Dear Reader,

During this time of transition for Lebanon and the Arab region, I am pleased to report that the Ministry of Economy and Trade (MoET) has maintained its path of reform, and has continued to uphold its commitments in priority areas.

Since my first term at the Ministry, I have endeavored to work with national partners to transform the business environment to become more conducive not only for producers, but also for consumers. Highlights of the Ministry’s progress for the year 2010 are reported within this newsletter, as well as in other publications issued by the MoET. Amongst those commitments worth highlighting here is our initiative to accede to the World Trade Organization. This represents an additional and genuine commitment towards economic reform. All laws that are required for accession are consistent with our national priorities to improve the doing business environment. Once enacted, proposed legislation will bring about additional regulation for areas of the economy where it is needed, or, in other cases, remove extraneous or costly regulation. Food safety and competition are prominent examples of our needs for more effective regulation, whereas the import licensing regime needs to be modified to liberalize affected sectors. Indeed, Parliament now has the possibility to enact a draft law that will make trade licensing more transparent. Once passed, the proposed draft law would place limits on the discretionary powers involved according to global standards. This is why I call on my fellow members of Parliament to prioritize the enactment of the draft International Trade and Licensing Law.

Lebanon’s accession process has now entered its eleventh year, which is not unusual, but it does exceed the global average of five to seven years. While we are not amidst a race to set a record, Lebanon is in a race against time to fully enact reforms that have been in the pipeline for too long.

As we work towards becoming a member of the WTO, our strategy has focused on liberalizing our trade with key trading blocks and countries. Besides Arab and European countries, Lebanon recently signed a free trade agreement with Turkey. A new Quadripartite High Level Cooperation Council amongst Lebanon, Syria, Jordan and Turkey has also been created. This will help form a new sub-regional economic space built upon the free circulation of people and goods, as well as joint projects in fields such as transportation and energy. We are currently looking to conclude a separate free trade agreement with MERCOSUR, which includes four of Latin America’s largest trading countries, and also plays host to the biggest Lebanese expatriate communities.

As an institution, the MoET is also benefiting from an active program of internal reform and enhancement. Whether in the field, or at the MoET’s offices, there are visible and tangible changes taking place. We have been trying to obtain technical assistance activities in a variety of fields to help build the skill set of a new cadre of government officials.

This is part of our contribution to enhance state institutions. As such, we invite our sister institutions to join us in this drive towards realizing a better economy. More specifically, I would like to call upon fellow members of Parliament to prioritize Lebanon’s economic reform agenda, also known as the WTO accession agenda.

This quarter’s edition highlights some alternative perspectives regarding Lebanon’s trade and development needs. The articles address the presence of three communities of practice: trade; development; and human rights. These three communities do not communicate with each other at a sufficient enough level. The articles here make a convincing case as to why they should. Furthermore, and given the economy-wide coverage of the WTO accession process, I would propose that this could serve as an ideal umbrella, under which the desired dialogue may be held.

We are always interested in hearing back from you with any thoughts on the content presented in this newsletter. In the mean time, thank you for reading.

Sincerely,
Mohammad Safadi
Minister of Economy and Trade

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In this Issue

- Introduction
- Briefings
- Guest Column
- Development Showcase
- MoET Updates

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MoET Updates

- Lebanon’s Cooperatives: Left out of Business?
- Lebanon's WTO Accession: A short update
- Lebanon's Accession Process: A timeline for progress
- Lebanon's WTO Accession: A short update

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MoET Activities in 2010

- MoET Activities in 2010

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MoET Activities in 2010

- MoET Activities in 2010

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MoET Activities in 2010

- MoET Activities in 2010

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MoET Activities in 2010

- MoET Activities in 2010

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MoET Activities in 2010

- MoET Activities in 2010
Trade and Human Rights: Outlines of a new relationship?

The opening of markets creates efficiency, stimulates growth and helps spur development, thereby contributing to the implementation of the fundamental human rights that are social and economic rights. One could almost claim that trade is human rights in practice!

-Pascal Lamy, Director General of the World Trade Organization

This Newsletter has so far aimed at shedding light on the links between trade and development, and the role of Lebanon’s accession to the World Trade Organization. As such, it is useful to go beyond development, and explore another equally important dimension: human rights. By this concept, we refer to all rights enshrined by the Universal Declaration of Human Rights, the U.N. Charter, as well as all major international conventions, acts, and other globally upheld standards, and economic and social rights.

Of course, it is worth noting that states are committed to upholding the primacy of human rights. Lebanon’s performance in doing so was recently assessed in its Universal Periodic Review (UPR). This is a process that was overseen by the Human Rights Council, while Lebanese civil society submitted additional reports with diverse perspectives.

