CPF\(^{22}\) is a strategy document that outlines key sectors for the World’s Bank funding opportunities for the upcoming few years. The strategy might be adjusted in case internal and/or external factors erupted and posed challenges which were not present initially. It is to note that before developing the CPF, consultation meetings are held through a structured committee that involves various stakeholders such as government officials, parliamentary committees, civil society organizations, youth representatives, private sector, and donors. Whereas this is the case for the World Bank, in many cases, however, the aid provided by a donor in certain sectors/areas might overlap with other donors’ aid as the government does not specify sector(s) of intervention, priorities for projects, the level of intervention, or the division of tasks between the public and private sector. Ideally, a strategy document should be drafted by the government specifying the above-indicated elements and subsequently match them with the donors’ available funding schemes; which is rarely happening. In case of occurrence it will be due to the donors’ requirements. For example, the government of Lebanon had prepared a policy document prior to the Paris III conference\(^{23}\) outlining the desired outcomes and the goals it aims to achieve in five years.

\(^{20}\) Check foot note number 9, NDI Publication, p. 20.
\(^{21}\) Meeting with World Bank- Lebanon office representatives. June 2018
\(^{22}\) The latest CPF document issued by the World Bank was for the years 2017-2022 and it is available on: http://documents.worldbank.org/curated/en/111451467996685776/pdf/94768-CAS-P151022-R2016-0126-OUO-9-Box396270R.pdf
\(^{23}\) A conference which took place in France in 2007 and whose aim was to bolster the Lebanese economy, after the 2006 Israeli war on Lebanon. It was attended by donors belonging to the international community and was the third international donors conference after similar ones that took place in 2001 and 2002 subsequently.
As for monitoring and evaluating the outcomes of the foreign aid projects, there seems to be limited information on aspects pertaining to accountability and transparency. Information regarding the timeline of implementation, effectiveness of project, and evaluation outcomes and results are not disseminated to the public. In this context, the head of the Parliamentary committee for Budget and Finances, MP Ibrahim Kanaan, highlighted the necessity to oversee and monitor all grants and loans by the Audit. In particular cases, information are available but limited to donors not the state by itself.

Syrian refugees support to Lebanon is an example of the duplication and heavy bureaucracy - both being elements highly existing in the situation surrounding international aid flow to Lebanon. Dr. Said Issa, Senior Researcher, who previously conducted a study on the transparency of the aid delivered to the Syrian refugees in Lebanon, said that it was hard to track the money which had been spent because there were multiple channels for the aid. Issa explained that in most of the cases a chain of subcontractors existed before the targeted beneficiaries received the aid allocated to them or to their families. According to Issa, no single entity was monitoring if this aid was distributed effectively and transparently which might have paved the way for corruption.

25 As will be shown in Section 6 of the study.
26 Dr. Said Issa is a researcher and consultant whose area of expertise revolves around good governance. Interview conducted with him on July 19, 2018.
V- Selected Cases/Projects

Below are sample of programs being implemented by donor countries to support development and aid in Lebanon.

Countries

1- Kingdom of Saudi Arabia (KSA)

Amount of aid:

According to the Head of Lebanese-Saudi Economical Relations Commission, Elie Rizk, KSA’s contribution to Lebanon, in the form of loans and grants, amounts to 70 Billion USD, between 1990 and 2015\(^2\).

Sectors of Intervention:
- Infrastructure
- Housing & Shelter
- Education
- Security
- Development
- Health

Selected Projects:
- Under KSA’s 2030 National Transformation Program, KSA’s local market is in need of agricultural products which cannot be harvested in the country. In this context, KSA will allocate funds to enhance the agricultural environment in certain fields located in Lebanon, specifically in the South, North, and Bekaa Valley. Agricultural products which will be harvested in these areas will be exported to KSA. The project is expected to commence in the upcoming few months.