Whereas the link may not be readily obvious, there is increasing recognition at the global level for the need to coordinate between both human rights and international trade agreements. Underlining the international community’s responsibility “to ensure that trade does not impair human rights, but rather strengthens them,” the Director General of the World Trade Organization, Mr. Pascal Lamy, explained how trade and human rights go hand-in-hand. He did so during a much lauded speech he gave at a conference addressing related issues in January 2010. Several key points of that address are analyzed here.

The basis of Mr. Lamy’s perspective is the WTO and the Multilateral Trade Agreements, which aim to “safeguard” each member-state’s rights in the global arena. Furthermore, he also made reference to the Preamble of the Marrakech Agreement Establishing the World Trade Organization, which recognizes that trade “should be conducted with a view to raising standards of living, ensuring full employment…while allowing for the optimal use of the world’s resources in accordance with the objective of sustainable development.” These overarching commitments are consistent with the endeavor to ensure equity and equality amongst nations, and individuals.

Mr. Lamy also referred to the “Geneva Consensus,” which underscores the crucial point, that trade policies are not enough on their own, and must be complemented by social and other economic policies. The Director General argues that “to be successful, the opening of markets requires solid social policies to redistribute wealth or provide safeguards to the men and women whose living conditions have been disrupted by evolving trade rules and trade patterns.” In Lebanon, this goes to the heart of the matter.

Several general recommendations were made within the NSDS. For example, the authors call for “an effort to bolster transparency and competition in the structure of the Lebanese economy by curbing the monopolistic characteristics of certain markets.” The implication here is to widen the base of economic actors who can be involved in all markets.

Transparency and competition are two principles underlying much of Lebanon’s effort to accede to the WTO. On matters of transparency, all enacted economic trade and other commercial laws and regulations, spanning hundreds of years of Lebanese history, have been mapped and deposited with the WTO Secretariat. The laws are also available to the

LOOKING TO LEARN MORE ABOUT THE WTO AND ITS VARIOUS AGREEMENTS?

The WTO Unit invites you to take part in an online training program offered frequently through the WTO Secretariat’s e.Training program. More info on upcoming courses can be obtained through

http://etraining.wto.org

To register for any course, please contact Ms. Lama Oueijan for endorsement: loueijan@economy.gov.lb
public through the Government’s Official Gazette, as well as ministry websites and commercial database providers.

Furthermore, many of the WTO agreements covering large sections of the Lebanese economy carry transparency requirements, including the General Agreement on Trade in Services (GATS), as well as the Agreements on Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary Measures (SPS). Moreover, there is an effort to enact two draft laws that deal with anti-competitive practices, namely the Competition Law and the International Trade and Trade Licensing Law.

The NSDS also calls for attention to be focused on productive sectors, particularly higher value added activities, as the main pillars of economic growth. In 2008, the industrial sector contributed approximately 8% of GDP, while the share of agriculture reached 6.1%. The services sector, meanwhile, represented 66% of total GDP in 2008. The prevailing view is that the decline, or stagnation, in the productive sectors opposite growth in services represents a structural transformation of the economy away from industry and agriculture. There are well-known social implications that accompany such trends.

The policies needed to promote the productive sectors should be identified and made part of Lebanon’s economic policy, including its WTO agenda. This would help serve the process of policy integration. These essential policies of support would also help contribute to an environment to boost human rights, especially where there may be notable gaps in economic and social rights. As such, Lebanon’s desire to shore up its human rights regime could benefit from the country becoming a member of a rights-based organization like the WTO. This process would allow for the trade-human rights alignment to occur, and can also become a source of support for Lebanon’s accession.

REFERENCES
- Lamy calls for mindset change to align trade and human rights: http://www.wto.org/english/news_e/spl_e/spl146_e.htm

Orienting Lebanon’s Trade Policy Toward Human Development: A brief guide

Policy makers and analysts alike have a strong desire to assess impact. After all, impact is a major driver for much of their work. Impact assessments are also often required as part of trade negotiations, agreements, reform projects, etc. They may be implemented before, during and/or after a particular event happens, or when a decision is taken. In this article, we provide a few tips on how to assess trade policy, and, how to do so from a human development perspective.

Indeed, the past decade in Lebanese economic history has been marked by a number of significant economic events, a number of which have carried the aim to realize Lebanon’s economic integration objectives. Starting with unilateral tariff dismantlement, to the start of the WTO accession process and the entering into several free trade agreements, a number of events have changed the composition of Lebanon’s trade regime. So it is both timely and useful to learn more about impact.

As a net importing country, Lebanon relies on international trade as one of its key sources of economic activity. In 2009, total trade represented an average of 28% of GDP. At the same time, national GDP grew at an average of 8% during the 2007 to 2010 period. Despite trade being one of the largest sources of national income, it is unclear as to what extent it actually plays a role in national development. For the purposes of this article, we assume that trade should play a developmental role, and, therefore, there is a need to hold a human development impact assessment (HDIA).

There have been some well-known studies on the impact of trade liberalization, though those have been more focused on macroeconomic or fiscal issues. Put differently, the impact is often seen from a specific perspective, rather than a holistic one such as human development. One particular exception is a study undertaken by the United Nations Environmental Program, entitled, Lebanon: Integrated Assessment of the Association Agreement with the EU—With a focus on the olive oil sector. As an integrated assessment, the study focused on how the liberalization of the olive oil sector, through the signing of a free trade agreement with the European Union, could have consequences on poverty reduction, employment creation, migration, trade, growth potential, the rural landscape, and environmental implications.

However, the task of drawing linkages between trade and human development is a more complex and multi-layered task. This was recognized and elucidated by the 2003 book, Making Global Trade Work for People, which was published by the United Nations Development Programme (UNDP). The need for this report partially arose from historical studies which found that increasing trade does not always translate to an increase in development. Similarly, other studies asserted that increasing trade does not always lead to an increase in economic growth.

Turning to the concept of human development, global measures can help us appreciate its various dimensions. For example, the Human Development Index and the Human Poverty Index, both of which are also published by the UNDP, measure a number of relative indicators of a particular national context or locale, such as a long and healthy life, knowledge, and a decent standard of living.
In addition, when a change in trade policy occurs, we note the following transmission mechanisms:

- **Productivity**: this is related to improvement in human capabilities, and includes advances in health, education, and labor force capabilities amongst the groups most likely to be affected by trade policy change such as consumers, service users, workers, farmers and so on.

- **Equality**: this involves looking at how the initial conditions of income, assets, job distribution, and access to education/training, credit, and health care services may have changed after a trade policy has taken effect.

- **Sustainability**: this component concerns to what extent a trade policy change has maintained or preserved developmental achievements. It examines to what extent higher economic growth (due to a change in trade policy) impacts community well-being; environmental sustainability; distribution of trade-related revenue to social expenditures; a well-balanced lifestyle between paid and non-paid work; and, leisure activities.

- **Empowerment**: this may be expressed in terms of economic security and the ability to engage effectively, and participate actively in decision-making processes that have an impact on one’s livelihood.

**Stages of HDIA**

The HDIA is not only intended to identify and assess impacts but also to facilitate the path towards reform. As such, ownership by the government is crucial, alongside the involvement of representatives from academia, the private sector, and civil society, including vulnerable groups. What follows are four of the key main stages, and their associated steps, of an HDIA:

**Stage 1. Pre-assessment: scoping and mapping**
- **Step 1.1** Identify the trade policy change and the expected trade-related effects.
- **Step 1.2** Identify key stakeholders likely to be affected by the policy change.
- **Step 1.3** Map the linkages between trade policy change and relevant aspects of human development.

**Stage 2. Impact assessment**
- **Step 2.1** Assemble the HDIA team.
- **Step 2.2** Identify consultation process and participatory approaches.
- **Step 2.3** Develop the appropriate qualitative and quantitative indicators.
- **Step 2.4** Identify and implement the appropriate impact assessment tools and techniques.
- **Step 2.5** Finalize a detailed analysis evaluation of impact assessment results.

**Stage 3. Post-assessment**
- **Step 3.1** Hold consultations with stakeholders to disseminate analysis and develop post-assessment measures. This can include a monitoring mechanism in national planning strategies.
- **Step 3.2** Policy dialogues with the aim of re-designing the policy in question.

**Stage 4. Achieving impact**
- **Step 4.1** Obtain buy-in from the government and other stakeholders. The impact analysis is not the goal. It is producing an outcome in sustainable human development.

**REFERENCES**

It is safe to say that discussions around Lebanon’s WTO accession and other trade related issues have not been particularly wide ranging and inclusive and have very much been confined to “experts” and specific interest groups such as industrialists and certain segments of the private sector. Women as an interest group, as economic actors, as producers and as consumers, have been largely excluded from this process. This is especially true for rural women.

Throughout the past decade, CRTD-A and its partners have been working with rural women cooperatives, reaching some forty coops to-date. They are spread across the country and are involved in various forms of agro-processing, production and local marketing of food products. The observations and insights presented in this article draw on this direct experience with rural women cooperatives, and on the direct interaction with rural women producers.