- Grants to the national treasury of Lebanon amounted to $ 1.2 billion USD until the end of 2010.
- Deposit in Lebanon’s central bank that amounts to $ 1 billion USD
- Supporting Lebanon to access grants and loans from different donors

\(^2\) [http://www.alyaum.com/article/4123623](http://www.alyaum.com/article/4123623)
● Grants, Projects, & Loans undertaken by KSA in the context of Paris III conference:
  o Grant received on April 11, 2007. Funds were used to repay $76 million in Eurobond interest, $9 million for interest on foreign loans, and $15 million for Treasury bills interest in LL.\(^{28}\)
  o On 30 July 2009, Saudi Arabia announced the release of a soft loan $50 million for the completion of the Arab highway.\(^{29}\)

● Helping Lebanon to get loans from the Saudi government, or from the Saudi Fund for Economic Development. Figures show that Lebanon received the total of 1.2 billion USD in the form of soft loans from fund indicated above.\(^{30}\)

● Following the 2006 war, KSA provided a field hospital that provided treatment and medical care to 9,000 patients most of whom were injured in the war.\(^{31}\)

● Providing medicines, medical equipment, and ambulances to the Ministry of Public Health.\(^{32}\)

Recent Projects
Case Study 1: Improving the infrastructure of Beirut-Damascus Road (known as Al-Masnaa)
Information obtained from desk research

• The project is a grant from the Kingdom of Saudi Arabia.
• The project is implemented by the Council of Development & Reconstruction (CDR).
• According to what is mentioned on CDR website, the project should be completed by December 2018.
• The project budget is USD 170,931,048

Information obtained from Access to Information Request to CDR:

This project is supposed to be completed on December 2018. However, and because the Ministry of Finance did not transfer the money allocated for this

\(^{30}\) The above listed information is based on an interview with the head of Lebanese-Saudi Economic Relations Commission, Elie Rizk, conducted on April 3rd 2018.
\(^{31}\) [http://www.alyaum.com/article/2417183](http://www.alyaum.com/article/2417183)
\(^{32}\) Extracted from [http://www.alyaum.com/article/4123623](http://www.alyaum.com/article/4123623)
project to CDR, the contractor had to slow down the pace of the work. As a result, the project completion is expected to be delayed. In addition, and during implementing this project, there was soil slips around the surrounding areas included in the project’s geography. The solution to address this problem had also to wait for the arrival of the money since it requires additional financial resources. Furthermore, enlarging this highway required residents of Jdeita village to leave their properties since the highway is to expanded to include the areas upon which their homes were built on. However, Jdeita residents did not evacuate their residences until now even though they were paid the necessary compensation fees.

Analysis & Conclusions:

- The transfer and submission of money by the Ministry of Finance to implementing organizations (in this case the CDR) should be agreed upon prior to the project implementation.

- The donor agencies in coordination with local authorities should carry out Economic and Social Impact Assessment because in such projects, as in the case above, the local communities are negatively affected. So, it is recommendable that citizens are aware of any social, economic, or environmental consequences that might result from the project.

- Information concerning the different aspects of the projects should be disseminated to the public through different means of communication. The above indicated information should be presented to the public without necessarily submitting an official access to information request. Therefore, grassroots organizations should be established to effectively monitor the implementation of development projects.

Case Study 2: The construction of vegetables market place in Tripoli, Northern Lebanon

Information obtained from desk research

- This project is a grant from the Kingdom of Saudi Arabia
- This project is implemented by the Council of Re-construction and Development (CDR)
- The end date of the project was on June 21 2018.

Information obtained from Access to Information Request to CDR:
The construction of this marketplace was finalized on the 21st of June. However, the only obstacle which hindered its effective implementation was that some areas which CDR had owned for the sake of carrying out this project was not evacuated immediately.

2- China

**Amount of aid:**
In 2016, the Chinese government provided two donations amounting to an estimated amount of $3,240,464 USD.

**Sectors of Intervention:**
- Security
- Energy

**Projects**
The donation of:
- Armored vehicles (the recipient organization is not specified)
- 83 private generators

3- Iran

Iran had not provided any aid to the Lebanese government neither in the form of grants nor loans. In fact, there were claims that Iran will be providing military aid in 2016 and 2017 after the Saudi’s halted their $3 billion aid to the Army. However, there are no developments regarding this support.