The main concern regarding the impact of trade on rural women producers in Lebanon is related to their socio-economic roles within Lebanese society. Lebanese women tend to be either producers within their own small enterprises (mostly in the form of rural women cooperatives), and as workers in the small and medium sized food processing industry (although they tend to be poorly represented in this sector and mostly concentrated in low-skilled jobs). Most importantly, women’s roles as invisible care workers in the family, or within their communities, or even as the managers of the economy of the family, make them particularly vulnerable to various forms and levels of impact of trade agreements.

As such, an expected and potentially negative impact is foreseen at the level of an increase in the cost of raw material needed for production, coupled with a decreased investment in the already marginalized public services infrastructure. Whilst the former will have a direct impact on the marketability of women’s products, the latter will result in increasing the burden of care on women by placing a higher demand on their already stretched time. Furthermore, the expected entry into the local market of similar Mediterranean food products at competitive prices is also likely to undermine the production and market access of rural women in Lebanon. This is expected to have quite a negative impact, especially given that accessing current and new markets is one of the key challenges that rural women coops face.

Interventions with rural women cooperatives in Lebanon have revealed that for these women to reap the potential benefits of trade, tangible and sustained investment needs to be made in building Lebanese women’s capacities, as well as setting preferential policies and some form of protection which enable them to access and benefit from local markets. As such, the role of the state in putting in place such policies in the immediate and medium term is key to ensure that in the medium and long run, rural women are able to compete at par with other producers. This would follow the approach of supporting infant industries, which is based on globally accepted norms.

Identifying and negotiating ways in which rural women’s economic rights can be safeguarded through promoting their...
**Lebanon's Cooperatives: Left out of Business?**

By Fair Trade Lebanon

In 2004, and following the liberation of southern Lebanon, Fair Trade Lebanon (FTL) headed towards the Bint Jbeil region to identify women’s cooperatives who engage in small-scale production of local products. The head of a cooperative there welcomed us, though surprisingly in a somewhat cold fashion. She asked, “Oh, another of these NGOs here to take pictures of poor people, and then to go about begging for money on their backs?”

Our response was certain, “We will be returning here to your coop, with a purchase order and a cash advance…” Almost six years later, this coop of approximately 15 women has been working with us uninterruptedly, as FTL supports their exports of traditional Lebanese products to Europe.

These efforts fall under the scope of our work to create an economic environment that is fair, reliable, sustainable and respectful of nature. As a non-profit and non-governmental organization, FTL’s mission is built around small producers, women’s cooperatives and small-scale family businesses that are located in disadvantaged areas. The organization fights against rural exodus, poverty and social disintegration, all of which are symptoms of the various crises that have marked both the country and the region.

Lebanese producers, especially those living in rural regions, encounter major difficulties when trying to access overseas export markets, or in meeting quality standards. Indeed, sizable trading companies acting as middle-men have the means to impose and set prices and conditions on smaller-scale suppliers. This restricts Lebanese farmers to gain access to export markets, and traders, consequently, earn the greatest benefit. Moreover, small-scale Lebanese producers have the weaker hand in negotiations, since they are unorganized as a business lobby group.

Small businesses still stand to benefit from increasing sales opportunities by shifting to engage markets (including both clients and other producers) in a systematic way. This entails understanding quality requirements and marketing necessities, and on which basis they can create products that fit the needs and preferences of their target customer.
Fair Trade Lebanon’s goal is, therefore, to help find ways around the middlemen by creating synergies amongst small producers and to place them within closer reach of the final customer. To help small production units reach export markets and trigger sales, FTL has been organizing the complete supply chain for 14 cooperatives. This includes services that range from quality control to product development, marketing, trainings, packaging, labeling, and handling other administrative requirements for export. FTL’s activities have consisted of improving and strengthening the work of small food-processing units located in rural regions in Lebanon to achieve sustainability and to help them meet international quality standards. This is one of the key ways that Lebanese producers can take advantage of development dynamics rising out of international trade.

This model has proven that it can be viable when it takes into account the needs of small producers; ensuring that they are paid fairly, and that their employment and other rights are secured and respected. This is fair trade in practice, a concept which is rooted in an international movement that had set off in the 1960’s with the motto of “trade not aid,” while emphasizing an ethics- and solidarity-based model.

On a national level this represents a win-win situation. By combining the efforts of producers and local farmers, both groups will benefit from increased leverage in trade: raw materials and surplus from farmers are more efficiently used for the process of jams, syrups and other products made by qualified food-processing cooperatives. The cooperatives usually consist of a dozen members who produce in a common unit and later divide their earned revenue amongst themselves. They maintain traditional know-how, can make high end produce, and are generally well-equipped thanks to international funding. Still, cooperatives face major difficulty in finding sales opportunities, which defines the overarching challenge in translating trade into development. By improving and increasing the activities of production cooperatives, they will increasingly absorb the crops of other local farmers. With a commitment to the fair trade ethic, this would help spread greater development dividends.

As an important complementary course of policy, Fair Trade Lebanon recommends the implementation of regulations to help food-processing cooperatives take advantage of preferential tariffs and rules of origin provisions that are otherwise available to Lebanese exporters.

For instance, when exporting to European markets, exporters must complete a EUR-1 form (also known as a Movement Certificate or a type of declaration of origin), wherein they detail the origin and characteristics of their goods. This essentially allows for the EU customs to decide whether the goods in question may be granted preferential rates accorded to them by the Association Agreement signed between Lebanon and the European Union. However, cooperatives are not benefiting from this. To start with, any establishment needing to engage in export (or import) activities must be registered at the Chamber of Commerce and Industry. Usually, commercial entities are eligible; but the procedures are complicated for cooperatives located in remote regions. In fact, prior to receiving EUR-1 document, the Lebanese Customs require a production certificate which is very difficult to obtain in their cases due to administrative barriers.

The main consequence is that the duty exemptions that are intended to spur development at all levels of the Lebanese economy, do not reach the smaller establishments, which represent more than 90% of the Lebanese economy.

This is an unfortunate outcome, since local and rural business opportunities can be an integral part of an effort to fight against unemployment and rural exodus which are increasingly affecting our youth and villages.
The Lebanon Recovery Fund (LRF) was established by the United Nations Development Group (UNDG) following the Stockholm Donors Conference held on August 31, 2006 in support of Lebanon’s recovery after the Israeli July 2006 aggression. The Fund resulted from a request by the Lebanese Government to devise a pooled funding facility that would channel donor resources for the financing of Government-approved priority recovery and reconstruction activities, and which can be executed with the support of United Nations organizations in partnership with governmental and non-governmental organizations.

Contributions to the LRF have so far been made by Sweden, Spain and Romania for an approximate total of USD 46 mil. To date, the LRF Steering Committee has approved a total of 24 projects in various sectors such as industry, agriculture, environment, energy, water management and infrastructure, culture, social and local development. Nine of these projects were successfully completed and the remaining fifteen are still ongoing. A dedicated monitoring and evaluation unit, as well as a coordination office, support the successful and timely implementation of the LRF programme, and work to avoid the duplication of activities. The team regularly reviews narrative and financial reports, frequently conducts field trips, and monitors meetings to follow up on technical and financial activities. LRF also promotes donor visibility throughout its activities. Approved projects are briefly described in Tables (1) and (2).

In August 2008, the LRF Steering Committee decided to expand the scope of the Fund’s efforts in areas affected by the July 2006 war, such that the LRF can now also address national development priorities, with emphasis on economic development, income-generating activities and improving livelihoods. In this respect, a conference was held in September 2010 at the Grand Serail. Representatives of United Nations implementing organizations and their government counterparts were in attendance. The objectives of this meeting were to brief current and potential donors on the achievements of LRF projects, as well as to discuss the Fund’s future outlook.

The attractiveness of the LRF framework lies in its flexible and efficient structure, allowing both governmental and non-governmental organizations to cooperate and coordinate efforts while benefiting from the United Nations expertise and existing auditing mechanisms. With these characteristics, the LRF is now regarded as both a framework and intermediary to implement and finance future national priorities through “new window” or “sub-window” projects.

New window projects consist of new LRF initiatives targeting the following sectors: disaster management, environment, social, culture and national heritage, governance, agriculture and industry. These areas of intervention were identified in the current government’s Ministerial Declaration. Sub-window projects are those with separate financing sources outside the LRF, but are implemented through the existing management mechanism. Current sub-windows include waste management of oil spills and peace-building activities.

LRF-supported projects are complementary to trade policy objectives. For example, increasing market access for Lebanese products is being pursued at the policy level through the completion of Lebanon’s accession to the World Trade Organization, as well as the signing of free trade agreements with strategic bilateral and regional trade partners. To complement these aims, LRF support currently includes the agro-industry field, with emphasis on boosting product quality, which is increasingly a significant factor affecting market access (See TDN Issue no.4).

For example, LRF approved two phases of the project, “Support for Livelihoods and Economic Recovery in War-Affected Areas of Lebanon,” with support from the Spanish Government. The project has been implemented by the United Nations Industrial Development Organization (UNIDO), in collaboration with the Ministry of Industry.