4- USA

**Sectors of Intervention**
- Military Aid
- Education

---

33 [http://monthlymagazine.com/ar-article-desc_4416](http://monthlymagazine.com/ar-article-desc_4416)
34 According to our desk research, this is the only information available on the grant provided by the Chinese government.
Selected Projects

- “U.S. Government Provides $30 Million to Increase Access to Education in Lebanon”
  
  **Date:** 9th June, 2017  
  **Amount of aid:** $30 million  
  **Description:** A USAID contribution of $30 million to the United Nations Children’s Education Fund (UNICEF) in Lebanon. During a press conference today at the Ministry of Education and Higher Education (MEHE), Ambassador Elizabeth Richard explained that this funding will support programs that provide education for vulnerable school-aged children.  
  **Link:** [https://lb.usembassy.gov/u-s-government-provides-30-million-increase-access-education-lebanon/](https://lb.usembassy.gov/u-s-government-provides-30-million-increase-access-education-lebanon/)

- “U.S. Embassy Provides $11.4 Million to Support Lebanese University Students for the Coming School Year”
  
  **Date:** 20th June, 2017  
  **Amount of aid:** US$ 11,400,000  
  **Description:** “Ambassador Elizabeth Richard announced that the U.S. government, through USAID, will support at least 104 new scholarships to two Lebanese Universities for the coming school year.”  
  **Link:** [https://lb.usembassy.gov/u-s-embassy-provides-11-4-million-support-lebanese-university-students-coming-school-year/](https://lb.usembassy.gov/u-s-embassy-provides-11-4-million-support-lebanese-university-students-coming-school-year/)

- “U.S. delivers arms to Lebanon, says fighting 'same enemy'”
  
  **Date:** 8th February, 2015  
  **Amount of aid:** $25 million  
  **Description:** The United States delivered more than $25 million worth of military aid including heavy artillery to the Lebanese army on Sunday to help it fight jihadist groups which have repeatedly battled with security forces near the Syrian border.  
  **Link:** [https://www.reuters.com/article/uk-mideast-crisis-lebanon-usa/u-s-delivers-arms-to-lebanon-says-fighting-same-enemy-idUKKBN0LC0LQ20150208](https://www.reuters.com/article/uk-mideast-crisis-lebanon-usa/u-s-delivers-arms-to-lebanon-says-fighting-same-enemy-idUKKBN0LC0LQ20150208)

- “Lebanon receives new batch of US military aid”
  
  **Date:** 7th June, 2016  
  **Amount of aid:** US$ 3,600,000  
  **Description:** The U.S. Embassy said the mapping equipment, which is valued at more than $3.6 million, will improve the military's ability to plot Lebanon's terrain.
● “US Delivers Bradley Fighting Vehicles to the Lebanese Army”
**Date:** 14\(^{th}\) August 2017
**Description:** We are here at the Port of Beirut to mark the delivery of eight M2A2 Bradley Fighting Vehicles. These are the very first of a total shipment of 32 Bradleys that will be delivered in the coming months. This contribution to the Lebanese Armed Forces represents an investment of over 100 million dollars.

The United States has provided the following defense articles to the Lebanese Army:

- 40 M198 howitzers
- 50 armored Humvees
- an Armed Cessna aircraft with hellfire missiles
- 55 mortar systems
- 50 Mark-19 automatic grenade launchers
- 1100 machine guns, including 800 50 caliber machine guns
- 4,000 M4 rifles
- Over half a million rounds of ammunition
- 320-night vision devices and thermal sights
- 360 secure communication radios

**Link:** [https://lb.usembassy.gov/us-delivers-bradley-fighting-vehicles-lebanese-army/](https://lb.usembassy.gov/us-delivers-bradley-fighting-vehicles-lebanese-army/)

5- United Kingdom (UK)
**Sectors of Intervention:**
  - Education
  - Military aid

**Selected Projects:**

  ● “UK delivers aid to Lebanese Army”
  **Date:** 22\(^{nd}\) October, 2014
  $16 million, includes 164 Land Rovers, 1,500 sets of body armor, a secure radio communication network, border watchtowers, and HESCO bastions to protect Army positions along the frontier.
- “UK announces $13 million for the Lebanese Armed Forces”
  
  **Date:** 16th March, 2018
  
  $13 million, to Lebanese security forces at the Rome II Conference today. The funding uplift comes in addition to the over $110 million the UK has already committed up to 2019 as part of its long-term partnership with the Lebanese Armed Forces and Internal Security Forces.
  

- “Emergency Education System Stabilization Project in Lebanon”
  
  Development for International Development
  
  **Amount of aid:** £22,000,000
  
  **Objective:** To support Syrian refugee access to the Lebanese public education system and to improve learning for all vulnerable Lebanese and Syrian public school children aged 6-15.
  