The project has aimed to assist in the restoration of economic activity within micro, small and medium sized agro-industries located in southern Lebanon, the Bekaa Valley and in the southern suburbs of Beirut. These enterprises operate within the food and beverage, olive oil, textile, leather and wood works sectors. LRF support provided rehabilitation works and the supply of essential equipment to restart operations, while UNIDO experts delivered technical assistance on occupational health and safety management system requirements (ISO 1825). This in turn has led to the adoption of better manufacturing practices, and is expected to be reflected in the quality of products.
Development Showcase

Additional examples include the financing of two projects to strengthen the quality and competitiveness of dairy production in the Bekaa Valley, Hermel-Akkar Uplands and northern Lebanon. These projects have been implemented by the UN-Food and Agriculture Organization (FAO) and the UNDP in collaboration with the Ministry of Agriculture. Achievements included the creation of dairy farms through facilitating access to micro-credit programs, the installation of a pilot dairy processing unit, as well as training sessions for dairy farmers.

### LEBANON RECOVERY FUND PROJECTS - ONGOING

<table>
<thead>
<tr>
<th>Date of Approval</th>
<th>Participating UN Organization</th>
<th>Government/NGO Counterparts</th>
<th>Project Name</th>
<th>Approved Budget</th>
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<td>7-May-07</td>
<td>UNDP</td>
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<td>5-Nov-07</td>
<td>FAO</td>
<td>Ministry of Energy and Water</td>
<td>Forest Fires Management – Forest Fires Prevention, Forest Fires Fighting (Control) and Damaged Forests Assessment and Rehabilitation</td>
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<td>UNDP</td>
<td>Ministry of Energy and Water</td>
<td>Recovery Coordination Support in Lebanon</td>
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<td>26-Mar-09</td>
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<td>Ministry of Industry</td>
<td>Support for Livelihoods and Economic Recovery in War-Affected Areas of Lebanon (Phase II)</td>
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<td>15-Apr-09</td>
<td>FAO</td>
<td>Ministry of Agriculture</td>
<td>Recovery and Rehabilitation of Dairy Sector in Bekaa Valley and Hermel-Akkar Uplands</td>
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<td>15-Apr-09</td>
<td>ILO</td>
<td>Ministry of Labor</td>
<td>Supporting Local Socio-Economic Development in War-Affected Areas of South Lebanon (Phase II)</td>
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<td>Hydro Agricultural Development for Marjayoun Area</td>
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<td>13-Aug-09</td>
<td>UNDP</td>
<td>Presidency of the council of ministers</td>
<td>Early Recovery of Nahr el Bared Surrounding Lebanese Communities Affected by 2006 and 2007 Conflicts</td>
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<td>15-Dec-09</td>
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<td>Ministry of Economy and Trade</td>
<td>Monitoring &amp; Evaluation Team for the LRF</td>
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Table 1 - On going LRF projects
**Development Showcase**

**LEBANON RECOVERY FUND PROJECTS - COMPLETED**

<table>
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<tr>
<th>Date of Approval</th>
<th>Participating UN Organization</th>
<th>Government/NGO Counterparts</th>
<th>Project Name</th>
<th>Approved Budget</th>
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<td>Ministry of Culture</td>
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<td>Ministry of Social Affairs</td>
<td>Increased Integration of the Poor Disabled</td>
<td>$1,400,000</td>
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<tr>
<td>5-Nov-07</td>
<td>UNDP</td>
<td>Renee Maawad Foundation</td>
<td>Strengthening the Dairy Production Channel in North Lebanon</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>5-Nov-07</td>
<td>UNDP</td>
<td>Hariri Foundation</td>
<td>Socio-economic Rehabilitation and Recovery of War-affected Beirut and its Suburbs</td>
<td>$996,919</td>
</tr>
</tbody>
</table>

For further information, please visit [http://mdtf.undp.org/factsheet/fund/LRF00](http://mdtf.undp.org/factsheet/fund/LRF00).

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**Corrections**

The WHO Unit received a letter from the Ministry of Economy and Trade’s Consumer Protection Directorate on 22/10/2010 regarding an article in TDN Issue 4, with the following claim:

…The Trade and Development Newsletter - September 2010, Page 11-published an article titled, “LIBNOR at Work: Lebanese Bread” in the Sector Reports section stating the following: “LIBNOR was recently working on setting a standard for Lebanese bread. The institution received a request demanding that a standard on Lebanese bread be issued for there were numerous violations and disputes arising from the absence of such standard. The bakeries had no standard to follow and there were no restrictions or regulations to monitor their production... They were filing lawsuits against each other and the judicial system had no technical specifications, i.e. a standard, on which to base their judgment.”

The Consumer Protection Directorate in the Lebanese Ministry of Economy and Trade would like to clarify that the standard for bread is a compulsory one that was adopted in 2002 as per decree number 35/74 dated 17/05/2002 and titled “Lebanese Arabic Bread 2002-240”. The Consumer Production Directorate has been monitoring the bakeries and collecting samples for laboratory tests. Test results that are found to be in compliance with the standard are considered to be in violation of the law, with violating bakeries referred to the competent court. A study was conducted recently in order to examine the possibility of updating the standard and amending some of its components.

It was stated in the same article that, “Following the two-month period, LIBNOR’s Board of Directors reviewed the proposed draft and approved this as a Lebanese standard under the number NL 240 “Lebanese Bread”. Bakeries have now a reference document (NL 240) to turn to for safe and regulated bread.”

The Consumer Protection Directorate would also like to clarify that the LIBNOR Board of Directors has not yet approved the updated version because of the remarks and suggestions submitted by some parties. In fact, the NL 240 standard has been the reference standard for producing safe bread and on which monitoring activities have been based since 2002.

The Lebanese Standards Institution, LIBNOR, as the author of the article in question, replied with the following clarifying letter on 10/3/2011:
MoET Updates

MoET Activities in 2010 Indicative of its Commitment to Reform

In addition to the Ministry of Economy and Trade’s quest to accede to the WTO, the MoET has also been involved in trade related activities on various levels. It has implemented projects, signed trade agreements, and proposed and enacted regulations. All activities contribute to improving Lebanon’s business environment. What follows are brief summaries of the MoET’s accomplishments in 2010. For additional information, readers may wish to consult the Ministry’s website: [www.economy.gov.lb](http://www.economy.gov.lb)

Support to SME’s

The SME Unit is committed to promoting economic reforms and has been implementing initiatives to improve the business environment and prepare SMEs to reach international markets through various activities. In 2010, the SME Support Unit, along with other stakeholders, facilitated the final phases of obtaining the second round of EU funding for the program titled, “Reinforcement of the Private Sector Competitiveness in Lebanon.” The program aims at increasing the competitiveness of the Lebanese economy by supporting the following priority actions:

- Improvement of the business environment and promoting the capacity of the private sector to grow and develop.
- Assistance to a network of business development centers (BDC’s) to reinforce their capacity to support and incubate enterprises and start-ups.
- Establishment of Kafalat’s Seed Capital Guarantee Scheme.

The SME Support Unit has also been involved in monitoring and evaluation of its key partners, while also embarking upon awareness raising activities.

Protection of Intellectual Property

Intellectual property has become a significant instrument for economic development in economies that are built on innovation and creativity. Following the enforcement of intellectual property protection laws in Lebanon, MoET, along with other relevant ministries and departments, is shaping practical strategies to combat counterfeiting and piracy, which aim to protect consumers and public health and to encourage national production. In sum, the Intellectual Property Protection Office’s activity in 2010 amounted in the following registrations:

- 6,800 trademarks;
- 345 patents;
- 111 registered fees and industrial designs;
- 193 copyrights; and,
- 205 registered intellectual and artistic works.

Trade Remedies

In 2010, the Trade Remedies Investigative Authority (TRIA), in close collaboration with its technical arm the Trade Remedies Unit (TRU), was active in reviewing and investigating four petitions from Lebanese industries that are claiming injury due to surges in imported products. Petitions normally go through the following general stages:

1. Preliminary Review
2. Case Initiation
3. Preliminary Determination
4. Final Determination

Two petitions reached the stage of Final Determination. Meanwhile two other petitions were initiated, one of which is now beyond the preliminary determination stage.

…Pursuant to the letter submitted by the Consumer Protection Directorate (CPD) on correcting the information published in the section of the newsletter on LIBNOR concerning the standards on Lebanese bread, we wish to inform you of the following:

The information published in the aforementioned article is correct with regards to the mechanism upon which LIBNOR has relied to set the standard for Lebanese bread. The paragraph in question was meant to provide an example of a success story for LIBNOR in setting a standard that is necessary for the protection of the Lebanese consumer. However, the mechanism was not implemented “recently” but was adopted in the year 2000 to initiate the establishment of a technical committee mandated with preparing the standard for bread.

The information presented in the CPD letter is accurate as LIBNOR had issued a bread standard in 2002 (NL240). This standard is compulsory as stipulated in Decree number 13066 dated 5/8/2004 (rather than decree number 35/74 dated 17/5/2002) and is currently under revision.

Therefore, The Lebanese Standards Institution wishes to thank the Consumer Protection Directorate at the Ministry of Economy and Trade for the note that helped clarify the meaning to the reader.