  **Link:** [https://devtracker.dfid.gov.uk/projects/GB-1-204906](https://devtracker.dfid.gov.uk/projects/GB-1-204906)

- “Lebanon Non-Formal Education”
  
  Development for International Development
  
  **Amount of aid:** £4,139,867
  
  **Objective:** To provide 6 months’ interim support to Reaching All Children with Education (RACE), through UNICEF, to accelerate education and skills of underserved children and youth of lower secondary (9-15 years old), upper secondary (15-18) and tertiary levels (19-24 years old).
  
  **Link:** [https://devtracker.dfid.gov.uk/projects/GB-1-205179](https://devtracker.dfid.gov.uk/projects/GB-1-205179)

- Lebanon No Lost Generation Initiative (NLGI)”
  
  Development for International Development
  
  **Amount of aid:** £60,000,000
  
  **Objective:** To support the delivery of non-formal education and child protection for the most vulnerable out of school refugee children and children from host communities aged 3-18 as part of the No Lost Generation Initiative. The programme will provide up to 100,000 children with Government-endorsed non-formal education and up to 287,000 at risk girls, boys and women/caregivers with access to prevention and protection services.
  
  **Link:** [https://devtracker.dfid.gov.uk/projects/GB-GOV-1-300059](https://devtracker.dfid.gov.uk/projects/GB-GOV-1-300059)
• Support to Lebanon’s Reaching All Children with Education plan (RACE II)”
Development for International Development
Amount of aid: £87,383,300
Objective: To support the Government of Lebanon’s Reaching All Children with Education in Lebanon II through financing the delivery of formal education for Lebanese and refugee children aged 3-18 in Lebanon. To support the Lebanese Ministry of Education and Higher Education to strengthen their national education system and improve the quality and equity of education, including strategic technical assistance for governance, planning, financing and data performance monitoring.
Link: https://devtracker.dfid.gov.uk/projects/GB-GOV-1-300239

• “Lebanon CSSF Stability Programme 2016-19: Livelihoods Projects”
Development for International Development
Amount of aid: £10,040,000
Objective: To improve stability across Lebanon through livelihood programmes which tackle tensions caused by competition for jobs in target communities. This will provide market driven skills, training and job opportunities for individuals and technical help for Small-Medium Enterprises. It will benefit Lebanese, Syrian and Palestinian communities.
Link: https://devtracker.dfid.gov.uk/projects/GB-GOV-1-300034

• “Lebanon CSSF Stability Programme 2016-19: Palestinian Youth Projects”
Development for International Development
Amount of aid: £7,500,000
Objective: To improve stability across Lebanon through interventions that counter radical narratives and promote social and economic inclusion for Palestinian youth in targeted Palestinian camps. This project will be put to tender, after which more detail may be given.
Link: https://devtracker.dfid.gov.uk/projects/GB-GOV-1-300054

6- Kuwait
Amount of aid:
$4,116,519

**Sectors of Intervention**
- Culture
- Tourism

**Specific Projects**:37:
- Excavation Works for Beirut Museum Project
- Supervision Services for the Excavation Works for Beirut Museum Project
- Implementation of PMU for the Project related to the Construction of Beirut Historical Museum - CHUD Project.
- Updating of Tender Documents, Assistance during tendering and Supervision services for the Restoration, Conservation and Presentation of Beaufort Castle (Shquef Arnoun).

7- Japan

**Sector of Intervention**
Security

**Recipient Organization**
General Directorate of General Security

**Specific Projects**
Three vehicles used to transfer the detainees38.

8- France

**Amount of Aid/ Donation:**
In 2016, the French government provided the Lebanese government with equipment and logistics amounting to $15,257,048 USD39.

**Areas of intervention:**
Security

---

Private Funds & International Organizations

1- The World Bank

Detailed description of projects funded by the World Bank is found on this link.

2- Arab Fund for Economic and Social Development

Table 2: Projects funded by the Arab Fund for Economic & Social Development

Country: LEBANON

<table>
<thead>
<tr>
<th>Ser. No.</th>
<th>Name of Project</th>
<th>Loan No.</th>
<th>Sector</th>
<th>Year Approved</th>
<th>Original Amount</th>
<th>Cancelled Amount</th>
<th>Net Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Conveyance of Litani Water to Southern Lebanon for Irrigation and Drinking Purposes (Elevation 800 Meters)</td>
<td>621</td>
<td>Water and Sew.</td>
<td>2015</td>
<td>32,000</td>
<td>0</td>
<td>32,000</td>
</tr>
<tr>
<td>2</td>
<td>Completion of Wastewater Facilities in Lebanon</td>
<td>600</td>
<td>Water and Sew.</td>
<td>2014</td>
<td>30,000</td>
<td>0</td>
<td>30,000</td>
</tr>
<tr>
<td>3</td>
<td>Housing Project</td>
<td>585</td>
<td>Social Services</td>
<td>2014</td>
<td>34,000</td>
<td>0</td>
<td>34,000</td>
</tr>
</tbody>
</table>


3- Kuwait Fund for Arab Economic Development

Table 3: Loans funded by the Kuwait Fund for Arab Economic Development

<table>
<thead>
<tr>
<th>Project title</th>
<th>Type of Aid</th>
<th>Amount (in Kuwaiti Dinar)</th>
<th>Date of Signature</th>
<th>Status of the project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two sewages in Al Shouf Area</td>
<td>Loan</td>
<td>0.000</td>
<td></td>
<td>Under negotiations</td>
</tr>
<tr>
<td>Description</td>
<td>Type</td>
<td>Amount</td>
<td>Date</td>
<td>Status</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------</td>
<td>--------</td>
<td>-------------</td>
<td>------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Sewerage system in Kafr Hlda Area</td>
<td>Loan</td>
<td>0.000</td>
<td></td>
<td>Under Negotiations</td>
</tr>
<tr>
<td>Dhinia Water Supply and Rehabilitation of Brisa Dam</td>
<td>Loan</td>
<td>0.000</td>
<td></td>
<td>Under Negotiations</td>
</tr>
<tr>
<td>Potable and Irrigation Water Supply in Bcharre</td>
<td>Loan</td>
<td>11,200,000.000</td>
<td>25-03-2017</td>
<td>Under implementation</td>
</tr>
<tr>
<td>Sewerage system for Al-Sarafund Area’s project</td>
<td>Loan</td>
<td>18,000,000.000</td>
<td>15-12-2016</td>
<td>Under implementation</td>
</tr>
<tr>
<td>Hyrdo Agricultural Development Of South Lebanon</td>
<td>Loan</td>
<td>21,000,000.000</td>
<td>16-06-2015</td>
<td>Under Implementation</td>
</tr>
<tr>
<td>Al Karak-Ryak Road</td>
<td>Loan</td>
<td>7,000,000.000</td>
<td>30-03-2015</td>
<td>Under Implementation</td>
</tr>
<tr>
<td>Establishment of a center to provide Meat</td>
<td>Loan</td>
<td>5,500,000.000</td>
<td>15-01-2015</td>
<td>Under Implementation</td>
</tr>
<tr>
<td>Portable Water in Zahle</td>
<td>Loan</td>
<td>6,000,000.000</td>
<td>26-06-2014</td>
<td>Under Implementation</td>
</tr>
<tr>
<td>Rehabilitation of Al- Jeia and Al Zouk Power station</td>
<td>Loan</td>
<td>25,000,000.000</td>
<td>04-02-2013</td>
<td>Under Implementation</td>
</tr>
<tr>
<td>Sewerage system in Marjayoun Area’s project</td>
<td>Loan</td>
<td>13,500,000.000</td>
<td>29-03-2012</td>
<td>Under Implementation</td>
</tr>
</tbody>
</table>

Source: [https://www.kuwait-fund.org/ar/web/kfund/project-information?radioSearchBy=Country&listRegions=4&listCountries=100&radioSectors=All&listSectors=9&radioStatus=All&radioType=All](https://www.kuwait-fund.org/ar/web/kfund/project-information?radioSearchBy=Country&listRegions=4&listCountries=100&radioSectors=All&listSectors=9&radioStatus=All&radioType=All)
Table 4: Projects funded by the Kuwait Fund for Arab Economic Development