It is also noteworthy that the use of the term “recently” in the article was responsible for the altered meaning. The paragraph in question was meant to provide an example of a standard that was issued by the Institution and, which led to a positive impact in protecting the Lebanese consumer. Hence it is recommended that the word “recently” is deleted from the sentence.
WTO Accession and Trade

In 2010, the WTO Unit continued to be involved in the revision of the offers being negotiated with its trading partners so that they were more favorable for both parties. In terms of legal enactments, the following are expected in 2011:

<table>
<thead>
<tr>
<th>Law</th>
<th>WTO Agreement</th>
<th>Status</th>
<th>Expected Date of Enactment</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Trade and Licensing Law</td>
<td>Agreement on Import Licensing Procedures</td>
<td>Currently pending approval by final Parliamentary Committee (Administration and Justice) before being sent to the General Assembly for ratification.</td>
<td>December 2011</td>
</tr>
<tr>
<td>General Food Law</td>
<td>Agreement on SPS</td>
<td>Draft Law was approved by Council of Ministers in June 2006, and was transferred to Parliamentary Committees.</td>
<td>December 2011</td>
</tr>
<tr>
<td>Law on Animal Quarantine</td>
<td>Agreement on SPS</td>
<td>Law approved by the Agriculture Parliamentary Committee, November 2003.</td>
<td>December 2011</td>
</tr>
<tr>
<td>Removal of NSSF Certificate requirement for importing/exporting activity of established traders</td>
<td>None</td>
<td>Draft decree cancels Article 65.2 of NSSF Decree 13955, dated 26/9/1963 and removes the requirement to produce the clearance certificate from NSSF for import/export activity is currently in Parliament.</td>
<td>December 2011</td>
</tr>
<tr>
<td>Amendments to the Budget Law to unify/transform ad valorem fees for services rendered</td>
<td>Article VIII of the GATT</td>
<td>Approved by Minister of Finance (Letter 2106, dated 12 November 2005). Table 9 of draft 2008 Budget law has been amended cancelling import license fees. The 2008 Budget Law was approved by Council of Ministers in October 2007 and sent to Parliament for ratification.</td>
<td>December 2011</td>
</tr>
<tr>
<td>Competition Law</td>
<td>None</td>
<td>Draft approved by the Council of Ministers and sent to Parliament in October 2009.</td>
<td>December 2011</td>
</tr>
</tbody>
</table>

IPR legislation to modernize Law No. 2385/24 “Laws and Systems of Commercial and Industrial Property”.

<table>
<thead>
<tr>
<th>Law</th>
<th>WTO Agreement</th>
<th>Status</th>
<th>Expected Date of Enactment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law on Trademarks</td>
<td>TRIPS</td>
<td>Draft Law was approved by the Council of Ministers and sent to Parliament, October 2007.</td>
<td>December 2011</td>
</tr>
<tr>
<td>Law on Geographical Indications</td>
<td>TRIPS</td>
<td>Draft Law was approved by the Council of Ministers and sent to Parliament, May 2007.</td>
<td>December 2011</td>
</tr>
<tr>
<td>Law on Unfair Competition</td>
<td>TRIPS</td>
<td>Draft Law was sent in March 2006 to the Ministry of Public Health for completion and comments.</td>
<td>December 2011</td>
</tr>
<tr>
<td>Law on Industrial Designs</td>
<td>TRIPS</td>
<td>Draft Law was approved by the Council of Ministers and sent to Parliament, October 2007.</td>
<td>December 2011</td>
</tr>
</tbody>
</table>

The MoET was also entrusted with the following tasks related to trade negotiations:

- Signing the Economic Integration Agreement for the establishment of a Quadripartite High Level Corporation Council (HLCC) between Lebanon, Turkey, Jordan and Syria. The HLCC will be based on the existing bilateral agreements and practices on free trade and visa exemption and also seek to increase and diversify investments among the four countries through joint projects and in a variety of fields, such as transportation and energy.

- Following up on the work of the joint commissions arising from the trade and economic agreements in the year 2009 (Iran, Turkey, Syria, Brazil, Mexico, Switzerland, Germany, Italy, Canada, Ukraine, Bulgaria, Russian Bloc).

- Finalized and signed in October 2010 the Association Free Trade Agreement with Turkey, which aims to increase bilateral trade and expand private sector cooperation between the two countries.

- Following up on the initiation of the trade negotiations with MERCOSUR- the economic and political agreement between Brazil, Argentina, Uruguay, Paraguay.

- Following up on all the matters related to the Neighborhood Policy Action Plan, emanating from the partnership agreement with the European Union.

- Following up on activities and programs related to trade facilitation and export development with local, regional and international organizations: National Committee to facilitate transport and trade, European Union, World Bank, ESCWA, and the concerned United Nations organizations.