<table>
<thead>
<tr>
<th>Project title</th>
<th>Start Date</th>
<th>End Date</th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HYDRO- AGRICULTURE DEVELOPMENT IN SOUTH LEBANON</td>
<td>5-2-2012</td>
<td>31-12-2018</td>
<td>386,536,768</td>
</tr>
<tr>
<td>CULTURAL HERITAGE &amp; URBAN DEVELOPMENT</td>
<td>4-1-2011</td>
<td>30-11-2018</td>
<td>359,869</td>
</tr>
<tr>
<td>CULTURAL HERITAGE &amp; URBAN DEVELOPMENT (CHUD)</td>
<td>28-5-2008</td>
<td>30-11-2018</td>
<td>469,237</td>
</tr>
<tr>
<td>BEIRUT-DAMASCUS (AL MASNAAR) ROAD</td>
<td>8-1-2002</td>
<td>31-7-2019</td>
<td>5,163,695</td>
</tr>
<tr>
<td>CHTOURA -BAALBEK-SYRIAN BORDER (AL KAA) ROAD</td>
<td>01-10-2015</td>
<td>30-9-2018</td>
<td>23,074,657</td>
</tr>
<tr>
<td>BEIRUT INTERNATIONAL AIRPORT</td>
<td>01-12-2014</td>
<td>29-11-2018</td>
<td>7,009,808</td>
</tr>
<tr>
<td>UPGRADEING OF WASTE WATER SERVICES IN MOST LEBANESE REGIONS -KFAED , GRANT 2</td>
<td>01-07-2017</td>
<td>30-6-2019</td>
<td>6,886,939</td>
</tr>
<tr>
<td>REHABILITATION OF WATER NETWORKS AND SYSTEMS IN ZAHLEH REGION</td>
<td>01-07-2017</td>
<td>30-6-2019</td>
<td>10,516,337</td>
</tr>
<tr>
<td>WASTE WATER COLLECTION AND TREATMENT IN MARJE'YOUN REGION</td>
<td>01-05-2017</td>
<td>30-04-2019</td>
<td>47,562,412</td>
</tr>
<tr>
<td>WASTE WATER COLLECTION AND TREATMENT IN SAIDA COASTAL REGION</td>
<td>16-06-2017</td>
<td>21-02-2019</td>
<td>1,376,643</td>
</tr>
<tr>
<td>WASTE WATER COLLECTION AND TREATMENT IN TRIPOLI COASTAL REGION</td>
<td>01-01-2018</td>
<td>31-12-2019</td>
<td>1,995,460</td>
</tr>
</tbody>
</table>


Case Study 3:
Rehabilitation of Drainage Channel and Cargo Apron at Rafic Hariri International Airport

Contextual Background
Initially, the Beirut International Airport was constructed to host the capacity of 6 million passenger. However, and in the recent years, the number of passenger checking in and out of the airport had increased to reach 9 million passengers. The increase in the number of passengers requires large scale revamp of all the airport facilities and equipment. According to the Minister of Public Works and Transportation, renovating the Airport need 100 million USD and the Council of Ministers had approved of transferring 18 million USD only. Moreover, the procurement done for projects aiming at reforming or maintaining the airport facilities (technical, logistical, and security systems) were a source of criticism by several media outlets and politicians. In this context, one single company had won the total of five public procurement contracts. This company is entrusted to purchase all security related equipment, including Xray, to detect the security status of all cars and vehicles entering into the airport.

As part of its efforts to renovate the Airport, the government of Lebanon-through the Higher Council for Privatization- had signed an agreement during May 2018 with International Finance Corporation (IFC), the European Bank for Re-construction and Development (EBRD), and KPMG/Solon- whose main objective is expand the Airport’s. This project’s objectives can be summarized as follows: a- cope with the traffic growth as BRHIA traffic has exceeded its planned capacity, b- Improve the quality of service, c- free government budgets for other sectors, d- introduce new revenue stream for GOL, e- contribute to the increase in exports, and finally f- create jobs. This project is one of bunch of other projects which are expected to be implemented under the Public-Private Partnership (known as the PPP Law). This project will be part of the PPP projects that are expected to be carried out under the framework of the Capital Investment Plan (CIP) which was highlighted in the study’s first section.

Prior to that, the Lebanese government had approved a grant from Kuwait Fund for Arab Economic Development. The latter is a state- owned fund who is headed by Kuwait’s Foreign Minister and the first Vice President of the Prime Minister. The objective of the fund is to assist the economies of Arab countries and developing ones as well.

Information obtained from desk research

- The project is a grant from the Kuwait Fund for Arab Economic Development.
- The project is implemented by the Council for Development and Reconstruction (CDR).
- It is expected that the project finishes by November 2018 as mentioned on CDR’s website.
- The project budget is USD $7,009,808

Information obtained from Access to Information Request to CDR:

Below are some obstacles that faced the project implementation:

- The absence of the infrastructure sketches that should be available upon the establishment of the Airport in the 1950’s.
- The implementation of this project should adhere to the aviation safety guidelines which are usually put by the Administration of Air Navigation. Therefore, a contractor was selected to make sure that the project goals and objectives are in line with these guidelines.
- There was fuel leakage from the old networks that usually supply the airplanes with fuel. This had delayed the work especially after the Airport Administration asked the contractor to temporarily stop the project. The Airport Administration assigned the company which is in charge of administering oil installations to repair the damages before proceeding with the project.

Analysis & Conclusions:
Set of conclusions can be drawn from this case study:

- This case study clearly demonstrates the lack of coordination between the different entities involved in the aid process.
- This case study highlighted the fact of the absence of infrastructure sketches. This is a clear example of the lack of archiving system. Ideally, the government should establish an archiving system in order to keep track of all its documents.
- This case shows that maintenance of public utilities is not carried out on regular basis since there was a fuel leakage from the networks; a problem which could have been anticipated and resolved if a regular maintenance was in place.
VI- Notes about Recipient Organizations

- Generally speaking, it is easier to get information about the aid being delivered to the recipient agencies from newspapers and magazines, rather than relying on websites of these agencies or governmental datasets.
- In very rare cases, the websites of ministries and public administrations include sufficient information on the grant aid and projects received by donors.
- Details about amount of grants, loans, and in-kind contributions provided by donors to the Lebanese government under Paris II and III conferences are available on the website of the Ministry of Finance. The Ministry had issued eleven progress reports on the implementation of aid projects under Paris III conference (http://finance.gov.lb/en-us/Finance/DC/AC).
- The website of the Lebanese army contains sufficient information on the provided aid (https://www.lebarmy.gov.lb)
- Tracking projects implemented by the Council for Development & Reconstruction is convenient by accessing its website (http://www.cdr.gov.lb/eng/home.asp). The visitor can filter the projects by: a- sector, b- fund source, c-location. Information about the projects. Information cover the following areas: 1- project title, 2- contract name, 3- Start date/end date, 4- contractor/consultant, 5- Amount of aid.
- The Higher Relief Council does not have a website from the first place.
VII- Recommendations

1. Respect the regulations of the Public Accounting Law through:
   - Integrating budgets of public administrations that are not included now in the budget in line with international best practices, especially the principle of budget comprehensiveness.
   - Adhering to Article 243 of the PAL that prohibits the creation of private accounts- whether in private banks or in the Central Bank- for ministries, public administrations, and municipalities.

2. Ensure that the process of allocating aid is centralized and transparent through appointing a single local interlocutor that coordinates with donors as well as aid-recipient public institutions. Previously, Lebanon had a ministry for Central Planning; the latter was tasked to coordinate and synchronize between all development projects. However, this ministry was dissolved in 1977. It could be an option now to re-establish this ministry and assign it to coordinate between different donors and oversee development projects.

3. Develop a multi-sectoral strategy for aid which should be a key component of a bigger national strategy for development. Ideally, the strategy of aid should include sectors that the government needs to prioritize for aid, amount of aid needed, and specific projects of interests.

4. Following the ratification of the Access to Information Law in 2017, the government should publish information on the grants and donations that it receives either on the websites of the recipient organizations, or through establishing a unitary database for aid flow. Information should at least cover the following aspects: project budgets, durations, sectoral allocation, geographic locations, donor agencies, contracting agencies, implementing partners, and beneficiaries.

5. Ensure that the foreign aid projects are being monitored and evaluated through empowering the states’ Audit Court and equipping it with the needed human and financial resources to undertake this task.

6. Donor agencies in coordination with local authorities should carry out economic and social impact assessment before aid projects begins in case projects had any negative consequences – especially environmental effects- on citizen’s daily lives. Non-governmental organizations can play a major role in this process especially organizations which advocate for participatory approaches to policy making.

7. Empower civil society organizations (CSO’s) to act as watchdog on foreign aid projects. International best practices show that CSO’s proved to be successful in monitoring the transparency of the international aid through establishing assessment mechanisms intended to measure the efficiency of this aid.